

ADVISORY CIRCULAR

No. : AC-28-01-027

Date : 1 March 2016

A. SUBJECT.

Airplane Lease Approvals

B. PURPOSE.

This Advisory Circular (AC) provides guidance for Air Operator Certificate (AOC) holder/applicant for airplane lease approvals.

C. STATUS.

This is the first edition of AC - 28 - 01 - 027, dated 1 March 2016, and it will remain current until withdrawn or superseded.

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Airplane Lease Approvals

1.0 General.

- 1.1 This advisory circular contains CARC policy, guidelines and implementation procedures regarding the management of an aircraft lease to ensure the regulatory obligations are met and that operational safety is not compromised by the conditions of the lease.
- 1.2 Aircraft leasing can be arranged in many ways, which can result in varied and complex safety situations, particularly if an aircraft registered in another Contracting State is to be operated in Jordan by a Jordanian operator. Coordination is required between the organization providing the aircraft and the operator as well as the regulatory authorities concerned. It is important that inspectors undertaking the assessment of a leased aircraft that is to be added to an AOC, ensure that all of the safety responsibilities are understood, identified in writing and clearly met by the various parties involved.
- 1.3 Inspectors should be aware of, and understand, the type of lease that they are reviewing; the conditions, limitations and requirements of the lease; regulatory matters associated with the lease and any other provision, commercial or regulatory that will adversely affect the safe operation of an aircraft.

2.0 Definitions.

- 2.1 **Lease.** A contractual arrangement whereby an AOC holder/applicant gains commercial control of an entire aircraft without transfer of the ownership.
- 2.2 **Lessor.** The organization or person financing an aircraft lease and providing an aircraft to a lessee.
- 2.3 **Lessee,** The organization or person to whom an aircraft is leased. In most cases this will be the AOC holder who becomes the Registered Operator of an aircraft.
- 2.4 **Operational Control.** The exercise of authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling.
- 2.5 **Maintenance Control.** The maintenance control is to ensure that aircraft and equipment are maintained in the highest state of material condition of readiness , the arrangements for the maintenance and airworthiness management, during the period of the lease. This must include Control of scheduled and unscheduled maintenance, management of different maintenance schedules and systems of maintenance and systems to ensure compliance with the relevant airworthiness requirements, including AD and service bulletins.

- 2.6 Unforeseen and Urgent Wet Lease.** Lease of an aircraft where the aircraft is operated under the AOC of the lessor, it is a lease of an aircraft with crew, operated under the commercial control of the lessee and using the lessee's airline designator code and traffic rights. The lease period shall not exceed 3 consecutive days.
- 2.7 Wet Lease.** Lease of an aircraft where the aircraft is operated under the AOC of the lessor, it is a lease of an aircraft with crew, operated under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- 2.8 Damp Lease.** Lease of an aircraft where the aircraft is operated under the AOC of the lessor, with the flight crew and possibly part of the cabin crew being provided by the lessor, part or all of the cabin crew is provided by the lessee.
- 2.9 Dry Lease.** Lease of an aircraft where the aircraft is operated under the AOC of the lessee; it is a lease of an aircraft without crew, operated under the custody and the operational and commercial control of the lessee, and using the lessee's airline designator code and traffic rights.
- 3.0 Lease agreement Contents.** Lease agreement shall include at least:
- a. The aircraft details registration and MSN.
 - b. Parties to the lease.
 - c. The areas of operation.
 - d. Operational control.
 - e. Maintenance control.
 - f. Lease period.
 - g. Organization, which will maintain the aircraft (along with all maintenance approvals held by that organization)
- 4.0 Unforeseen and Urgent Wet Lease-in Between Jordanian AOC Holders Approval Requirements.**
- a. Lessor holds a valid Jordanian AOC.
 - b. Lessee holds a valid Jordanian AOC.
 - c. Leased airplane has a valid certificate of airworthiness (C of A).
 - d. Leased airplane has a valid airworthiness review certificate (ARC).
 - e. Leased airplane has a valid insurance certificate.
 - f. Lessor exercise of operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.

- g. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- h. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- i. The lease period shall not exceed 5 consecutive days.
- j. Operations base is inside Jordan.
- k. Summary of audit report/acceptance letter as describes in lease agreement.
- l. Statement confirming that aircraft is in compliance with JCAR airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- m. Maintenance arrangement including who is performing and signing the maintenance release.

5.0 Wet Lease.

5.1 Wet Lease in Between Jordanian AOC Holders Approval Requirements.

- a. Lessor holds a valid Jordanian AOC.
- b. Lessee holds a valid Jordanian AOC.
- c. Leased airplane has a valid certificate of airworthiness (C of A).
- d. Leased airplane has a valid airworthiness review certificate (ARC).
- e. Leased airplane has a valid insurance certificate.
- f. Summary audit report/acceptance letter as describes in the lease agreement.
- g. Lessor exercise the operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.
- h. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- i. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- j. The lease period shall not exceed 12 calendar months.
- k. Statement confirming that aircraft is in compliance with JCAR airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- l. Maintenance arrangement including who is performing and signing the maintenance release.
- m. Operations base outside Jordan only:
 - (1) The leased airplane will be subject to ramp inspection - Leased airplane ramp inspection will be valid for 6 calendar months.
 - (2) The lessee station(s) will be subject to station facilities inspection before the lease approval if conditions permits, otherwise the inspection will be conducted after the start of the operations - Lessee station(s) facilities inspection will be valid for 12 calendar months

5.2 Wet Lease in between Jordanian AOC Holders and Foreign AOC Holders Approval Requirements.

- a. Lessor holds a valid AOC issued by a state which is a signatory to the Chicago convention.
- b. Lessor is not subject to operations restriction by his authority or banned by any other regional or international safety entity.
- c. Leased airplane has a valid standard certificate of airworthiness (C of A) issued in accordance with ICAO Annex 8.
- d. Leased airplane has a valid airworthiness review certificate (ARC) or equivalent.
- e. Leased airplane has a valid insurance certificate.
- f. Lessee holds a valid Jordanian AOC.
- g. Summary of audit report/acceptance letter as describes in lease agreement.
- h. Lessor exercise the operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.
- i. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- j. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- k. The lease period shall not exceed 12 calendar months.
- l. For the duration of the lease, the flight and duty time limitations and rest requirements used by the lessor are in compliance with the lessee's approved operations manual.
- m. Statement confirming that aircraft is in compliance with the applicable airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- n. Maintenance arrangement including who is performing and signing of maintenance release.
- o. Compliance statement with subpart K, L and S of JCAR OPS 1.
- p. Lessor operations will be subject to CARC/FOSD inspection to confirm compliance with operations and aircrew training standards equivalent to JCAR OPS 1 - Lessor operations inspection will be valid for 12 calendar months.
- q. Lessor maintenance will be subject to CARC/AWSD inspection to confirm maintenance standards equivalent to JCAR Part M - Lessor maintenance inspection will be valid for 12 calendar months.
- r. The leased airplane will be subject for safety assessment of foreign airplane ramp inspection - Leased airplane ramp inspection will be valid for 12 calendar months.

- s. Operations base outside Jordan only. The lessee station(s) will be subject to station facilities inspection before the lease approval if conditions permit, otherwise the inspection will be conducted after the start of the operations - Lessee station(s) facilities inspection will be valid for 12 calendar months.

5.3 Wet Lease out between Jordanian AOC Holders and Foreign AOC Holders Approval Requirements.

- a. Lessee holds a valid AOC issued by a state which is a signatory to the Chicago convention.
- b. Lessor holds a valid Jordanian AOC.
- c. Leased airplane has a valid certificate of airworthiness (C of A).
- d. Leased airplane has a valid airworthiness review certificate (ARC) or equivalent.
- e. Leased airplane has valid insurance certificate.
- f. Lessor exercise the operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.
- g. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- h. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- i. The lease period shall not exceed 12 calendar months.
- j. For the duration of the lease, the flight and duty time limitations and rest requirements used by the lessor are in accordance with the lessor approved operations manual.
- k. Statement confirming that aircraft is in compliance with JCAR airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- l. Maintenance arrangement including who is performing and signing the maintenance release.
- m. Operations base outside Jordan only:
 - (1) The leased airplane will be subject to ramp inspection - Leased airplane ramp inspection will be valid for 6 calendar months.
 - (2) The lessee station(s) will be subject to station facilities inspection before the lease approval if conditions permits, otherwise the inspection will be conducted after the start of the operations - Lessee station(s) facilities inspection will be valid for 12 calendar months

6 Damp Lease.

6.2 Damp Lease in Between Jordanian AOC Holders Approval Requirements.

- a. Lessor holds a valid Jordanian AOC.
- b. Lessee holds a valid Jordanian AOC.
- c. Leased airplane has a valid certificate of airworthiness (C of A).
- d. Leased airplane has a valid airworthiness review certificate (ARC).
- e. Leased airplane has a valid insurance certificate.
- f. Summary of audit report/acceptance letter as describes in lease agreement.
- g. Lessor exercise the operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.
- h. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- i. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- j. The lease period shall not exceed 12 calendar months.
- k. Lessee cabin crew intended to operate in the leased airplane shall hold attestation of safety training.
- l. Lessee cabin crew shall complete cabin crew training program including the conversion and differences training and checking in accordance with the lessor operations manual.
- m. Lessee cabin crew shall pass cabin crew conversion and differences training oral examination conducted by CARC cabin safety inspector.
- n. Statement confirming that aircraft is in compliance with JCAR airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- o. Maintenance arrangement including who is performing and signing the maintenance release.
- p. Operations base outside Jordan only:
 - (1) The leased airplane will be subject to ramp inspection - Leased airplane ramp inspection will be valid for 6 calendar months.
 - (2) The lessee station(s) will be subject to station facilities inspection before the lease approval if conditions permit, otherwise the inspection will be conducted after the start of the operations - Lessee station(s) facilities inspection will be valid for 12 calendar months.

6.3 Damp Lease in between Jordanian AOC Holders and Foreign AOC Holders Approval Requirements.

- a. Lessor holds a valid AOC issued by a state which is a signatory to the Chicago convention.
- b. Lessor is not subject to operations restriction by his authority or banned by any other regional or international safety entity.
- c. Leased airplane has a valid standard certificate of airworthiness (C of A) issued in accordance with ICAO Annex 8.
- d. Leased airplane has a valid airworthiness review certificate (ARC) or equivalent.
- e. Leased airplane has a valid insurance certificate.
- f. Lessee holds a valid Jordanian AOC.
- g. Summary of audit report/acceptance letter as describes in lease agreement.
- h. Compliance statement with subpart K, L and S of JCAR OPS 1
- i. Lessor exercise the operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.
- j. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- k. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- l. The lease period shall not exceed 12 calendar months.
- m. For the duration of the lease, the flight and duty time limitations and rest requirements used by the lessor are in compliance with the lessee's approved operations manual.
- n. Lessee cabin crew intended to operate in the leased airplane shall hold attestation of safety training.
- o. Lessee cabin crew shall complete cabin crew training program including the conversion and differences training, in accordance with the lessor operations manual.
- p. After the completion of the required training lessee cabin crew shall be authorized by the state of lessor to operate on the leased airplane.
- q. Statement confirming that aircraft is in compliance with the applicable airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- r. Maintenance arrangement including who is performing and signing the maintenance release.
- s. Lessor operations will be subject to CARC/FOSD inspection to confirm compliance with operations and aircrew training standards equivalent to JCAR OPS 1 - Lessor operations inspection will be valid for 12 calendar months.

- t. Lessor maintenance will be subject to CARC/AWSD inspection to confirm maintenance standards equivalent to JCAR Part M - Lessor maintenance inspection will be valid for 12 calendar months.
- u. The leased airplane will be subject for safety assessment of foreign airplane ramp inspection before the start of operations - Lessor ramp inspection will be valid for 12 calendar months.
- v. Operations base outside Jordan only. The lessee station(s) will be subject to station facilities inspection before the lease approval if conditions permit, otherwise the inspection will be conducted after the start of the operations - Lessee station facilities inspection will be valid for 12 calendar months.

6.4 Damp Lease out between Jordanian AOC Holders and Foreign AOC Holders Approval Requirements.

- a. Lessee holds a valid AOC issued by a state which is a signatory to the Chicago convention.
- b. Lessor holds a valid Jordanian AOC.
- c. Leased airplane has a valid certificate of airworthiness (C of A).
- d. Leased airplane has a valid airworthiness review certificate (ARC) or equivalent.
- e. Leased airplane has a valid insurance certificate.
- f. Lessor exercise the operational control authority over the initiation, continuation, diversion or termination and flight watch of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight. This is to include flight crew training, cabin crew training and crew members scheduling in accordance with the approved operations manual.
- g. Lessor operates under the commercial control of the lessee and using the lessee's airline designator code and traffic rights.
- h. Route(s) intended to be flown are within the authorized areas of operations specified in the AOC of the lessor.
- i. The lease period shall not exceed 12 calendar months.
- j. For the duration of the lease, the flight and duty time limitations and rest requirements used by the lessor are in accordance with the lessor approved operations manual.
- k. Lessee cabin crew intended to operate in the leased airplane shall hold attestation of safety training.
- l. Lessee cabin crew shall complete cabin crew training program including the conversion and differences training and checking in accordance with the lessor operations manual.
- m. Lessee cabin crew shall pass cabin crew conversion and differences training oral examination conducted by CARC cabin safety inspector.
- n. Statement confirming that aircraft is in compliance with JCAR airworthiness requirements and including AD compliance; and completion of an approved maintenance program task.

- o. Maintenance arrangement including who is signing of maintenance release.
- p. Operations base outside Jordan only:
 - (1) The leased airplane will be subject to ramp inspection - Leased airplane ramp inspection will be valid for 6 calendar months.
 - (2) The lessee station(s) will be subject to station facilities inspection before the lease approval if conditions permits, otherwise the inspection will be conducted after the start of the operations - Lessee station(s) facilities inspection will be valid for 12 calendar months

7.0 Dry Lease.

7.1 Dry Lease in Between Jordanian AOC Holders/Jordanian AOC Holders & Entities Approval Requirements.

- a. Lessee holds a valid Jordanian AOC.
- b. Leased airplane has a valid certificate of airworthiness (C of A).
- c. Leased airplane has a valid airworthiness review certificate (ARC).
- d. Leased airplane has a valid insurance certificate.
- e. Compliance statement with subpart K, L and S of JCAR OPS 1.
- f. Summary audit report/acceptance letter as describes in the lease agreement.
- g. The lease period is not less than 12 months.
- h. Summary of audit report/acceptance letter as describes in lease agreement.
- i. Compliance statement with subpart K and L of JCAR OPS 1.
- j. Statement confirming that aircraft is in compliance with JCAR airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- k. Maintenance arrangement including who is performing and signing the maintenance release.
- l. Dry leased airplane cannot be dry leased to a third operator unless approved by the airplane owner.

7.2 Dry Lease in between Jordanian AOC Holders and Foreign AOC Holders/Entities Approval Requirements.

- a. Lessee holds a valid Jordanian AOC.
- b. Leased airplane has a valid standard certificate of airworthiness (C of A) issued in accordance with ICAO Annex 8.
- c. Leased airplane has a valid airworthiness review certificate (ARC) or equivalent.
- d. Leased airplane has a valid insurance certificate.
- e. Leased airplane has a conformity certificate issued in accordance with part 21 or equivalent.
- f. Compliance statement with Subpart K, L and S of JCAR OPS1.

- g. Summary audit report/acceptance letter as describes in the lease agreement.
- h. Leased airplane is managed by continuing airworthiness management organization.
- i. The lease period is not less than 12 months.
- j. Statement confirming that aircraft is in compliance with the applicable airworthiness requirements and including AD compliance; and completion of an approved maintenance program tasks.
- k. Maintenance arrangement including who is performing and signing of maintenance release.
- l. Dry leased airplane cannot be dry leased to a third operator unless approved by the airplane owner.

7.3 Dry Lease out Between Jordanian AOC Holders and Foreign AOC Holders/Entities Approval Requirements.

In accordance with JCAR OPS 1.165 (c) (3) Dry lease-out

Eng. Ahmad Azzam
Acting Chief Commissioner