

Nepal Civil Aviation Act, 2073 (2017)

Submitted by a Task Force

formed to revise

the draft of the Nepal Civil Aviation Act, 2071 (2015)

Revised Draft



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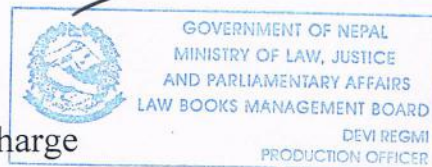
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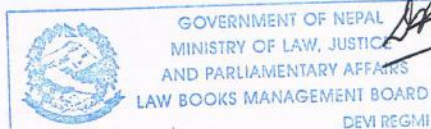
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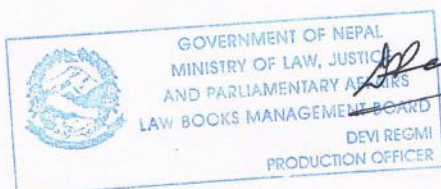


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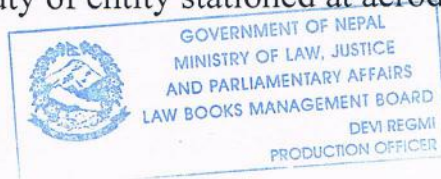
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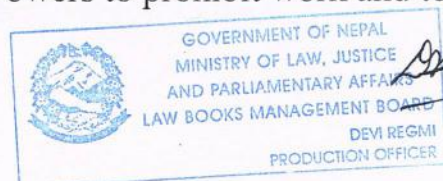
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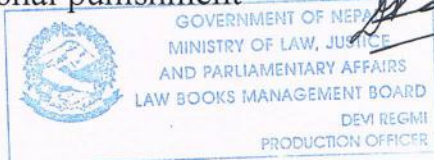


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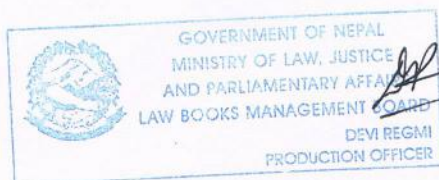


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Nepal Civil Aviation Act, 2073 (2017)

An Act made to provide for regulation and control of civil aviation

Preamble: Whereas, it is expedient to create conducive environment for the proper development of air transport to attain optimum benefit to the country by making civil aviation safe, secured, regular and systematic, to carry out international obligations related to civil aviation and to consolidate the existing laws on civil aviation;

Now, therefore, be this Act enacted by the Legislature Parliament in accordance with clause (1) of Article 296 of the Constitution of Nepal.

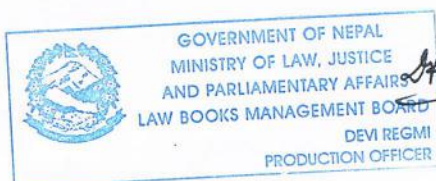
Chapter – 1

Preliminary

1. **Short title, extent and commencement:** (1) This Act may be cited as "Civil Aviation Act, 2073 (2017)".

(2) This Act shall extend throughout Nepal and it shall apply also to the following aircraft, organization and person wherever they may be:

- (a) Nepali citizen,
- (b) Aircraft registered in Nepal and person on board the aircraft,
- (c) Aircraft registered in other state whilst remaining in the territory of Nepal or its air space or in the circumstance



where aircraft registering state delegated such aircraft related function and duties to Nepal,

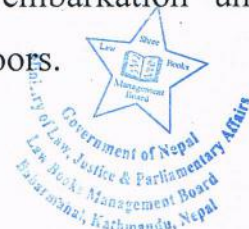
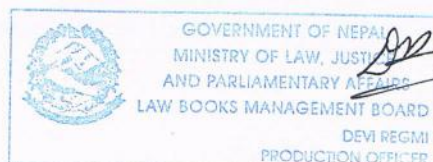
- (d) Airline operating agency and other aviation service operation entity having obtained certificate from Nepal,
- (e) Person holding certificate issued or recognized under this Act wherever s/he may be.

(3) This Act shall not apply to a military aircraft.

(4) This Act shall come into force from such date as the Government of Nepal may, by notification published in the Nepal Gazette, appoint.

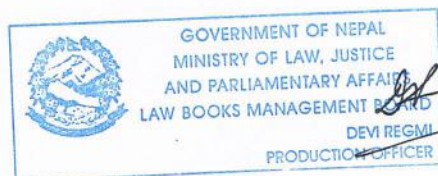
2. **Definition:** Unless the subject or context otherwise requires, in this Act,-

- (a) "Chairperson" means the Chairperson of the Board of Directors of the Authority.
- (b) "ICAO" means the International Civil Aviation Organization formed under the Convention on International Civil Aviation.
- (c) "Member State" means the Member State of ICAO.
- (d) "Certificate of Airworthiness" means the certificate that certifies aviation equipment meeting requirement as specified for worthiness to operate flight.
- (e) "Aircraft in flight" means a condition of an aircraft where all doors are closed after embarkation until disembarkation after opening of all doors.



- (f) "Flight Safety" means the situation free from inadmissible danger of injury a person may sustain or damage to aircraft and goods.
- (g) "Aircraft in Service" means the aircraft which is kept under surveillance to prevent unauthorized entry and has come to rest.
- (h) "Air Navigation Service" means services provided to the air traffic during all phases of operations including air traffic management, communication, navigation and surveillance, meteorological services for air navigation, search and rescue and aeronautical information services.
- (i) "Prescribed or as prescribed" means prescribed or as prescribed in the Rules framed under this Act.
- (j) "Entity relating to Civil Aviation" means the Governmental as well as Non-governmental Organizations involved in the activities relating to civil aviation.
- (k) "Authority" means the Civil Aviation Authority of Nepal established pursuant to Section 20.
- (l) "Ministry" means the Ministry of Culture, Tourism and Civil Aviation.
- (m) "Aircraft" means any machine, plane or equipment which can derive support in the atmosphere from reactions of the air, and this term also includes balloons, whether fixed in the land or unfixed, airships, gliders and other such type of flying machines.

- (n) "Airlines" means any company, firm or person established with the objective of operating air transport upon assuming responsibility for transport of passengers, mails or goods.
- (o) "Air operator certificate" means the authorized certificate issued by the Authority to carry out specific commercial air transport operations.
- (p) "Aerodrome" means the defined area in ground or water (any building, structure, or equipment, if any) intended to be used either wholly or in part, for the landing, taking off and run way of aircraft. This term also includes heliport for helicopter.
- (q) "Board" means the Board of Directors of the Authority established pursuant to Section 22.
- (r) "Service Provider Entity" means the the entity which is within the ambit of regulation of the Authority and established to provide service or facilities on civil aviation.
- (s) "Aviation Security" means the combination of measures undertaken and human and material resources around with of safeguarding civil aviation against acts of unlawful interference.



Chapter – 2

Sovereignty over air space and use

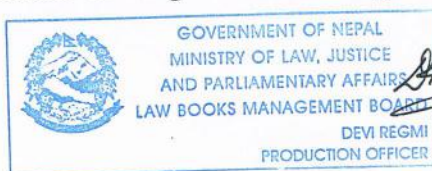
3. **Sovereignty over air space**: The State of Nepal shall have complete and perpetual sovereignty over the air space of Nepal.
4. **Use of air space**: Use of air space shall be made fully as provided for in this Act and the Rules framed under this Act.
5. **Right of non-scheduled flights**: Facilities to fly over the air space of Nepal and land in any aerodrome of Nepal for non-commercial purpose shall be granted to the non-scheduled flights of the Member States subject to prior approval.
6. **Scheduled flights**: (1) If a foreign airlines company is to make scheduled flights in Nepal, an Air Services Agreement or Understanding between Nepal and a State having registered such airlines company must be concluded.

(2) Other provisions on the scheduled flights to be made in Nepal by an international airlines shall be as set forth in the Air Services Agreement or Understanding.

7. **Prohibited and restricted air space**: (1) The Government of Nepal may specify any defined air space of the country as the prohibited air space and fully prohibit for flying over.

(2) While specifying prohibited air space pursuant to subsection (1), a notification shall be published in the Nepal Gazette.

(3) The Government of Nepal may specify a defined air space of the country as the restricted air space in the special situation and make arrangement for flights therein as prescribed.



(4) The concerned party must be informed through aeronautical information publication as per necessity with regards to prohibited air space under sub-section (3).

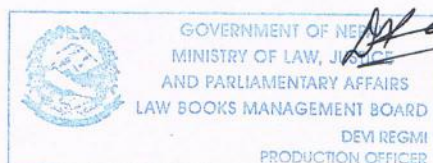
8. **Encroachment of air space and prohibition on unauthorized use of aircraft:** (1) No aircraft shall enter the air space of Nepal without authorization or make flights in the prohibited area or operate aircraft over the air space of Nepal in a manner inconsistent with the objective of this Act.

(2) If an aircraft is found flying inconsistent with sub-section (1), such an aircraft may be ordered to leave the air space of Nepal or prohibited area immediately or to land on an aerodrome of Nepal or other appropriate order or direction may be issued to end such violation.

(3) While intercepting the aircraft to execute order or directions issued pursuant to sub-section (2), neither weapons shall be used against a flying aircraft nor shall lives of the passengers on board and safety of the aircraft be placed in peril.

(4) If it is necessary to intercept the aircraft in order to end the violation of air space by the aircraft as referred to in sub-section (2), the measures relating thereto shall be as prescribed.

(5) An aircraft registered in Nepal or operated by an aircraft owner whose principal place of business is in Nepal or whose permanent abode is in Nepal must comply with the interception order issued by the concerned authority of a foreign country while flying in the air space of that country.



Chapter – 3

Provision on air service industry

9. **Provision on license:** (1) The Ministry shall issue license to an appropriate organization to incorporate and operate service provider entity relating to aviation or to operate air service upon being registered in Nepal or upon having principal place of business in Nepal.

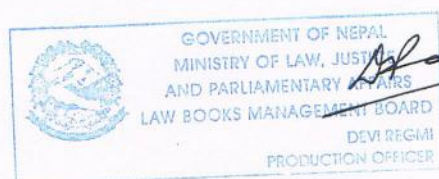
(2) While issuing license pursuant to sub-section (1), evaluation must be made as to whether such organization is appropriate from the viewpoint of financial aspect, managerial competency and public order.

(3) Other provisions on license shall be as prescribed.

10. **Ownership and capital:** (1) The Government of Nepal shall determine ceiling of capital and framework of ownership necessary for the organization to be incorporated pursuant to Section 9 of the Act.

(2) The organization to be incorporated pursuant to Section 9 of the Act must make public the statement on foreign investment or ownership of foreign share.

(3) The Government of Nepal may determine controlling powers to be exercised by foreigner with respect to the organization to be incorporated pursuant to Section 9 of the Act.



11. **Provision on insurance:** (1) The airlines company to be operated upon being incorporated in Nepal shall have to take out insurance covering the passengers and third party liabilities as well, as specified by the Government of Nepal.

(2) The foreign airlines company must fulfill the insurance related liabilities as specified which are considered necessary for the operation of airlines pursuant to the international treaties ratified at least by Nepal.

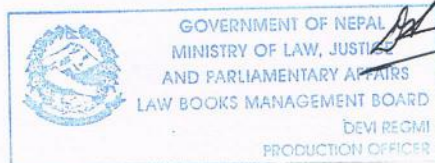
12. **Determination of air fare and other charge:** (1) The Ministry shall have the powers to determine air fare and fee, tariff, royalty and such other similar charges to be collected by the service provider entity relating to the civil aviation.

(2) Notwithstanding anything contained in sub-section (1), in the case of the flight under the bilateral air agreement, air fare and other charge shall be as specified for in the agreement.

13. **Rights of air passengers:** (1) The airlines company must transparently make public the term and conditions, facilities of the journey and the rates of air fare for the information of the passengers.

(2) The air passengers may exercise their rights as specified if they are deprived of using flight due to cancellation, delay of flights or due to airlines.

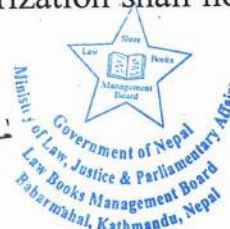
(3) Other provisions with respect to the rights of air passengers shall be as prescribed.



Chapter – 4

Provision on operation of aircraft

14. **Air operator certificate**: No one shall commercially operate aircraft in Nepal without having obtained the air operator certificate from the Authority.
15. **Aviation business operation certificate**: No one shall manufacture or repair, sell and distribute aircraft or its spare parts, provide training on aviation or operate any other business relating to aviation without having obtained the operation certificate from the Authority.
16. **Registration and nationality of aircraft**: (1) An aircraft not registered in Nepal or in any Member State must not be operated in the State of Nepal.
- (2) The nationality of aircraft belongs to that state where it is registered.
- (3) An aircraft registered in any other country shall not be registered in Nepal. However, the aircraft whose registration is rescinded in other country may be registered in Nepal.
- (4) National mark and registration number emblem and registration number must be clearly marked in a manner conspicuous to all as prescribed on the aircraft to be operated in Nepal.
17. **Air worthiness of aircraft**: (1) An aircraft without having obtained air worthiness certificate or flight authorization shall not be operated in Nepal.



(2) Nepal shall issue the air worthiness certificate for the aircraft registered in Nepal.

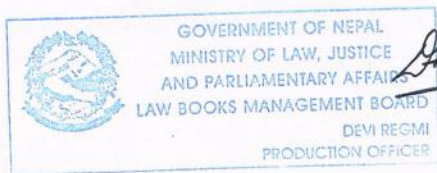
18. **Documents to be possessed:** The aircraft registered in Nepal or operated by the Nepali airlines company in lease shall not make flight without carrying following documents:

- (a) Certificate of aircraft registration,
- (b) Certificate of air worthiness,
- (c) Individual licenses for each member of the crew on board,
- (d) Journey log book of aircraft,
- (e) Radio station license if the aircraft is equipped with radio apparatus,
- (f) A list of names, nationalities and places of embarkation and disembarkation of each passenger on board if the aircraft carries passengers,
- (g) A manifest and detailed declaration of the cargo if aircraft carries cargo.

19. **Powers and duties of pilot in command:** (1) The pilot in command must make flight after being satisfied that the flight being made is safe from every aspect.

(2) All persons on board shall comply with orders of the pilot in command during the flight.

(3) The pilot in command shall have the powers to take measures necessary for the flight safety of aircraft in flight.



20. **Prohibition on flying aircraft in a dangerous way:** No one shall fly aircraft in a manner that safety of an aircraft or persons on board the aircraft or persons on ground or physical infrastructure or property of any one may be placed in peril or exposed to risk.
21. **Prohibition on flying of pilotless aircraft without authorization:** No one shall fly, or cause to be flown, a pilotless aircraft over the air space of Nepal without having obtained authorization as prescribed.



Chapter – 5

Provision on Civil Aviation Authority

22. **Civil Aviation Authority of Nepal:** (1) There shall be a Civil Aviation Authority of Nepal to act as a regulatory body for the oversight of aviation safety, security and organizations related to civil aviation.

(2) The Authority shall be called as Civil Aviation Authority of Nepal in English and C.A.A. Nepal in short.

(3) The Authority shall be an autonomous and body corporate with perpetual succession.

(4) The Authority shall have its separate seal for its business.

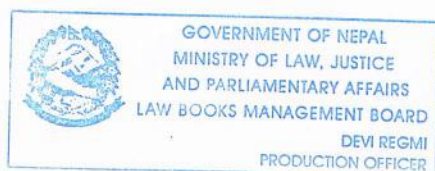
(5) The Authority as a person may acquire, use or sell movable and immovable property or dispose it in any other manner.

(6) The Authority as person may sue in its name or be sued upon in the same name.

(7) The head office of the Authority shall be based in Kathmandu.

23. **Functions, duties and powers of Authority:** (1) The Authority shall have the following functions, duties and powers in addition to the functions, duties and powers as mentioned anywhere else in this Act:

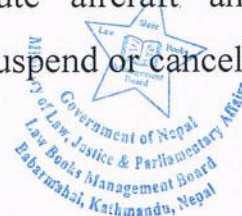
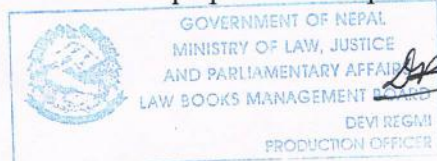
(a) To issue, renew, suspend or cancel air operator certificate as prescribed for operation of air service,



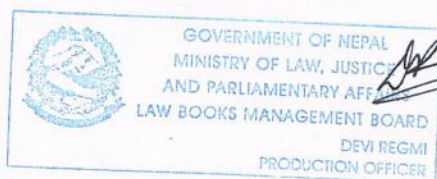
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- (b) To register an aircraft, grant national emblem and registration sign, renew registration, suspend or cancel it as prescribed,
- (c) To issue type certificate or letter of recognition of type certificate to an aircraft, renew, suspend or cancel it as prescribed,
- (d) To issue certificate of air worthiness or authorization of flight to an aircraft, renew, suspend or cancel it as prescribed,
- (e) To issue, renew, suspend or cancel certificate for operation of recreational aviation activities such as ultra light, micro light, balloon, paragliding, hang gliding, etc., as prescribed,
- (f) To issue, renew, suspend or cancel air navigation service operation certificate as prescribed to provide such service,
- (g) To issue operation certificate as prescribed to the organization providing training on civil aviation, renew, suspend or cancel it,
- (h) To issue certificate as prescribed to the organizations to manufacture aircraft, maintain and repair aircraft, manufacture spare parts of aircraft, inspect aircraft, overhaul aircraft, etc., renew, suspend or cancel it,
- (i) To issue certificate as prescribed to the organizations to import, store, sell and distribute aircraft and its equipment or spare parts, renew, suspend or cancel it,

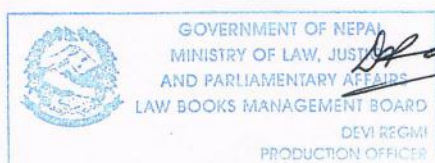


- (j) To specify term and conditions for design and construction of aerodrome and issue certificate or register as prescribed for operation of aerodrome, to renew such certificate or registration, suspend or cancel it,
- (k) To issue foreign air operator certificate as prescribed to the foreign airlines company interesting to make commercial flights in Nepal, suspend or cancel it,
- (l) To issue license, certificate or permission as prescribed to the human resources who need special qualification and experience in the sector of civil aviation as per the international standard, renew, suspend or cancel it,
- (m) To grant recognition as prescribed the license and certificates issued by other countries, and renew it, suspend or cancel such recognition,
- (n) To maintain the records of certificates, licenses and other authorizations issued under this Act in the civil aviation register,
- (o) To determine rating and standards of air traffic service, aeronautical information service, aircraft search and rescue service and aviation meteorological service and supervise it,
- (p) To make verification as per necessity of the engine and equipment which will be used in the service and facilities concerning with air transport and aerodrome

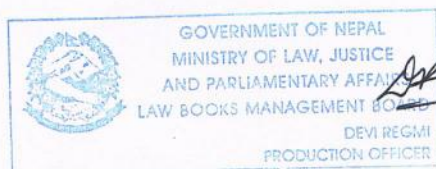


operation including aviation communication, navigation, surveillance,

- (q) To determine the methods on taking off and landing, air routes, arrival of aircraft in and its departure from Nepal,
- (r) To grant flight permission as prescribed to all types of flights including scheduled, non-scheduled, chartered, cargo, rescue, diplomatic flights,
- (s) To determine term and conditions of flights for the engineless flying substances including drone, balloon, hang-glide, Para-glide, parachute, kite and control them,
- (t) To determine measurement unit to be used in civil aviation, determine signal and equipment to be used in operation of aircraft above the territory of Nepal and its air space, to supervise it.
- (u) To determine standard of service and facility to provided at aerodrome and supervise it,
- (v) To determine standard of aerodrome fire brigade and life rescue service and supervise it,
- (w) To determine term and conditions on sound emission from the aircraft registered in Nepal and operated above the territory of Nepal and in its air space,
- (x) To determine term and conditions on transportation of dangerous goods through aircraft,



- (y) To conduct, or cause to be conducted, security oversight of the organization providing air safety, aerodrome operator, airlines operator and other service providers,
- (z) To grant permission to the organization conducting aeronautical survey and certify data and description received from such survey,
- (aa) To determine term and conditions of working hour for the designated human resources working in the field of civil aviation,
- (bb) To give suggestions to the Government of Nepal to approve master plan of aerodrome and construction of new aerodrome,
- (cc) To implement, or cause to be implemented, as and when so required, the standards and recommended practices, manuals and guidelines laid down under the international convention on civil aviation,
- (dd) To reach understandings on exchanging responsibility on flight safety oversight to be concluded between the regulatory bodies of civil aviation,
- (ee) To recommend the Ministry on determination of fee, tariff, charge, air fare, etc., to be collected by the civil aviation service provider organizations,
- (ff) To make coordination, collaboration and reach understandings as and when required with the regulatory bodies on civil aviation of foreign countries



and international and regional organizations on civil aviation,

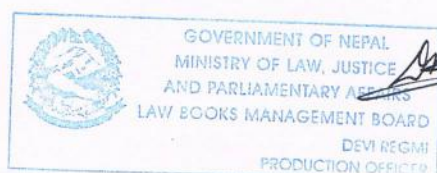
- (gg) To take part as per necessity in the policy and planning formulated and programs organized by the ICAO for promotion of aviation safety,
- (hh) To give advice to the Ministry as and when so required on the matter of civil aviation,
- (ii) To carry out other acts as directed by the Ministry from time to time.

24. **Powers of Authority to issue order and directives:** The Authority or a person authorized by the Authority may issue necessary order and directives to the service provider organization, concerned Governmental or non-governmental organizations or person for management of service, facilities and security of air passengers, service and security of aerodrome and its area, safety of aircraft, safety of air flight and person and equipment related with such act. It shall be the duty of all the concerned to comply with the order and directives so issued.

25. **Board of Directors:** (1) The Government of Nepal shall constitute one Board of Directors to operate, manage and supervise the businesses of the Authority.

(2) The Board of Directors constituted pursuant to sub-section (1) shall consist of the following Chairperson and members:

- (a) Minister or Minister of State for Chairperson
Culture, Tourism and Civil Aviation

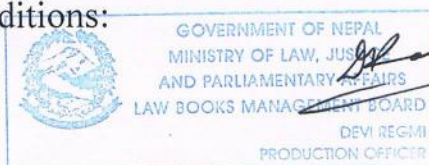


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| (b) Joint Secretary, Ministry of Culture, Tourism and Civil Aviation | Member |
| (c) Joint Secretary, Ministry of Finance | Member |
| (d) Two persons nominated by the Government of Nepal from amongst the persons having experienced for at least ten years in the sector of civil aviation and having special knowledge on the sectors of aviation safety, air safety, aerodrome operation or air navigation service | Members |
| (e) Director General, Civil Aviation Authority of Nepal | Member- secretary |

(3) The term of office of the members as referred to in clause (d) of sub-section (2) shall be four years.

(4) The members nominated pursuant to clause (d) of sub-section (2) and his/her family shall not be directly involved in any service provider organization to be regulated by the Authority or shall not be involved in the transaction with the Authority or shall not be a party to a contract with the Authority or shall not have any financial interest over such transaction.

(5) A Member of the Board of Directors constituted pursuant to sub-rule (2) shall be relieved from his/her position in the following conditions:



- (a) If the Government of Nepal removes him/her or if s/he relieves from the said position,
- (b) If his/her term of office expires,
- (c) If resignation submitted in writing to the Government of Nepal is accepted,
- (d) If s/he dies.

(6) The Office-bearers of the Board Directors other than the Director General shall not be directly or indirectly affiliated with the service provider organizations under the ambit of regulation of Authority for a period of one year from the date when s/he is relieved from the position.

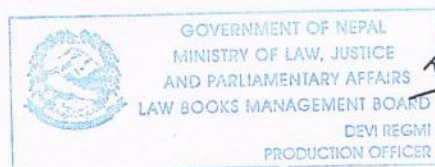
(7) The Board of Directors may if it deems so necessary invite any expert or advisor to take part in the meeting as an observer.

26. **Meeting of Board of Directors:** (1) The meeting of the Board of Directors shall be held as and when so required; however, interval between the two consecutive meetings shall not exceed sixty days.

(2) The meeting of the Board shall be held on such date, time and at such venue as appointed by the Chairperson.

(3) Presence of more than fifty per cent of total number of members of the Board of Directors shall be deemed to constitute quorum for the meeting of the Board.

(4) The Chairperson shall preside over the meeting of the Board of Directors, and in the case of his/her absence, a member selected by the members from amongst themselves shall preside over the meeting of the Board of Directors.



(5) The majority opinion in the meeting of the Board of Directors shall prevail, and in the case of a tie, the person chairing the meeting shall exercise the casting vote.

(6) The Member-secretary of the Board of Directors shall record in the minute the agenda discussed in the meeting of the Board of Directors and the decision taken in this regard and get the members present in the meeting to sign the minute.

(7) If it is discovered that the Board of Directors conducts its business in the situation where an error takes place in constitution of the Board or where a seat of any member is fallen vacant, no such proceedings shall become invalid.

(8) The Board of Directors may set other rules of procedure on its own for the meeting of the Board.

27. **Functions, duties and powers of Chairperson:** The function, duties and powers of the Chairperson shall be as follows:

- (a) To set the order of priority of the agenda to be discussed in the meeting of the Board,
- (b) To conduct, or cause to be conducted, monitoring and evaluation of the plan and programs operated by the Authority, and give necessary directives in this regard,
- (c) To give necessary directives to carry out, or cause to be carried out, any actions for the accomplishment of the objectives of the Authority in the extra-ordinary situation other than those as mentioned to in this Act or in the Rules framed under this Act.

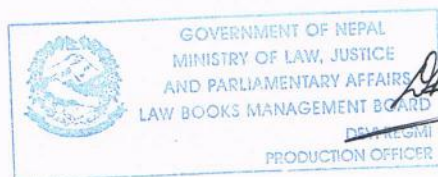
- (d) To carry out, or cause to be carried out, activities of the Authority in an organized, effective, profitable and smooth way.

28. Appointment of Director General: (1) The Government of Nepal shall appoint Director General from amongst the employees of at least Deputy Director General level working in the service of the Authority or from amongst the employees of at least joint secretary level working for the Government of Nepal as the Chief Executive for the operation of business of the Authority.

(2) The term of office of the Director General shall be four years, and s/he may be reappointed for next one term of office in maximum if his/her performance is found satisfactory.

(3) The Government of Nepal may relieve the Director General from the office before the expiry of the term of office as specified in sub-section (2) in the following circumstances:

- (a) If it appears that s/he has carried out acts in contrary to the objectives of the Authority,
- (b) If it appears that s/he has failed to comply with this Act or the Rules framed under this Act,
- (c) If s/he is convicted of criminal offense by the court,
- (d) If it proves that s/he has violated administrative law,
- (e) If s/he fails to comply with the directives of the Government of Nepal.

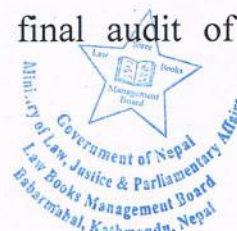
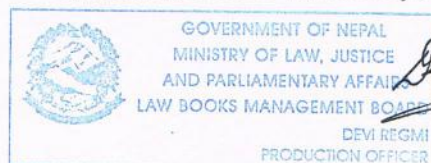


(4) While relieving the Director General from his/her office pursuant to sub-section (3), s/he must be given reasonable opportunity to defend.

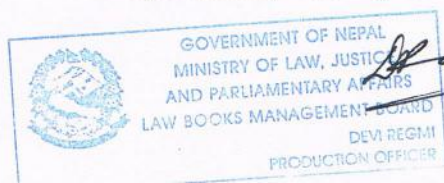
(5) The Director General shall not be allowed to directly or indirectly affiliate with the service provider organization under the ambit of the regulation of the Authority for three years from the date when s/he is relieved of the office.

29. Functions, duties and powers of Director General: (1) The function, duties and powers of the Director General shall be as follows:

- (a) To conduct and manage daily administration of the Authority,
- (b) To formulate the draft of laws necessary for implementation of this Act and for operation of business of the Authority and submit it to the Board for approval,
- (c) To supervise and control, or cause to be supervised and controlled, the fund of the Authority, and to manage and protect the property of the Authority,
- (d) To prepare periodic plan, annual program and budget estimate of income and expenditure of the Authority and submit it to the Board for approval,
- (e) To implement the budget, plan and programs as approved by the Board,
- (f) To have carried out the internal and final audit of account of the authority,



- (g) To issue requirements directives, manual, circulars as are necessary under the standards and recommended practices, manual and guidelines laid down by the ICAO, and implement them,
- (h) To conduct safety oversight of person or organizations having obtained license, certificate or recognition issued under this Act, and appoint inspectors along with necessary authorization for that purpose,
- (i) To carry out acts on flight safety oversight as prescribed of the foreign companies to be operated in Nepal,
- (j) To conduct enquiry to be carried out by regulatory into an incident and accident on flight and any situation that may have adverse impact on flight safety, issue safety recommendations and take action against the wrongdoer,
- (k) If it appears that a certificate, license, permission or authorization holder under this Act committed an act that may have adverse impact on flight safety upon violating this Act, Rules, requirements, manuals and orders issued under this Act, to prevent such a holder from exercising powers in full or in part under the certificate, license or authorization,
- (l) If sufficient ground exists to believe that any aircraft, equipment, service or facility is being operated unsafely or that any property may suffer loss from their operation, to prevent from using such aircraft,

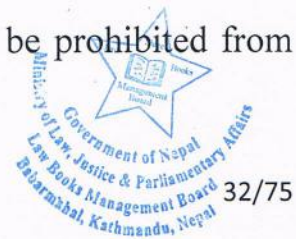
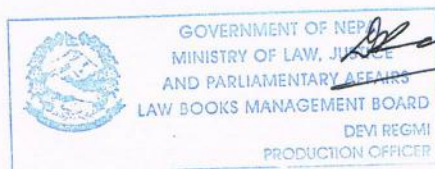


equipment, service or facilities and conduct necessary investigation,

- (m) To impose punishment and fine as prescribed on the organization and person that violates the provisions on flight safety as mentioned in this Act, Rules, requirements, directives, manual and circular issued under this Act,
- (n) To keep coordination with the national and international organizations related with civil aviation, and make arrangement of exchange of mutual assistance,
- (o) To act as liaison officer among the Authority, Government of Nepal and other organizations and entities.

30. **Special powers to conduct inspection and inquiry:** (1) The Director General or inspector appointed by him/her or authority authorized by him/her shall have the powers to have uninterrupted access to on board aircrafts of the person or organizations having certificate, license and authorization issued under this Act, access to the aerodrome, any structure and facilities relating to civil aviation and its premises, and to interview a person concerned, to require documents, to investigate into the matter and to seize the the documents.

(2) If the operation of any aircraft, equipment, service or facility is not found safe from the viewpoint of flight safety in the course of inspection or investigation as referred to in sub-section (1), such aircraft, equipment, service or facility may be prohibited from



coming into operation or a person or director involved in such operation may be prohibited from exercising powers under license, certificate or any other documents issued under this Act or Rules framed under this Act.

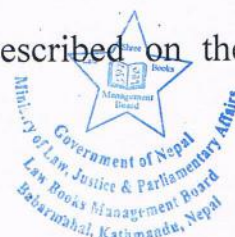
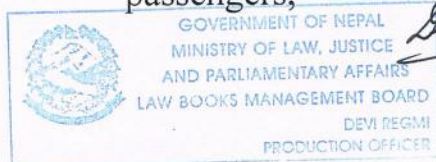
31. Employees and experts of Authority: (1) The Authority shall have employees and expert human resources in such a number as necessary.

(2) The Authority may appoint the employees as referred to in sub-section (1) permanent or temporary basis or in service contract.

(3) The Authority may appoint native or foreign expert human resources along with special facilities in contract if they are necessary for regulatory act.

32. Financial provisions of Authority: (1) The Authority may collect financial resources as follows to perform its business:

- (a) To charge and collect a fee as prescribed while issuing and renewing a license, certificate, recognition, authorization or other type of certificates under this Act,
- (b) To charge a fee as prescribed while issuing and renewing a license, certificate, authorization or permission on any type of work, infrastructure, facility and equipment on civil aviation or granting recognition,
- (c) To charge a fee as prescribed against registration in the civil aviation register of Nepal and cancellation of such registration,
- (d) To charge flight safety fee as prescribed on the air passengers,



- (e) To charge a fee as prescribed against verification or inspection for the purpose of issuing and renewing a license, certificate, recognition, authorization or of granting any type permission,
- (f) To charge a fee as prescribed while approving or adopting documents, manual, etc., of the service providers organization,
- (g) Income to be generated from the building, land or other movable or immovable properties under the ownership of the Authority,
- (h) To charge a fee as prescribed against other regulatory service to be provided by the Authority.

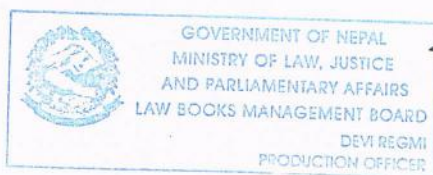
(2) If an amount to be collected from the sources as referred to in sub-section (1) is not sufficient, the Government of Nepal shall provide grant as necessary.

(3) The Authority may collect additional fee and charge from the person/organization which fails to pay in specified time fee and charge levied pursuant to sub-section (1).

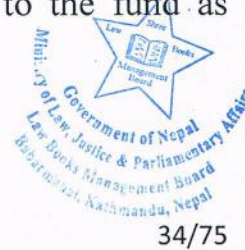
(4) The Authority shall have the powers to collect the fee, charge and amount of compensation to be received from any person as the government due subject to this Act and the Rules framed under this Act.

33. Fund of Authority: (1) The Authority shall have its separate fund.

(2) The following amounts shall be credited to the fund as referred to in sub-section (1):



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- (a) An amount received for capital, loan and grant of the Authority and fine,
- (b) An amount to be received pursuant to Section 32,
- (c) An amount to be received from the Government of Nepal.

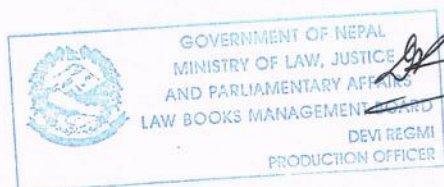
(3) Operation of the fund of the Authority shall be as prescribed.

34. **Account and Audit:** (1) The account of the Authority shall be maintained in such a format and system as approved by the Board.

(2) The audit of the account of the Authority shall be carried out by the Auditor General or an auditor as appointed by him/her.

35. **Annual report to be submitted:** The Authority must submit annual report to the Government of Nepal within four months after expiry of fiscal year.

36. **Liaison with Government of Nepal:** While keeping contact to the Government of Nepal, the Authority must keep contact through the Ministry.



Chapter – 6

Provision on incorporation of service provider organization

37. **Incorporation of service provider organization:** (1) The Government of Nepal shall incorporate an autonomous public limited company pursuant to the Companies Act in force in order to operate aerodrome and air navigation service.

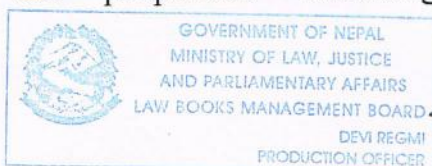
(2) Notwithstanding anything contained in sub-section (1), it shall not preclude the Government of Nepal from incorporating more than one organization for operation of aerodrome and air navigation service if it deems so necessary.

(3) Matters including nature, objectives, functions, duties and powers of the organization to be incorporated pursuant to sub-section (1) shall be as mentioned in the memorandum of association of that organization.

38. **Joint venture:** The service provider organization to be incorporated pursuant to Section 37 may operate plan and programs in joint venture with national and foreign investors upon obtaining prior approval of the Government of Nepal.

39. **To follow commercial principles:** While performing functions, the service provider organization to be incorporated pursuant to Section 37 may follow commercial principles by paying attention towards the flight safety, air safety and facility of the air passengers.

40. **Transfer of properties:** (1) The Government of Nepal shall evaluate the properties including land and buildings, equipment,



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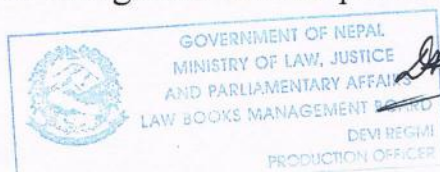
infrastructures, etc., covered by aerodromes, air navigation service or other services under the ownership of Authority prior to commencement of this Act, and transfer the properties other than those necessary for the Authority to the organization to be incorporated pursuant to Section 37.

(2) While transferring the properties as referred to in sub-section (1), right and liabilities against the loans and grants received from the Government of Nepal and foreign donor agencies connected with such properties shall also be devolved on the organization to be incorporated pursuant to Section 37.

41. **Management of employees:** (1) If the service provider organization is incorporated pursuant to Section 37, the Government of Nepal shall give proper time to the employees working in the service of the Authority to choose either to continue working for the Authority pursuant to Section 22 of this Act or to work for the service provider organization to be incorporated pursuant to Section 37 of this Act.

(2) The employees interested in continuing the service of Authority pursuant to sub-section (1) shall be managed upon creating pool positions in the service of the Authority, and adjusted in the vacant positions of the Authority upon selecting appropriate employee by employing appropriate test method as per necessity on the basis of qualification, efficiency and capacity of the employee and work nature. While making such adjustment, an arrangement must be made not to reduce the facilities including remunerations being received by him/her while working for the authority.

(3) The employees interested to work for the aerodrome and air navigation service provider organization pursuant to sub-section



(1) shall be adjusted to the organization in a manner that the facilities including remuneration being received by him/her shall not be reduced.

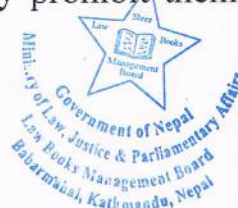
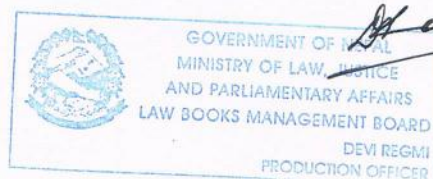
(4) In the case of the employees to be adjusted pursuant to sub-sections (2) and (3), the service period invested while working for the Authority shall be counted for the purpose of seniority, pension, gratuity and career development.

(5) The employees to be adjusted pursuant to sub-section (2) and (3) shall be given an opportunity of voluntary retirement under appropriate scheme.

42. **Pension and gratuity:** (1) The organization where the employees are adjusted shall make arrangement of pension, gratuity and other retirement facilities of the employees to be adjusted to the service of the Authority or aerodrome and air navigation service provider organization.

(2) The service retirement fund established prior to this for ensuring the payment of the amount against the pension of the employees being received from the Authority prior to commencement of this Act shall be transformed to the Authority to be constituted pursuant to this Act.

43. **Powers to discontinue service and facilities:** If any person fails to pay fee, charge or fare to be paid to the service provider organization against the consumption of service and facilities pursuant to the law in force, the service provider organization may prohibit them from consuming such service and facilities.



Chapter - 7

Provision on investigation into aircraft accident

44. **Investigation into aircraft accident and serious incident:** (1) The Government of Nepal shall have the powers to investigate into any accident or serious incident relating to aircraft to be occurred in the territory of Nepal.

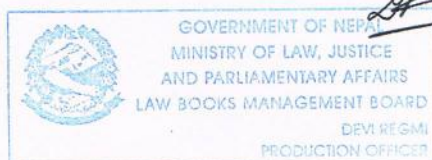
(2) The Government of Nepal may establish one autonomous organization for impartial investigation into aircraft accident or serious incident.

(3) The Government of Nepal may designate a person having competence in the investigation into aircraft accident as the investigator and conduct fair investigation pending the establishment of the organization pursuant to sub-section (2).

(4) Notwithstanding anything contained in sub-section (3), the Government of Nepal may constitute powerful accident probe commission along with necessary resources if detail investigation is to be conducted with respect to any accident.

(5) The Government of Nepal may delegate powers to conduct investigation in full or in part to other State as per the mutual understanding or agreement with regard to any accident.

(6) The Government of Nepal as the State of registration of aircraft or as the State of aircraft operator may designate authorized representative to represent in the investigation of aircraft accident to be conducted in other country.



(7) Other provisions on investigation of aircraft accident and serious incident shall be as prescribed.

45. **Investigation into incident:** (1) The Director General shall have the powers to conduct investigation into any incidents concerning with aircraft to be occurred in the territory of Nepal.

(2) Other provisions on investigation as referred to in sub-section (1) shall be as specified by the Director General.



GOVERNMENT OF NEPAL
MINISTRY OF LAW, JUSTICE
AND PARLIAMENTARY AFFAIRS
LAW BOOKS MANAGEMENT BOARD
DEVI REGMI
PRODUCTION OFFICER



Chapter - 8

Provision on air security

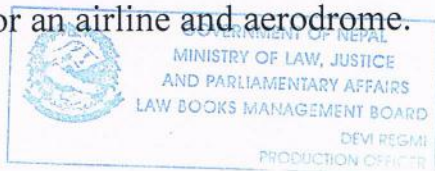
46. **Provision relating to restricted area in aerodrome:** (1) The Government of Nepal may designate an area relating to aerodrome and air navigation service operation in full or in part as the restricted area from the viewpoint of air safety.

(2) The competent authority shall issue aerodrome entry permit as prescribed on need basis for entry into the restricted area as designated pursuant to sub-section (1).

Explanation: For the purpose of this sub-section, "competent authority" means the In-charge of the aerodrome service operator organization.

(3) Notwithstanding anything contained in sub-section (2), the inspectors assigned to the regulatory function related to flight safety and air safety shall have easy access to all restricted areas of the aerodromes of Nepal using inspector identity cards issued by the Authority.

47. **Search to be conducted:** (1) No one shall carry passengers, goods, mail, etc., in the restricted area of aerodrome nor shall they embark or disembark or be embarked or disembarked without search by the employees or security personnel authorized by the Government of Nepal stationed at the aerodrome. Such search shall be conducted also in the case of the workers working in the prohibited area of aerodrome including crew members of an aircraft, employees working for an airline and aerodrome.



(2) While searching pursuant to sub-section (1), an appropriate device or equipment may also be used.

(3) A passenger or person who refused to undergo search as referred to in sub-section (1) shall be prohibited from entering the restricted area and from proceeding to aircraft for boarding.

(4) If any illicit weapon, explosive substance, fetal substance, or similar other thing, substance or goods prohibited pursuant to law in force are seized while searching pursuant to sub-section (1), the substance so seized or person shall be handed over to the Nepal Police for legal investigation.

(5) If the goods or substances so seized are not found to be illicit while conducting investigation pursuant to sub-section (4), those goods or substances may be allowed to take on board aircraft upon completing formalities as prescribed.

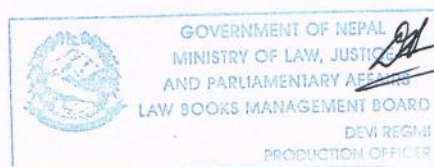
(6) Amount of goods or substances as may be taken on board aircraft by the air passengers with them shall be as prescribed.

(7) The employee conducting search shall have no legal liability towards any one even though any passenger missed flight or suffered any loss due to search.

(8) Other provisions on search shall be as referred to in the national air safety program.

48. **Authority responsible for aviation security to be designated:** (1)

The Government of Nepal may designate any official as an appropriate authority on air safety along with the special responsibility to maintain the highest standard of air safety of Nepal.



(2) The functions, duties and powers of the officials as referred to in sub-section (1) shall be as prescribed.

49. **Provision on aviation security:** (1) The Government of Nepal may establish a separate aviation security organization for the security of all the aerodromes within the State of Nepal and the structures of air navigation service.

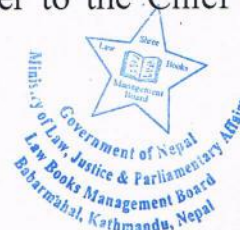
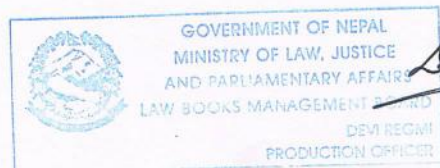
(2) The organization as referred to in sub-section (1) must undertake appropriate security measures maintaining coordination between other security agencies, and other bodies and organizations concerning with civil aviation for prevention of illegal interference as may be instigated against air security.

(3) The aerodrome operator, airline company or other service provider organization may make security arrangement for their aircraft, physical infrastructures or properties upon taking approval of the appropriate authority on aviation security as referred to in Section 48.

(4) Arrangement on aviation security shall be as specified by the Government of Nepal pending the establishment of the organization as referred to in sub-section (1).

(5) Responsibility on aviation security of various bodies and organizations to be involved in operation of civil aviation shall be as prescribed.

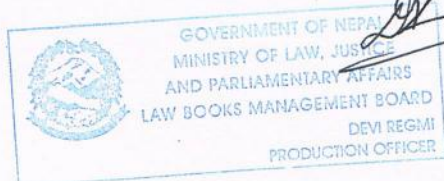
50. **Aircraft to be handed over:** (1) If any aircraft seized has been forced to land in any aerodrome or territory of Nepal due to illegal interference, such aircraft must be handed over to the Chief or an



employee of air transportation service organization having legitimate ownership over the aircraft to take it back.

(2) Permission must be given to the aircraft as referred to in sub-section (1) as soon as possible to fly to its destination or to the aerodrome of origin of the aircraft along with the crew members, passengers and cargo.

51. **Provision on security at the emergency:** Provision on establishment and mobilization of powerful competent mechanism necessary for arrangement of security of aircraft and lives of the passengers and crew members on board during aircraft hijacking or other emergency shall be as prescribed.
52. **Powers to issue order on security:** The competent authority may issue appropriate order or directives to any person or organization working within the aerodrome area for ensuring air safety. It shall be the duty of all the concerned to comply with the order and directives so issued.



Chapter - 9

Provision on operation of aerodrome

53. Area of aerodrome to be demarcated: (1) No aerodrome shall be constructed in Nepal without prior approval of the Government of Nepal.

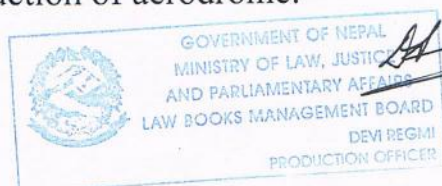
(2) A Governmental or private organization may construct, develop or operate an aerodrome upon obtaining approval of the Government of Nepal.

(3) The Government of Nepal shall define the aerodrome area upon delimiting four boundaries for construction work of aerodrome.

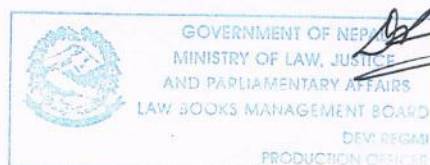
(4) The Government of Nepal shall take necessary decisions on construction of new aerodrome upon considering existing policy as well as the following matters:

- (a) Appropriateness of the proposed site from the geographical and environmental viewpoint,
- (b) Feasibility from the viewpoint of population,
- (c) Commercial feasibility,
- (d) Feasibility of local and foreign investment,
- (e) Social responsibility

(5) The Government of Nepal must seek suggestions from the concerned authorities and carry out feasibility study prior to construction of aerodrome.



54. **Use of aerodrome:** (1) Aerodrome shall not be used for purposes other than those approved.
- (2) The flights departed from other States or destined to such States must land at, and take off from, the international aerodrome except in emergency or in the situation where special approval is obtained.
55. **Registration and certification of aerodrome:** (1) The operator operating international aerodrome must have obtained aerodrome operation certificate as prescribed.
- (2) Domestic aerodrome specified to be used for public must have obtained aerodrome certificate.
- (3) The aerodrome for which aerodrome operation certificate as referred to in sub-section (3) is not required must be registered as prescribed.
- (4) The aerodrome which has not obtained aerodrome operation certificate or which is not registered as referred to in sub-section (1), (2) and (3) shall not be brought into operation.
56. **Duty of entity stationed at aerodrome:** All the Governmental and non-governmental organizations working to provide services and facilities in an aerodrome must provide standard services and facilities by giving high priority to the security and facilities of air passengers and the smooth operation of aircraft.
57. **Coordination to be maintained by aerodrome operator:** The aerodrome operator shall maintain coordination between all the governmental and non-governmental organizations working thereat

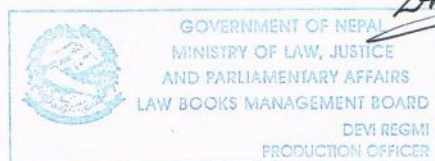


to provide secured, regular and effective service and facilities in the aerodrome.

58. **Directives to be issued by aerodrome:** The Chief Officer of an aerodrome may issue directives to any Governmental and non-governmental organizations working in the aerodrome by paying attention to the service, security and facilities of air passengers, and it shall be the duty of all concerned to comply with such directives.

(2) The aerodrome operator may direct, regulate or prohibit as per necessary on the following matters to safely operate air service:

- (a) To arrange lights in the aerodrome, aerodrome area, air route and nearby area,
- (b) To cause to arrange light as prescribed in private house and land of any person located in the aerodrome, aerodrome area and air route,
- (c) To specify term and conditions to follow by any person in constructing any building, tower, tall pillar, etc., in aerodrome, aerodrome area or in the land of air route or impose prohibition to do so,
- (d) To impose prohibition from constructing or elevating height of building, house, hut, tower, tall pillar, tree, or any structure more than the height as specified in the term and conditions as referred to in clause (c) or to cause to demolish, root out, or cut down or remove fully or partially such existing building, house, hut, tall pillar, tree, etc.



- (e) To make necessary arrangement for security of aircraft including other properties or device or equipment placed in aerodrome or aerodrome area.

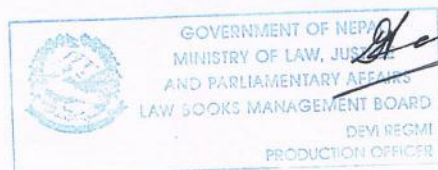
(3) The aerodrome operator as referred to in sub-section (2) may impose conditional restriction on possession or use of movable and immovable properties of any one within the aerodrome or aerodrome area by taking into account the flight safety, and while taking decision on such restriction or issuing notice or order to that effect, reason as well for the imposition of restriction must be clearly set out.

59. **Protection of environment:** The Government of Nepal may determine the level of sound pollution to be maintained in the commercial aerodrome or the surrounding area, and the method to assess the sound to be emitted from the aviation activities.
60. **Control of birds and wild lives:** (1) The aerodrome operator must make reliable arrangement for control of birds and wild lives in the aerodrome area.

(2) No one shall establish uncontrolled slaughterhouse and dump wastes within the aerodrome and the perimeter of three kilometers of the aerodrome.

(3) The organizations working to provide service and facilities in the aerodrome area shall be aware not dumping wastes in the aerodrome areas while carrying out their business.

(4) It shall be the duty of the residents of the concerned area to assist in the steps to be taken to control birds and wild lives in the aerodrome.

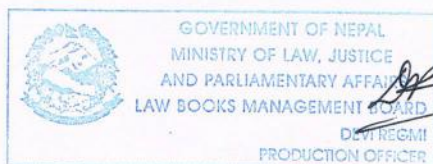


61. **Powers to enter others' premises:** An officer designated by the aerodrome operator may enter a house and land of any person located in the surrounding of aerodrome or air route upon giving prior notice to the nearby security force and to the person using the land and house if it is necessary to enter such house and land in connection with the operation of aerodrome.

Provided, however, that if it is necessary to avoid accident or to urgently repair any device installed in such house and land or if any other reasonable ground exists, any employee authorized by the aerodrome may enter such house and land at any time even without giving prior notice.

62. **Charges concerning with aerodrome:** (1) The aerodrome operator shall collect the following charges for services and facilities rendered in aerodrome:

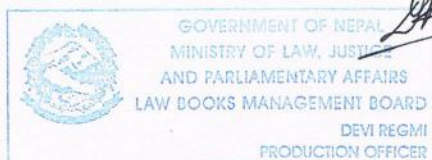
- (a) To collect a fee as prescribed for landing, housing and parking of aircraft or parking of any other vehicles in the aerodrome or aerodrome area,
- (b) To collect cargo charge as prescribed for transportation of goods in the aerodrome to be imported into the State of Nepal through an aircraft from a foreign country,
- (c) To collect passenger service and facilities charge as prescribed for the use of aerodrome by the air passengers,
- (d) To collect a fee as prescribed for providing services and facilities including ground handling services, sale of air



fuel, flight catering, cargo handling and limousine service,

- (e) To collect fare and fee as prescribed from the operator of duty free shop, restaurant, hotel, stall, VIP or CIP lounge and other businesses,
- (f) To collect a fee as prescribed for visualization and advertisement within the aerodrome and aerodrome area,
- (g) To collect fare as prescribed for providing land in rent within the aerodrome area,
- (h) To collect a fee as prescribed for the utilities such as electricity, water supply, telephone, telex, fax, etc., within the aerodrome and aerodrome area,
- (i) To collect fare and fee for other services and facilities as prescribed.

(2) Additional fare and fee as prescribed may be collected from the person who failed to pay within the specified time the fare and fees payable pursuant to sub-section (1).



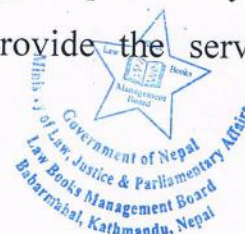
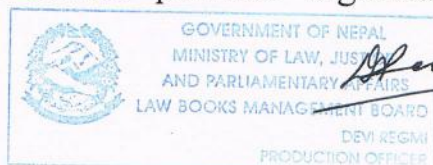
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Chapter - 10

Provision on air navigation service

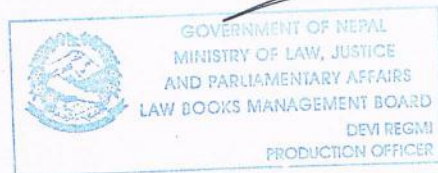
63. **To provide air navigation service:** (1) No one shall provide air navigation service in the State of Nepal without obtaining approval of the Government of Nepal.
- (2) The organization providing air navigation service shall provide air traffic service and aeronautical information service.
- (3) The organization providing air navigation service shall coordinate the search and rescue service.
64. **Structures of air routes and air space:** The organization providing air navigation service must prepare and enforce method of departure from and arrival at the aerodrome, flight route, classification of air space, structure of air space, etc., as prescribed by the Authority for the purpose of air flight and landing in the State of Nepal.
65. **Communication, navigation aids and surveillance equipment:** The organization providing air navigation service must install communication, aviation aids and surveillance equipment required to provide air traffic service and maintain them in continuous operable condition.
66. **To provide aviation meteorological service:** (1) The Government of Nepal shall provide aviation weather information service required for operation of air service.
- (2) The Government of Nepal may assign responsibility to any private service provider organization to provide the service as



referred to in sub-section (1) in any aerodrome of Nepal or an area as prescribed.

(3) The organization providing aviation weather service shall have to provide quality aviation weather service by maintaining coordination with the navigational service providing organization.

67. **Air navigation service charge:** The air navigation service operator may levy a fee as prescribed for overflying Nepal, against navigational communication, navigation and surveillance service, flight method and any other services to be made available within the territory of Nepal.



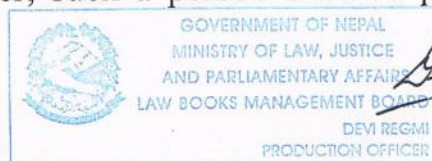
Chapter - 11

Special powers of Government of Nepal

68. **Powers to issue order:** (1) The Government of Nepal may issue orders to do or not to do the following acts by publishing a notice in the Nepal Gazette as necessary for maintenance of public order, peace and security:

- (a) To prohibit all type of aircrafts or any type of aircrafts from flying over full territory or partial territory of Nepal by specifying conditions,
- (b) To hand over aircraft, aerodrome and equipment, structure or facilities concerning with civil aviation operated by private sector to the prescribed authority, and to use the goods so handed over in public service,
- (c) If it appears that the likely use of private or public land nearby the aerodrome would result in obstruction in operation of aerodrome, to prohibit such use immediately,
- (d) If it appears that the use of land nearby the place concerning with the air navigation service is likely to have adverse impact in the flight safety, to prohibit such use immediately.

(2) If an order as referred to in clause (b) of sub-section (1) is issued and if any person suffers direct loss or damage due to such an order, such a person shall be provided with compensation in such



amount as determined by the authority designated by the Government of Nepal.

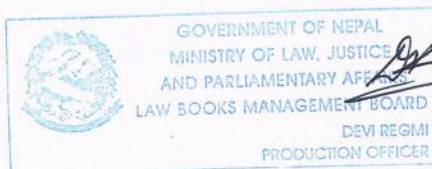
69. **Powers to take control over aircraft:** The Government of Nepal may order to the Director General to cause any aircraft to land in any aerodrome of Nepal or to take control over the aircraft in the following circumstances:

- (a) If there are reasonable grounds to believe that the aircraft is being used in a manner inconsistent with the objectives of this Act or Rules framed under this Act,
- (b) If it deems necessary to take control over the aircraft from the viewpoint of aviation security, air safety or public order.

70. **Emergency powers for protection of public health:** (1) If it deems that any dangerous epidemic spread or is likelihood to spread in any part of Nepal, the Government of Nepal may prohibit public flight in such place to stop spreading such epidemic to other places through air transport.

(2) The Government of Nepal may undertake, or cause to be undertaken, necessary measures in aerodrome and aircraft to prevent the threat to the health of general public as may be posed by communicable diseases which may spread through the air transport.

71. **Powers to prohibit work and to revoke work performed:** (1) If the Authority, aviation security organization, aerodrome and air navigation service operator established under this Act performs or is likely to perform any act inconsistent with this Act or the Rules



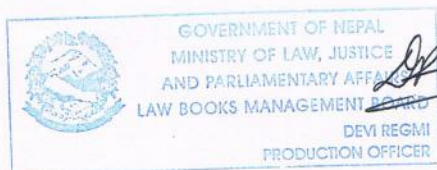
framed under this Act, the Government of Nepal may issue order to stop such an act.

(2) The Government of Nepal may if it deems necessary for the public interest revoke any order in full or in part issued by the organizations as referred to in sub-section (1) of this Act.

72. **Powers to exempt:** The Government of Nepal may exempt any special aircraft and person or class from paying fee or fare in full or in part payable to the aerodrome, and aerodrome operator and air navigation service operator pursuant to Sections 62 and 67 in any circumstance as prescribed upon publishing a notice in the Nepal Gazette.

73. **Powers to dissolve:** (1) If the Authority, accident investigation authority, air safety authority, aerodrome and air navigation service operator established pursuant to this Act fails to perform the act required and fails to carry out the orders issued by the Government of Nepal or if those organizations are likely to suffer loss upon embezzlement of the properties of the organizations or if it deems that it is not necessary to retain such organization for any reason, the Government of Nepal may dissolve such organization.

(2) If the Authority is dissolved pursuant to sub-section (1), the right, liability and properties of the Authority shall devolve on the Government of Nepal.



Chapter - 12

Crime and punishment

74. **Crime and punishment on unauthorized entry of aircraft:** If any aircraft enters Nepal without obtaining permission pursuant to this Act or prevailing laws, such an act of the aircraft shall be deemed as a crime of unauthorized entry, and the person who committed such a crime shall be liable to imprisonment from one year to three years.
75. **Crime and punishment on encroachment of air space:** If any aircraft overflew Nepal without obtaining permission, it shall be deemed that the aircraft committed a crime of Encroachment of air space, and the person committing such a crime shall be liable to imprisonment from one year to three years.
76. **Crime and punishment on unlawful seizure and hijacking of aircraft:** (1) If any person on board aircraft in flight unlawfully seized or taken control over such an aircraft by threat or use of force unlawfully or by causing fear and terror of any kind, such an act shall be deemed as a crime of unlawful seizure and hijacking of the aircraft.

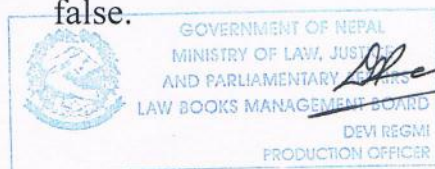
(2) The person who committed a crime as referred to in sub-section (1) shall be liable to life imprisonment and the person who attempted to commit such a crime or ancillary shall be liable to imprisonment from fifteen years to twenty years.

(3) If any person on board the aircraft lost life or the aircraft is demolished because of the crime as referred to in sub-section (1), the offender shall be liable to life imprisonment and the ancillary shall

be liable to half of the punishment to which the principal offender is liable, and the properties of the offender and ancillary shall also be confiscated.

77. **Crime and punishment against flight security:** (1) If any person committed any of the following acts, such an act shall be deemed as a crime against the flight security:

- (a) If any person committed any activities against any person on board the aircraft in flight or if it is likelihood that such activities pose threat to the security of the aircraft,
- (b) If any person demolished an aircraft in flight, or if any person caused loss by making the aircraft incapable for flight or caused loss that may pose threat to its security in the flight,
- (c) If any person demolished grounded aircraft or spare parts or equipment installed in the aircraft or facilities on air transportation, or communication or aviation support equipment or fire brigade or life rescue service or security equipment or goods or things relating thereto or caused loss and damage to them or took out any part thereof or spare parts without authorization or interfere with their operation,
- (d) If any person posed threat to the aircraft in flight upon communicating any notice with the knowledge that it is false.



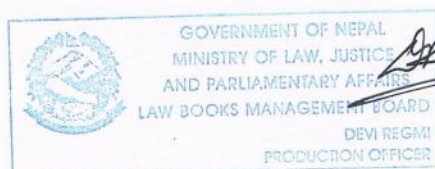
(2) The person who committed a crime as referred to in sub-section (1) shall be liable to life imprisonment, and the person who attempted to commit such a crime and ancillary shall be liable to imprisonment from fifteen years to twenty years.

(3) If any person on board the aircraft lost life or the aircraft is demolished because of the crime as referred to in sub-section (1), the offender shall be liable to life imprisonment, and the ancillary shall be liable to half of the punishment to which the principal offender is liable, and the properties of the offender and ancillary shall also be confiscated.

78. **Crime and punishment against aircraft security:** (1) If an aircraft is demolished, or if an aircraft became incapable for flight or if it is likelihood that it may pose threat to its security in the flight or if operation of an aircraft is obstructed as referred to in clause (b) of sub-section (1) of Section 74 because any person placed or caused to be placed any device or goods by any method in the aircraft operated in service, such an act shall be deemed as a crime against aircraft security.

(2) The person who committed a crime as referred to in sub-section (1) shall be liable to life imprisonment, and the person who attempted to commit such a crime and ancillary shall be liable to imprisonment from fifteen years to twenty years.

(3) If any person on board the aircraft lost life or the aircraft is demolished because of the crime as referred to in sub-section (1), the offender shall be liable to life imprisonment, and the ancillary shall be liable to half of the punishment to which the principal offender is

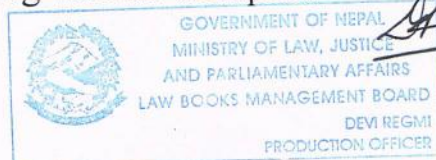


liable, and the properties of the offender and ancillary shall also be confiscated.

79. **Crime and punishment against aerodrome security:** (1) If any person defaced or demolished fully or partially or caused damage to or destroy in any manner communication and aviation aids equipment, visual aids, hydrological and meteorological equipment, fire brigade, device and equipment on life rescue service, other device and equipment relating to security kept in and outside an aerodrome and aerodrome area, other device, equipment, building directly or indirectly related with air flight, run way, taxi way to run way, apron, hanger, etc., such an act shall be deemed as a crime against the aerodrome security.

(2) The amount of loss caused by the person who committed a crime as referred to in sub-section (1) shall be recovered from him/her, and such a person shall be liable to imprisonment from one year to five years on the basis of gravity of his/her crime.

80. **Crime and punishment against security of person concerning with air transport:** (1) If any person with or without weapons committed the act of causing threat or obstruction to personal security of any employees concerning with the act of air flight, employees working for aerodrome, air passengers including any stranger visited the aerodrome or committed the act of causing threat or obstruction to air flight operation and security by derailing them from their duties or in any other manner upon abducting or seizing them by causing fear or threat or temptation or in any other manner, such an act shall be deemed as a crime against the security of person concerning with air transport.

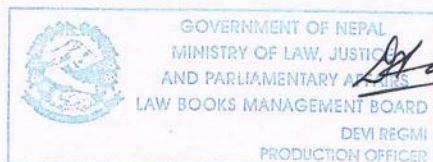


(2) The person who committed a crime as referred to in sub-section (1) shall be liable to fine from five hundred thousand rupees to ten hundred thousand rupees or to imprisonment from five years to ten years or to both punishment.

81. **Crime of obstructing flight security and punishment:** (1) If any person obstructed the operation of aviation engine or equipment in cockpit of aircraft in flight by using any electronic engine, equipment or any other similar device or if s/he carried out any act that may have adverse impact on the capacity of the pilot of the aircraft, such an act shall be deemed as the crime of obstruction of flight security, and the person who committed such a crime shall be liable to fine from five hundred thousand rupees to twenty hundred thousand rupees on the basis of gravity of the crime.

(2) If any person adversely affected the operation of grounded engine, equipment or facilities to be used in operation of flight of an aircraft by using any electronic engine, equipment or other similar device, such an act shall be deemed as a crime of obstruction of flight security, and the person who committed such a crime shall be liable to fine from one hundred thousand rupees to ten hundred thousand rupees on the basis of gravity of the crime.

(3) If an air crash occurs or if any person lost life or the aircraft is demolished because of the crime committed as referred to in sub-sections (1) and (2), the offender shall be liable to life imprisonment, and the ancillary shall be liable to half of the punishment to which the principal offender is liable, and the properties of the offender and ancillary shall also be confiscated.



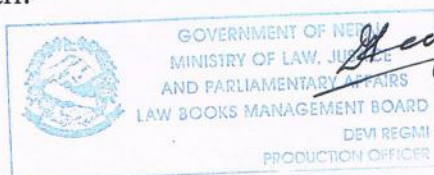
82. **Crime of flying aircraft dangerously and punishment:** (1) If any person flew an aircraft in a manner that it may pose risk to the security of the aircraft or person on board the aircraft or other aircrafts or person in ground or physical structure or properties of any person, such an act shall be deemed as a crime of flying an aircraft dangerously.

(2) A person who committed a crime as referred to in sub-section (1) shall be liable to imprisonment of one to three years.

(3) Notwithstanding anything contained in sub-section (2), if any person lost life or if an aircraft is demolished because of the crime committed as referred to in sub-section (1), the offender shall be liable to life imprisonment, and the properties of the offender shall also be confiscated.

83. **Crime of providing service unsafely and punishment:** (1) If an organization under this Act operated services and facilities in a manner that an aircraft, persons on board the aircraft or persons in ground or properties suffer or may suffer loss because such an organization provided service and facilities without following such activities required to be followed under this Act or Rules framed under this Act, the chief responsible person and other responsible persons of that organization shall be deemed to have committed a crime of providing service unsafely.

(2) A person who committed a crime as referred to in sub-section (1) shall be liable to imprisonment from one to three years or to fine from five hundred thousand to ten hundred thousand rupees or to both.

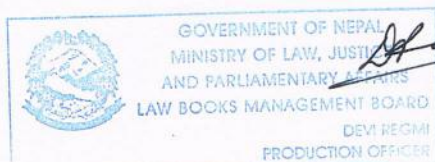


(3) Notwithstanding anything contained in sub-section (2), if any person lost life or if an aircraft is demolished because of the crime committed as referred to in sub-section (1), the offender shall be liable to life imprisonment, and the properties of the offender shall also be confiscated.

84. **Crime of flying pilotless aircraft or aviation equipment without authorization and punishment:** (1) If any person flew a pilotless aircraft (drone) or any other type of aviation equipment or device without obtaining permission pursuant to this Act, such an act shall be deemed as a crime of flying aircraft or aviation equipment or device without authorization, and such a person shall be liable to fine from ten thousand rupees to one hundred thousand rupees, and such aircraft or aviation equipment or device shall be confiscated.

(2) If the act as referred to in sub-section (1) cause loss and damage to an aircraft in flight or person on board the aircraft or person in ground or properties, the offender shall be liable to imprisonment from three years to ten years or to fine from five hundred thousand to ten hundred thousand rupees or to both on the basis of gravity of such a crime.

85. **Misconduct committed by passengers on board aircraft and punishment:** (1) If any passenger on board an aircraft in flight mishandled or mistreated the crew members or other passengers on board the aircraft or caused loss and damage to engine, equipment or materials of the aircraft or committed any other type of act that jeopardize law and order on board the aircraft including flight safety, such an act shall be deem as a crime of indecent conduct, and a person who committed such a crime shall be liable to fine from ten



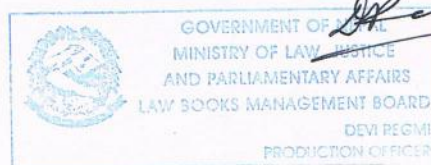
thousand to one hundred thousand rupees or to imprisonment for one year or to both.

(2) The pilot in command or other crew member or air passengers at the order of the pilot in command may hold in custody the person who committed an act as referred to in sub-section (1) and hand over such a person to the security personnel after the aircraft landed.

(3) If any passenger mishandled or mistreated airlines staff at aerodrome or employee working for the aerodrome or air passengers or other person or caused loss and damage to engine, equipment or materials in the aerodrome or jeopardized the law and order of aerodrome, such an act shall be deemed as a crime of indecent conduct, and a person who committed such a crime shall be liable to fine from five thousand to one hundred thousand rupees or to imprisonment for one year.

86. **Crime of forgery and punishment:** (1) If any person committed any of the following act, such an act shall be deemed as a crime of forgery:

- (a) If any person submitted fake documents to obtain any certificate necessary under this Act or prepared and used fake certificate,
- (b) If any person without authorization changed document issued by the competent authority pursuant to this Act or the Rules framed under this Act or prepared document with the counterfeit signature,



(c) If any document to be prepared pursuant to this Act or the Rules framed under this Act or pursuant to the requirements is used without getting approved or certified as per the rules or if a document approved or certified is amended or altered without authorization,

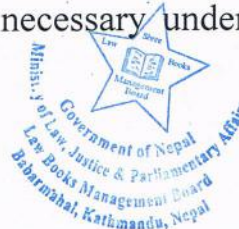
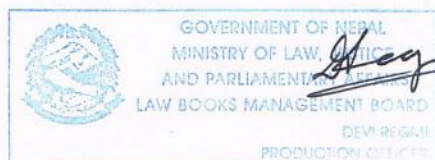
(2) A person who committed a crime as referred to in sub-section (1) shall be liable to fine up to one hundred thousand rupees or to imprisonment for three months or to both on the basis of gravity of the crime.

87. **Punishment against other crimes:** (1) The aerodrome security police may hold in custody the person who fails to comply with the orders given under Section 52 to maintain law and order in aerodrome and may fine him/her from ten thousand rupees to one hundred thousand rupees.

(2) The aerodrome operator may prevent a person or organization that unsystematically established slaughterhouse or dumped wastes inconsistent with sub-section (2) of Section 60 of the Act from doing so, and may fine such a person or organization from ten thousand to one hundred thousand rupees.

88. **Gravity of crime:** While considering gravity of a crime, the situation of a crime committed on board aircraft or in ground or criminal conduct that may jeopardize the people and properties shall be taken into basis.

89. **Additional punishment:** If any act is done contrary to the conditions of any valid certificate, license, rating or permission while operating or performing the acts relating to aviation necessary under such a



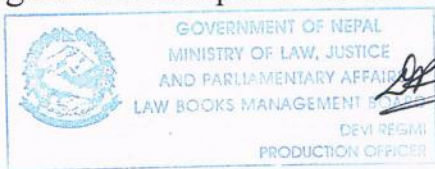
certificate, license, rating or permission, such a certificate, license, rating or permission may be suspended or revoked in addition to the fine or punishment of imprisonment to be imposed under this Act.

90. **Jurisdiction:** (1) The concerned court of Nepal shall have the jurisdiction to try and settle the case on the following circumstances with regards to the crime or any acts that jeopardize any person or properties as referred to in Sections 76, 77, 78, 79 and 80:

- (a) If a crime is committed in the territory or air space of Nepal,
- (b) If a crime is committed targeting an aircraft registered in Nepal or during the flight made by such a aircraft,
- (c) If an aircraft within which a crime is committed at the time of flight is landed in Nepal along with the offender,
- (d) If a crime is committed targeting an aircraft taken on lease by a person whose principal office of business based in Nepal or whose permanent abode is in Nepal or if a crime is committed on board such an aircraft,

(2) Notwithstanding anything contained in sub-section (1), in cases where a crime carries punishment of imprisonment and where an offender is present in the territory of Nepal even though such a crime is committed anywhere else, the concerned court of Nepal shall have the jurisdiction to hear the case unless such an offender is extradited to the concerned State under the Extradition Treaty signed by Nepal or under this Act.

(3) In case where any act committed on board aircraft registered in Nepal at the time when such an aircraft is beyond the air



space of Nepal is deemed to be a crime under the law of Nepal, the concerned court of Nepal shall have the jurisdiction to hear such a case.

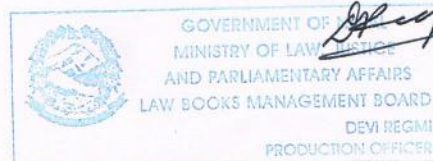
91. **Powers to arrest:** (1) If there is reasonable ground to believe that any person is committing a crime carrying punishment under this Act, employees of aerodrome, crew members, security personnel or any other person may arrest such person committing such a crime and handed over to the competent police.

Provided, however, that if it appears that it may endanger the life of any passenger, as well or that it may cause damage to an aircraft or other facilities connected with the aircraft, the security personnel must be informed, and the security personnel must arrest the person committing such a crime.

(2) It shall be the duty of any person or authority to give support to arrest any offender as referred to in sub-section (1).

(3) If the person so arrested is a foreign national, an investigation shall be conducted upon giving information thereof to the representative of the concerned country, and on the basis of facts gathered from the investigation, the concerned country shall be informed as to whether further action is taken or not under this Act.

92. **To extradite offender:** (1) In cases where a person other than Nepali national committed a crime under Sections 76,77,78,79 or 80 in the territory or air space of Nepal against the aircraft registered in any other country and where such a country made a request for extradition of that person, the Government of Nepal may extradite



such a person notwithstanding anything contained in the laws of Nepal.

Provided, however, that if the offender is not extradited, s/he shall be prosecuted in Nepal.

(2) For the purpose of extradition, the crimes carrying punishment under Sections 76,77,78,79 or 80 shall not be considered to be political irrespective of position of the offender or his/her intention to commit a crime.

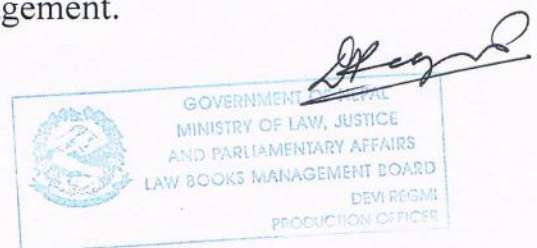
93. Court and court proceedings: (1) The concerned district court shall have original jurisdiction to try and settle the case referred to it with regards to the crimes carrying punishment under Sections 76,77,78,79 or 80 or other crimes carrying punishment of imprisonment under this Act.

(2) The district court may issue an order to the Government of Nepal to seize or confiscate any aircraft or materials or both used for committing the crime in the course of trial of case or delivering its verdict.

(3) The district shall follow the proceedings as referred to in the Special Court Act, 2059 (2002) while trying or settling the case.

(4) The case lodged under this Section shall be treated as the state case.

(5) If any party is not satisfied with the judgement of the district court, such a part may file an appeal with the concerned High Court within 35 days from the date when they came to know the judgement.

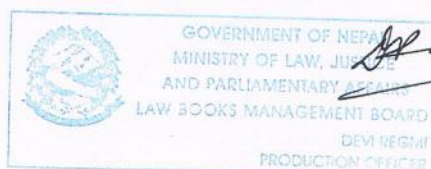


94. **Powers of Authority to fine:** (1) If any person committed any of the following crimes, the Authority may fine such a person from ten hundred thousand to thirty hundred thousand rupee on the basis of gravity of the crime:

- (a) If any person operated in Nepal an aircraft not duly registered pursuant to this Act,
- (b) If any person operated an aircraft in Nepal using emblem or plate different than that determined by the State of registration of such plate or emblem or without necessary nationality or registration emblem or identity plate.

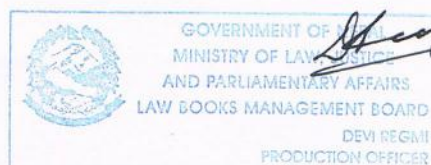
(2) If any person committed any of the following crimes, the Authority may fine such a person from one hundred thousand to ten hundred thousand rupees on the basis of gravity of the crime:

- (a) If any person operated an aircraft in a manner inconsistent with the conditions as specified in airworthiness certificate or flight permission or without such certificate or permission.
- (b) If any person operated an air service without carrying all necessary documents or without issuing all the documents on transportation as specified by the Authority to be essential,
- (c) If any person operated air service without taking out necessary insurance,
- (d) If any person operated repair and maintenance organization without obtaining air operator certificate or



approved certificate on repair and maintenance organization,

- (e) If any person engaged a person not having obtained personal efficiency certificate in the act where such a certificate is required or license,
- (f) If any person violated the order issued by the Authority by exercising powers under this Act or the Rules framed under this Act,
- (g) If any airline service operator deliberately ignored the rights of the passengers or failed to provide compensation payable as prescribed,
- (h) If any person failed to comply with guidelines and manuals issued by the Authority upon exercising its economic regulatory powers,
- (i) If any person failed to maintain account as per the rules or failed to provide operation and financial information,
- (j) If an organization requiring security management system failed to undertake security management system as prescribed,
- (k) If any person constructed or altered the structure of an aerodrome without prior approval of the Authority in writing or if any person violated the conditions specified by the Authority granting approval. The Authority may cause a person committing a crime on his/her expense to demolish the works constructed

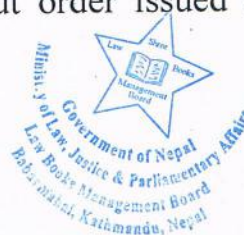
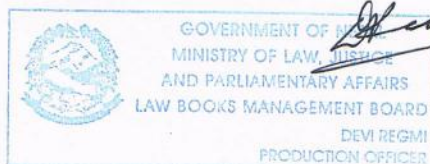


without obtaining approval or inconsistent with the conditions specified while granting approval.

- (1) If any person operated an aerodrome without obtaining certificate or without registration or operated an aerodrome inconsistent with the conditions specified in such certificate or registration, the Authority may suspend or revoke aerodrome certificate or registration.

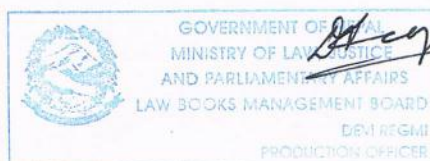
(3) If any person committed any of the following crimes, the Authority may fine such a person from ten thousand to one hundred thousand rupees on the basis of gravity of the crime:

- (a) If any person placed obstruction in, hindered or attempted to hinder or influenced the use of powers of the Authority or of the inspector or officer designated by the Authority to supervise or inspect,
- (b) If any person, without having obtained certificate, license, permission, approval or recognition issued by the Authority, carried out activities on civil aviation where such a certificate, license, rating, permission or approval,
- (c) If any person operated an aircraft by violating the limitation of time schedule,
- (d) If any person operated service on the basis of false certificate, license, rating or permission,
- (e) If any person failed to carry out order issued by the Authority for flight security,



- (f) If any person used light surrounding the aerodrome inconsistent with the scheme for protection of area surrounding the aerodrome or without obtaining approval of Authority where approval is required as per such scheme,
- (g) If any person or organization engaged in the acts relating to the air navigation service inconsistent with the conditions as specified by the Authority or without necessary certificate,
- (h) If any person, without obtaining approval from the Authority, operated any equipment or communication equipment in a manner that obstructs or interrupts the air navigation service or failed to close the operation of such equipment, the Authority may issue an order to close operation of such equipment and confiscate the equipment that obstructed or interrupted the service.
- (i) If any person installed a device or equipment or constructed any structure in a manner inconsistent with the scheme for protection of area surrounding the aerodrome or without having obtained approval where such an approval of the Authority is required, the Authority may issue an order to remove or demolish such a device, equipment or structure.

(4) If any person impose a fee or charge inconsistent with the direction or decision of the Authority, the Authority may fine such a person up to the amount equivalent to four times of the amount so collected by such a person unlawfully.



(5) If the activities as referred to in sub-sections (1) through (4) endangered the life of any person and properties, the offender may be brought to the court to impose punishment with an imprisonment up to six months on him/her.

95. Powers of aerodrome operator to fine: If any person committed the following crimes, the aerodrome operator may fine as follows:

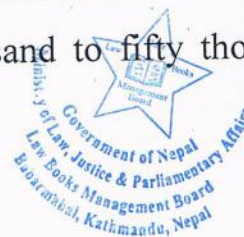
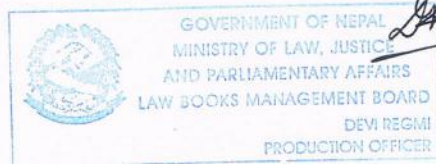
(1) If any person without authorization entered into the prohibited area of the aerodrome, such a person shall be liable to fine from one thousand to five thousand rupees.

(2) If any person abused the entry pass issued by the aerodrome, such a person shall be liable to fine from ten thousand to fifty thousand rupees.

(3) If any person constructed house, hut or tower inconsistent with the standard determined in the aerodrome area, the aerodrome operator may order to demolish or remove the house, hut or hindrance so constructed inconsistent with the standard by appointing deadline. If the said structure is not removed within the deadline, the aerodrome operator may demolish or remove with the assistance of the local administration, and the operator must as the government due recover from the concerned person the cost incurred in demolishing or removing the structure accordingly.

(4) If any person dumped wastes in the aerodrome or aerodrome area or polluted the environment, such a person shall be liable to a fine from ten thousand to one hundred thousand rupees.

(5) Any person who demolish a wire fence of the aerodrome area shall be liable to a fine from ten thousand to fifty thousand



rupees, and the aerodrome operator must as the Government due recover from such a person the total cost incurred in the repair of the wire fence.

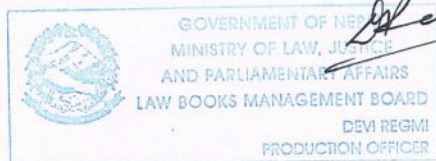
96. **Appeal may be made:** (1) The proceedings to be followed while taking action or decision with regards to the crime carrying punishment as referred to in Sections 94 and 95 shall be as prescribed.

(2) If any person is not satisfied with the decision or order issued to impose fine pursuant to Sections 94 and 95, such a person may file an appeal with the concerned High Court within 35 days from the date when s/he came to know such a decision.

97. **Prevailing laws to follow:** (1) The matters as mentioned in this Act shall be governed as per this Act and other matters shall be governed as per the prevailing laws.

(2) Notwithstanding anything contained elsewhere in this Act, if other prevailing laws provides for punishment on the crime carried action or punishment under this Act, the reason that an action will be taken and punishment imposed under this Act shall not be deemed to preclude from prosecuting or imposing punishment as per the prevailing laws.

Explanation: For the purpose of this Chapter, "Certificate" means the documents including license, operation certificate, letter of permission, recognition certificate to be issued pursuant to this Act or the Rules framed under this Act.



Chapter - 13

Miscellaneous

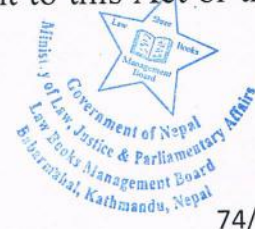
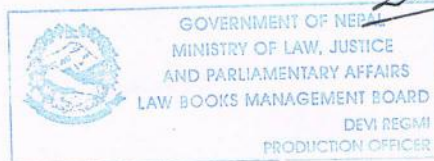
98. **Essential service**: The service concerning with the civil aviation shall be deemed as essential service, and no strike or any type of obstructions shall be allowed with reference to that service.

99. **Acquisition of land**: (1) If any aerodrome operator or air navigation service provider requested for acquisition of any land, house, hut or structure necessary for construction of new aerodrome or facilities or its extension, the Government of Nepal may provide the aerodrome operator or air navigation service provider upon acquiring such land, house, hut or structure on recommendation of the Authority.

(2) The proceedings as referred to in prevailing laws must be fulfilled while acquiring land as per sub-section (1).

100. **To Save acting in good faith**: The office bearers or employees of the Government of Nepal, Authority, aerodrome operator or air navigation service provider organization shall not be held personally responsible for loss and damage from anything done or endeavored to do in good faith in the course of performing his/her duty under this Act.

101. **Powers to recover as government arrears**: The Authority, aerodrome operator and air navigation service provider shall as the Government arrears recover fee, fare, royalty and compensation to be collected from any person or organization pursuant to this Act or the Rules framed under this Act.



102. **Delegation of powers:** The Government of Nepal may delegate some of the powers conferred to it under this Act to the Authority or any other appropriate entity or authority of the Government of Nepal.

103. **Powers to frame Rules:** (1) The Government of Nepal may frame necessary Rules for accomplishment of the objectives of this Act.

(2) Notwithstanding anything contained in sub-section (1), the Authority may frame necessary Rules for the activities to be performed by the Authority under this Act, and such Rules shall come into force upon obtaining approval from the Government of Nepal.

104. **Repeal and savings:** (1) The following Acts shall be repealed:

(a) The Civil Aviation Act, 2015 (1958)

(b) The Nepal Civil Aviation Authority Act, 2053 (1996)

(2) The activities performed under the Civil Aviation Act, 2015 (1958) and the Nepal Civil Aviation Authority Act, 2053 (1996) prevailing prior to the commencement of this Act shall be deemed to be performed under this Act after commencement of this Act.

(3) The Civil Aviation Authority of Nepal established under the Nepal Civil Aviation Authority Act, 2053 (1996) shall be deemed to be established under this Act.

