

**Background Note on the Processing of Applications by  
the Air Transport Licensing Authority**

The framework for licensing of air services is provided by the Air Transport (Licensing of Air Services) Regulations. This is a set of regulations made under Section 13 of the Civil Aviation Ordinance (Cap. 448).

2. Hong Kong airlines which would like to operate scheduled services to and from Hong Kong are required to apply for a licence from the Air Transport Licensing Authority (ATLA). Foreign airlines wishing to operate scheduled services to and from Hong Kong need to apply for an operating permit from the Director-General of Civil Aviation (DGCA). Any airlines, whether Hong Kong or foreign, wishing to operate non-scheduled services to and from Hong Kong need to obtain a permit from DGCA.

3. ATLA is an independent statutory body established under Regulation 4 of the Air Transport (Licensing of Air Services) Regulations. The Regulation states that ATLA shall have at least 3 members who should be appointed by the Chief Executive to hold office for such term as the Chief Executive shall at the time of appointment determine; and that a Chairman shall be nominated from among them by the Chief Executive. The Chairman is traditionally a judge. The Authority is served by a Secretariat in the Economic Development and Labour Bureau.

4. The policy of ATLA in considering a licence application is set down in Regulation 11. In broad terms, the Authority shall have regard to the co-ordination and development of air services generally with the objective of ensuring the most effective service to the public while avoiding uneconomical overlapping and generally to the interests of the public.

5. If a Hong Kong airline wishes to start scheduled services from Hong Kong to some points outside Hong Kong, it should first submit an application to ATLA. Once such an application is received, the ATLA Secretariat will send it to DGCA for endorsement with regard to the technical competence of the applicant to serve the route applied for. After endorsement by DGCA, the application will be gazetted and the public will be invited to submit any objections or representations to the application to the ATLA Secretariat within 14 days of gazettal of the application.

6. If an objection is received, the ATLA Secretariat will put it to the Chief Executive to determine whether it should be considered valid or not. If the objection is considered valid, the Authority may hold an inquiry to consider the case. The inquiry may be held in public or in private depending on the applicant's or the objector's wishes. In the past, these inquiries were mainly held in public.

7. Once a date for the inquiry has been set, relevant documentation, including

a written submission from the applicant, a rebuttal from the objector and other input as required by Regulation 11 (such as demand for air transport on the route applied for, the existence of other air services, etc.) will be submitted to ATLA through the Secretariat. The inquiry is held in a manner which resembles civil proceedings, whereby each side submits its case and calls on witnesses. The ATLA then adjourns to make a decision.

8. If there are no representations or objections raised against a licence application, ATLA considers the case by circulation of papers.

9. In both contested and uncontested cases, ATLA's decision on a licence application will be gazetted for public information.

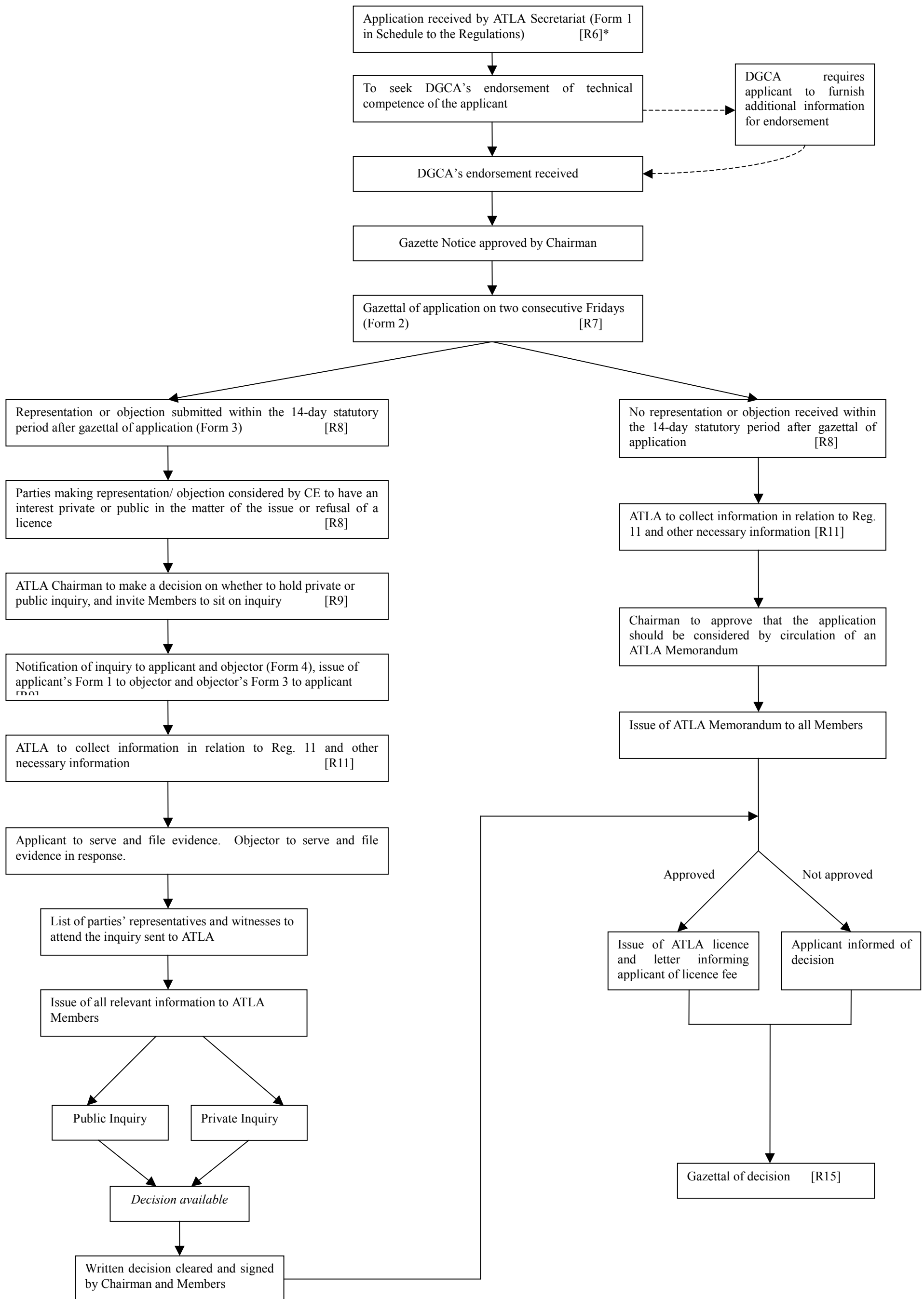
10. A licence to be granted will be in accordance with such conditions as determined by ATLA. The terms of a typical licence usually include:

- the route of the scheduled service approved;
- limitations on the frequency of service, if any;
- the requirement to comply with the provisions of the Air Transport (Licensing of Air Services) Regulations;
- the journeys undertaken must be in compliance with the relevant air services arrangements;
- provision on the tariffs to be charged;
- provision for the timetables to be approved by the aeronautical authorities; and
- a provision for licence to lapse if the licence holder goes into receivership, winding up or liquidation or enter into any composition with its creditors.

The term of the licence issued is normally 5 years, the maximum period for which ATLA may issue a licence.

11. A flowchart showing the procedures for processing an ATLA application is at Annex for easy reference.

Flowchart showing the procedures for processing an ATLA application



\* [ ] denotes the relevant section under the Air Transport (Licensing of Air Services) Regulations (Cap. 448 sub. leg. A)