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இலங்கை சிவில் விமானப் போக்குவரத்து அதிகார சபை  
Civil Aviation Authority of Sri Lanka

"නිරවද්‍යතාවය මුල්වන"  
"பாதுகாப்பு முதலிடம்"  
"Safety First"

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මගේ අංකය :  
எமது இல. :  
My Ref. No. : **AT/13/01/04**

දිනය :  
திகதி :  
Date : **1st Sept 2004**

To all online operators to Sri Lanka.  
(Please See Distribution List)

Dear Sir/Madam

**Representation of Online Airlines in Sri Lanka**

The Civil Aviation Authority of Sri Lanka at its 13<sup>th</sup> meeting held on the 7<sup>th</sup> of July 2004, resolved that every online Airline operating passenger or cargo services into or out of Sri Lanka shall appoint a local General Sales Agent (GSA) who shall be accountable to the Civil Aviation Authority of Sri Lanka in regard to overall matters connected with or incidental to such operations of the Airline Concerned. However, as an alternative an online carrier can operate to Sri Lanka, by incorporating a company (Subject to the applicable conditions) in Sri Lanka, as per the applicable rules & procedures stipulated by the Registrar of Companies, Controller of Exchange and Central Bank of Sri Lanka.

All conditions applicable are contained in the document annexed herewith. These conditions shall be adhered by all online Airlines by 30<sup>th</sup> November 2004.

Yours faithfully,

H.M.C. Nimal Siri  
Director General of Civil Aviation/  
Chief Executive Officer

Cc. Secretary, Ministry of Ports & Aviation  
Chairman, Civil Aviation Authority of Sri Lanka.

Conditions applicable to online operators to Sri Lanka as per the Civil Aviation Authority of Sri Lanka resolution dated 7<sup>th</sup> July 2004.

These conditions will apply to all Scheduled and Charter operators to Sri Lanka irrespective of whether they operate passenger or cargo flights.

All online operators to Sri Lanka will be permitted to operate to Sri Lanka either through a locally registered General Sales Agent (hereinafter referred to as 'GSA') or by the Airline Incorporating a limited liability company in Sri Lanka.

The Conditions applicable are as follows under the two respective heads.

A) Airlines hoping to operate through a Locally Registered GSA.

1. Airlines operating online to Sri Lanka, choosing this option shall appoint a General Sales Agent who shall be accountable to the Civil Aviation Authority (hereinafter referred to as "CAA") in regard to the overall matters connected with or incidental to their operations in Sri Lanka.
2. This requirement will apply to both Scheduled and Charter Operations irrespective of whether the Airline's operation is Passenger, Freight or a Combination operation of Cargo and Passenger.
3. In the event the Airline's operation consists of more than one type of commercial operation, i.e. in a combination operation and different GSAs have been appointed to shoulder the responsibility of cargo and passenger, the Airline shall inform the CAA as to which company would be responsible for the Airline's Overall Operations in Sri Lanka.
4. The GSA appointed for the overall operations of the Airline in Sri Lanka shall give a written assurance to the CAA that it will assume full responsibility in regard to any matter connected with or incidental to the operation of the airline which it represents including settlement of any possible liabilities, liens etc.. either to the Government of Sri Lanka or any member of the public.
5. The GSA appointed for passenger operations shall furnish a Bank Guarantee in favour of the CAA, to cover the sum that will be payable to the Government of Sri Lanka for the likely amount to be collected by the Airline from passengers for a period of two weeks as embarkation levy.
6. In any event every GSA responsible for the different functions (as referred to in 3 above) shall hold a valid Air Transportation license issued by the

Director General of Civil Aviation under the Air Navigation (Special Provisions) Act No 55 of 1992 and regulations made there under.

7. The Airline shall expressly inform the CAA, the name, designation and contact details of the contact person with whom the CAA will liaise in all matters with regard to the Airline's overall Operation to Sri Lanka. The person so named should be an employee of the GSA. Any changes in this regard should be informed to the CAA forthwith.
8. However, the Airline is free to appoint as country manager a person of its choice.
9. The Airline will be permitted to directly employ Sri Lankans for their operations in Sri Lanka and such employment shall be in accordance with the existing Sri Lankan laws and regulations and shall be atleast at the minimum on par with the current industry rates of remuneration.
10. The Airline will inform the CAA at least 30 days before it changes a GSA, if the Airline is to be permitted to continuously operate and a fresh Bank Guarantee should be organised.

B) Airlines hoping to operate to Sri Lanka by incorporating a local company.

This alternative option is available to Airlines if they wish to operate directly into Sri Lanka without the services of a GSA.

1. An Online Airline can operate to Sri Lanka by incorporating a limited liability company in Sri Lanka in accordance with the applicable rules and procedures of the Registrar of Companies, Controller of Exchange and Central Bank.
2. The incorporated company shall have a paid-up capital of not less than Rs 500, 000/-.
3. A Bank Guarantee in favour of the Civil Aviation Authority of Sri Lanka shall be furnished by the Incorporated Company to the projected value of embarkation Levy that the Airline will collect for a period of two weeks.
4. This incorporated company should obtain an Air Transportation license issued by the Director General of Civil Aviation under the Air Navigation (Special Provisions) Act No 55 of 1992 and regulations made there under.

5. An Airline using this option, shall expressly inform the CAA, the name, designation and contact details of the contact person with whom the CAA will liaise in all matters with regard to the Airline's overall operation to Sri Lanka, the person so named should be a Director of the incorporated company.
6. The Director of the Incorporated Company mentioned in the preceding condition (Condition 5) shall give a written assurance to the CAA that the Incorporated Company will assume full responsibility in regard to any matter connected with or incidental to the operation of the Airline, including settlement of any possible liabilities either to the Government of Sri Lanka or any member of the public.

The above conditions will not apply to offline carriers.



Director General of Civil Aviation/  
Chief Executive Officer.

1st September 2004