

REPUBLIC OF LEBANON MINISTRY OF PUBLIC WORKS AND TRANSPORT DIRECTORATE GENERAL OF CIVIL AVIATION

LARs

LEBANESE AVIATION REGULATIONS

Part II

AIRCRAFT IDENTIFICATION, REGISTRATION and Operation of a Leased Aircraft

Subpart 3 Operation of a Leased Aircraft

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Republic of Lebanon

- Subpart 3 -

Operation of a Leased Aircraft

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Subpart 3 - Operation of a Leased Aircraft

203.01 Interpretation

In this Subpart,

"Lebanese air operator" - includes the holder of a flight training organization operator certificate issued under Part IV of the LARs;

"lease" - means an agreement in respect of the operation of an aircraft for hire or reward that specifies a commencement and a termination date and during the term of which the lessee has legal custody and control and the right to exclusive possession and use of the aircraft;

"leasing operation" - means the operation of an aircraft pursuant to this Subpart.

203.02 Application

- (1) This Subpart applies to the following persons in respect of the operation of a leased aircraft by the lessee when the aircraft is registered in the name of the lessor:
 - (a) a Lebanese air operator that leases a Lebanese commercial aircraft from another Lebanese air operator;
 - (b) a foreign air operator that leases a Lebanese commercial aircraft from a Lebanese air operator;
 - (c) a Lebanese air operator that leases an aircraft that is registered in a foreign state; and
- (2) This Subpart does not apply in respect of the operation of a private aircraft.

203.03 Leasing Operations - General

- (1) No person shall operate the aircraft as part of a leasing operation without an authorization issued pursuant to subsection (2) unless
 - (a) the lessor and the lessee each hold a Lebanese air operator certificate or a Lebanese flight training organization operator certificate issued in respect of the aircraft type to be operated;
 - (b) the lessee is qualified to be the registered owner of a Lebanese commercial aircraft;
 - (c) the maintenance control system referred to in Sections 406.17 or 706.02 and the maintenance schedule approved by the DGCA pursuant to subsection 605.86(2) of the LARs are, during the term of the lease, equivalent for the lessor and the lessee;
 - (d) the crew members of the aircraft are employed by the lessee or lessor following proper validation; and
 - (e) the registered owner informs the DGCA in writing, no later than ten days prior the lease commences, of
 - (i) the registration mark, manufacturer model designation and serial number of the aircraft.

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- (ii) the names, addresses and telephone numbers, and facsimile numbers, if any, of the registered owner and the lessee,
- iii) the Lebanese air operator certificate number, or the Lebanese flight training organization certificate number, the approved maintenance arrangements and maintenance organization certificate numbers of the lessor and the lessee,
- (iv) the commencement and termination dates of the lease,
- (v) the name of the person who is responsible for the maintenance of the aircraft during the term of the lease, and
- (vi) the address of the main maintenance base for the aircraft.
- (2) The DGCA may, issue a written authorization permitting the operation of a Lebanese or foreign aircraft by the Lebanese air operator, or the operation of a Lebanese aircraft by a foreign operator, as part of a leasing operation, and shall specify in the authorization those conditions governing the operation that are necessary to ensure aviation safety.
- (3) An authorization issued pursuant to subsection (2) expires on the earliest of
 - (a) the date on which the lease is terminated,
 - (b) the date specified by the DGCA in the authorization,
 - (c) the date on which the certificate of registration of the aircraft is cancelled,
 - (d) the date on which the air operator certificate, or the flight training organization operator certificate, as applicable, is suspended or cancelled, and
 - (e) the date on which there is a change in any of the information that was submitted in support of the application referred to in subsection (2) and on which the issuance of the authorization was based.
- (4) Where an authorization has been issued, no person shall operate a leased aircraft unless the authorization is carried on board.

203.04 Leasing Operations - International

No person shall operate a leased aircraft if one of the lessor and the lessee of the aircraft is not Lebanese, unless the DGCA and the civil aviation authority of the state of the lessor or the lessee have consented to such operation.

203.05 Registration of Leased Aircraft

The certificate of registration of a leased Lebanese aircraft operated pursuant to Section 203.03 remains valid notwithstanding any change in the legal custody and control of the aircraft that takes place

- (a) at the commencement or termination of the lease; and
- (b) where the DGCA has issued an authorization pursuant to subsection 203.03(2), at any other time during the term of the lease that is specified in the authorization.

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203.06 Forwarding of Airworthiness Directives

- (1) Where an authorization has been issued in respect of a Lebanese aircraft, the registered owner of the aircraft shall, immediately on receipt of the authorization, forward to the lessee all airworthiness directives that apply to the aircraft.
- (2) Where an authorization has been issued in respect of an aircraft registered in a foreign state, the Lebanese lessee shall ensure that the aircraft conforms to all applicable airworthiness directives.

203.07 Maximum Number of Leased Aircraft

Reserved

203.08 Limits on Period of Operation under Authorization

Reserved

203.09 Submission of Signed Lease

A Lebanese air operator that has been issued with an authorization by the DGCA shall, within ten days after the day on which the authorization was issued, submit to the DGCA a signed copy of the lease.

Fees - The fee charged for the issuance of a leasing authorization is as stated in the applicable Lebanese fee schedule latest revision.

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s203 – Standards Concerning the Operation of a Leased Aircraft

s202.03 Leasing Operations - General

An application from a Lebanese air operator for an authorization of the LARs permitting the operation of a leased aircraft shall meet the following requirements:

(1) A Lebanese Air Operator who Leases Lebanese Commercial Aircraft from Another Lebanese Air Operator

- (a) evidence establishing that, throughout the term of the lease, the aircraft:
 - (i) will be in the legal custody and control of the lessee; and,
 - (ii) will not be made the subject of another lease prior authorized by the DGCA.
- (b) evidence establishing that the lessor and the lessee of the aircraft each hold a Lebanese air operator certificate or a flight training organization operator certificate;
- (c) evidence establishing that the lessee or lessor is responsible for the maintenance of the
- aircraft in accordance with the applicable standards of airworthiness and the maintenance control system referred to in <u>Sections 406.17 or 706.02</u> and the maintenance schedules approved by the DGCA and any requirements set out in the authorization issued pursuant to the *Lebanese Aviation Regulations*;
- (d) evidence establishing that the crew members of the aircraft are employed by the lessee or proper crew validation as been completed if employed by the lessor.

(2) A Foreign Operator who leases a Lebanese Commercial Aircraft from a Lebanese Air Operator

Evidence establishing that:

- (a) throughout the term of the lease, the aircraft:
 - (i) will be registered as a commercial aircraft;
 - (ii) will be in legal custody and control of the lessee; and,
 - (iii) will not be made the subject of another lease during the term of the lease authorized by the DGCA for that aircraft.
- (b) evidence establishing that the Lebanese lessor holds a Lebanese air operator certificate or a Lebanese flight training organization operator certificate issued in respect of the aircraft type that is being leased;
- (c) evidence establishing that the lessee:
 - (i) is a citizen or subject of a foreign state or an entity incorporated or formed by or under the laws of a foreign contracting state;
 - (ii) holds an air operator certificate or equivalent document, issued by the foreign contracting state in respect of the aircraft type being leased;

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- (iii) will operate the aircraft on a commercial air service accepted by Lebanon; and,
- (iv) has demonstrated the ability and qualification to maintain the aircraft in a system referred to or equivalent to <u>Sections 406.17 or 706.02</u> of the LARs and the maintenance schedules approved by the DGCA.
- (d) an indication in the application as to:
 - (i) the location at which the aircraft will have its operations based during the term of the lease;
 - (ii) each location at which the aircraft will have a maintenance base during the term of the lease; and,
 - (iii) which, the <u>lessor</u> or the <u>lessee</u>, will be responsible for the maintenance of the aircraft during the term of the lease in accordance with the applicable standards of airworthiness, the maintenance control system and the maintenance schedules approved by the DGCA.
- (e) evidence establishing that the lessee's main operations base, during the term of the lease, will be located in the state of the lessee;
- (f) evidence establishing that the aircraft:
 - (i) has a valid certificate of airworthiness;
 - (ii) will not undergo modification unless it is authorized by the DGCA;
 - (iii) will continue to meet the maintenance control system and the maintenance schedules approved by the DGCA, during the term of the lease, or and accepted equivalent for the <u>lessor</u> and the <u>lessee</u>, as prescribed in the <u>Lebanese Aviation Regulations</u>;
 - (iv) will be maintained during the term of the lease, in a configuration that complies with its type certificate or such other equivalent document; and,
 - (v) will be maintained in accordance with an inspection program approved by the DGCA and any additional requirements set out in the authorization issued pursuant to the *Lebanese Aviation Regulations*.
- (g) evidence establishing that every crewmember assigned to the aircraft by the lessee:
 - (i) where the aircraft will be operated solely within the state of the lessee, holds the license appropriate to the crew member's duties, issued by Lebanon or the state of the lessee:
 - (ii) where the aircraft will be operated outside the state of the lessee, holds the license appropriate to the crew member's duties issued by Lebanon or issued by the state of the lessee and validated by Lebanon;



- (iii) where the aircraft will be operated outside the state of the lessee and that foreign state is not a contracting state, holds the license appropriate to the crew member's duties issued by Lebanon; and,
- (iv) in the case of a large aircraft, every crew member other than a flight crew member has received training equivalent to that described in Appendix 12, Part 1, of Annex 6 to the *Convention On International Civil Aviation*.

(3) A Lebanese Air Operator who leases an Aircraft that is registered in a Foreign State

Evidence establishing that:

- (a) the aircraft:
 - (i) is of a type and model designation to be eligible for a Lebanese certificate of airworthiness and it complies with all environmental and operational requirements;
 - (ii) is registered in a foreign contracting state;
 - (iii) has a valid certificate of airworthiness issued in respect of the aircraft by the state of registration; and,
 - (iv) will not be made the subject of another lease during the term of the lease authorized by the DGCA for that aircraft.
- (b) the lessee holds an air operator certificate or a flight training organization operator certificate:
- (c) the lessee provides the DGCA with evidence establishing that:
 - (i) the aircraft complies with the type certificate issued in respect of the aircraft or other equivalent document and meets the applicable standards of airworthiness and maintenance control system or equivalent referred to in Section 406.17 or 706.02 and the maintenance schedules approved by the DGCA pursuant to subsection 605.86(2);
 - (ii) the lease will not affect the registration of the aircraft or the certificate of airworthiness issued in respect of the aircraft by the state of registration; and,
- (d) evidence establishing that the crew members of the aircraft are employed by the lessee;
- (e) evidence establishing that, during the term of the lease authorized by the DGCA, the aircraft:
 - (i) will be in legal custody and control of the lessee;
 - (ii) will be maintained in accordance with the applicable standards of airworthiness and maintenance control system referred to or equivalent to in <u>Section 406.35</u> or <u>706.02</u> and the maintenance schedules accepted by the DGCA; and,
 - (iii) will be maintained in accordance with an inspection program accepted by the DGCA and any requirements set out in the authorization issued pursuant to



subsection 203.03(2) of the Lebanese Civil Aviation Regulations.

AIRCRAFT LEASING OPERATIONS

ADMINISTRATIVE PROCEDURES

The administrative processes set out in the following appendices, are to be followed when administering LAR subpart 203.

Appendix I General

Appendix II Reserved

Appendix III A Lebanese Air Operator that leases a Lebanese commercial aircraft from another Lebanese Air Operator

Appendix IV A Foreign Operator that leases a Lebanese commercial aircraft from a Lebanese Air Operator

Appendix V A Lebanese Air Operator that leases an aircraft that is registered in a Foreign State

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APPENDIX I

General

Application of New Regulations - Subpart 203 applies to commercial air operators and flight training organizations only. Subpart 203 does not apply to any "private air service operation" not required to have an air operator certificate.

Contents of Lease - The lease submitted to the DGCA is not required to reveal the financial particulars of the transaction. The lease is required to indicate clearly that the legal custody and control has passed from the lessor to the lessee for a designated period of time.

The lease must specify as minimum, but not limited to, details of:

- (a) the aircraft make, model, serial number and registration marks;
- (b) the make, model and serial number of the installed engine(s) and where applicable, the propellers;
- (c) the lessor's legal name and address;
- (d) a description of the maintenance to be performed (by either party) and the identification of the organization, which will perform and certify this maintenance;
- (e) the lessee's legal name and address;
- (f) that the lessee has exclusive possession and use of the aircraft during the term of the lease; and,
- (g) the commencement and termination dates of the lease.

Submission of the Signed Lease - Section 203.09 requires the signed lease to be submitted within <u>ten</u> <u>days</u> of the date the authorization is issued.

Legal Custody and Control - For an authorization to be issued pursuant to subpart 203, complete legal custody and control of the aircraft must be clearly specified within the lease agreement.

Lease Interchange - Lease interchange is the sharing of an aircraft between air operators as set out in the lease agreement. For example a lessor and lessee may share the same aircraft on a daily basis, one during the day, the other at night.

Lease Interchange and Legal Custody and Control - In a lease interchange complete legal custody and control must pass back and forth between the lessor and lessee as the aircraft is interchanged. For example, while the lessee is operating the aircraft he may contract the lessor to do the maintenance work but the lessee must assume responsibility for that maintenance work.

Lease Interchange / Conditions of Issue - Paragraph 203.05(b) allows for the certificate of registration to remain valid during a lease interchange provided the DGCA specifies the times of interchange in the leasing authorization. This is to be done in the "Conditions of Issue" as part of the leasing authorization.

International Communications - Communications with foreign states are necessary for processing applications to authorize aircraft leasing operations. The DGCA may communicate directly with foreign states.



APPENDIX II

reserved



APPENDIX III

Lebanese Air Operator that leases a Lebanese commercial aircraft from another Lebanese Air Operator -

Office of Principal Interest (OPI) - DGCA Operations.

Leasing Authorization Required - A leasing authorization is required.

The Applicant - The applicant shall be the Lebanese registered owner.

Application Review - The application shall be reviewed and the accuracy of the information contained therein verified.

Conditions of Issue - The conditions of issue which are to be added, are the conditions required to ensure the area(s) of incompatibility regarding the maintenance control systems or the maintenance schedules, are accounted and compensated for into the lease document

Issuance of Leasing Authorization - The DGCA shall issue a leasing authorization when the applicant has demonstrated that all requirements are met. The leasing authorization shall be issued to the Lebanese registered owner.

Conditions of Issue - If required, before a leasing operation is authorized, additional conditions of issue appropriate to the leasing operation are to be placed under the "CONDITIONS OF ISSUE" part of the LEASING DOCUMENT. The additional conditions should be added to ensure a safe leasing operation.

Number of Aircraft / Limitations - No limitations.

Time / Limitations - No time limitations.

Individual Aircraft / Limitations - No limitations.



APPENDIX IV

Foreign Operator that leases a Lebanese commercial aircraft from a Lebanese Air Operator

Office of Principal Interest (OPI) - DGCA Operations.

Leasing Authorization Required - A leasing authorization is required to authorize a leasing operation that involves a Lebanese aircraft that is to be leased from a Lebanese air operator <u>lessor</u> to a foreign air operator <u>lessee</u>.

The Applicant - The applicant shall be the Lebanese Registered owner.

Application Review - The application shall be reviewed and the accuracy of the information contained therein verified.

Consent of Foreign Civil Aviation Authority - DGCA requires the civil aviation authority of the <u>lessee</u> to consent to the leasing operation. The consent for the type of leasing operation described in this Appendix must be in writing, and submitted by the Lebanese Air Operator <u>lessor</u>.

Issuance of Leasing Authorization - The DGCA may issue a leasing authorization when the applicant has demonstrated that all requirements are met. The leasing authorization shall be issued to the Lebanese Registered owner.

Conditions of Issue - If required, before a leasing operation is authorized, additional conditions of issue appropriate to the leasing operation are to be placed under the "CONDITIONS OF ISSUE" part of the LEASING DOCUMENT. The additional conditions should be added to ensure a safe leasing operation.

Number of Aircraft / Limitations - No limitations on the number of aircraft that a Foreign operators may lease from Lebanese air operators, in this type of leasing operation.

Airworthiness Eligibility Requirements - The following clarifies the requirements of the LARs and is necessary to ensure the safe operation of a Lebanese registered aircraft by a foreign operator:

- (a) Where the aircraft is to be maintained by or under the authority of the foreign air operator, the organization that will perform and certify the work must have a valid maintenance approval certificate or equivalent document, for the aircraft type that is the subject of the leasing operation, issued by the airworthiness authority of the country of the lessee. This approval will ensure that an evaluation of the maintenance organization has been carried out by the foreign civil aviation regulatory authority; and,
- (b) DGCA airworthiness inspectors must assess the foreign air operator's ability to maintain the aircraft to Lebanese airworthiness standards by:
 - (i) inspecting the proposed maintenance facility, if required;
 - (ii) review the qualifications of personnel, who are assigned maintenance supervision and certification responsibilities;



- (iii) ensuring that the operator is aware of and can comply with Lebanese requirements in all respects; and,
- (iv) reviewing foreign maintenance rules to determine that they are acceptable and do not conflict with Lebanese maintenance rules.

Responsibility for Airworthiness Surveillance - Responsibility for airworthiness surveillance will remain with the DGCA Airworthiness Office. A surveillance schedule for the leasing operation will be developed based on a risk assessment of the safety of the operation.

Delegation of Airworthiness Responsibility – The complete or partial responsibility for airworthiness may be delegated to the foreign airworthiness authority where there is an agreement in force between Lebanon and the foreign authority that provides for this delegation.

Long Term Airworthiness Requirements – Certain airworthiness requirements have long term implementation times that are subject to additional compliance action. These include, but are not limited to, airworthiness directives (ADs) that address corrosion prevention and control programs (CPCPs). Aircraft, which are subject to these ADs, must be inspected and maintenance records reviewed to determine compliance with the provisions of the ADs with particular attention to the following:

- (a) corrosion and structural related service bulletins;
- (b) structural modifications and repairs including major and multiple site damage repairs and damage tolerant repairs;
- (c) application of supplemental structural inspection programs (SSIPs);
- (d) fatigue quality of multiple repairs; and,
- (e) major repair documentation such as drawings, procedures and related technical data.



APPENDIX V

A Lebanese Air Operator that leases an aircraft that is registered in a Foreign State

Office of Principal Interest (OPI) - DGCA Operations.

Leasing Authorization Required - A leasing authorization is required to authorize a leasing operation that involves a foreign aircraft that is to be leased to a Lebanese air operator <u>lessee</u> from a foreign <u>lessor</u>.

The Applicant - The applicant shall be the Lebanese Air Operator who is leasing and operating the foreign registered aircraft.

Application Review - The application shall be reviewed and the accuracy of the information contained therein verified.

Consent of Foreign Civil Aviation Authority - DGCA requires the consent of the foreign Civil Aviation Authority (CAA). It is preferable to obtain a written consent for the record.

Issuance of Leasing Authorization - The DGCA shall issue a leasing authorization when the applicant has demonstrated that the requirements of Subpart 203 and Standard s203 of the LARs are met. The leasing authorization shall be issued to the Lebanese Air Operator who is leasing and operating the foreign registered aircraft.

Conditions of Issue - If required, before a leasing operation is authorized, additional conditions of issue appropriate to the leasing operation are to be placed under the "CONDITIONS OF ISSUE" part of the LEASING DOCUMENT. The additional conditions should be added to ensure a safe leasing operation.

Number of Aircraft / Limitations - Not applicable.

Time / Limitations - The DGCA may limit the period of time that Lebanese Air Operators may be issued a leasing authorization.

Special Conditions of Issue - The DGCA, will advise of any special "conditions of issue" and will add these conditions, if any, to the exemption.

Airworthiness Eligibility Requirements - To be eligible, the aircraft must be listed by serial number, or other identification acceptable to the DGCA, on a Type Certificate or an equivalent document issued by the state who has jurisdiction over the type design of the aircraft and the Type Certificate or the equivalent document acceptable to the DGCA.

Compliance with Subpart 525/Foreign Aircraft - Foreign registered aircraft to be leased by a Lebanese air operator must comply with all the conditions for the issuance of a Certificate of Airworthiness in the Standard or Special (Restricted) Category of the LARs, and be eligible for inclusion on a Lebanese Air Operator Certificate.

Maintenance Records Inspection - Prior to operation in Lebanon, the aircraft and its maintenance records must be inspected by Lebanese Airworthiness Inspectors to ensure that the aircraft has been maintained to a standard equivalent to that contained in Subpart 575 of the LARs.



Foreign Inspection Program - If the inspection program to be used is one that is required by the foreign air operator's regulatory authority, it must be evaluated and where necessary, supplemented by additional tasks to meet Lebanese airworthiness requirements.

Note -Lebanese air operators leasing aircraft registered in the United States should be aware of the requirements of Federal Aviation Regulations (FAR) Part 129. FAR Part 129.14 requires that any person leasing a U.S. registered aircraft used in common carriage (commercial service) receive approval of the maintenance program and Minimum Equipment List.

Long Term Airworthiness Requirements - Certain airworthiness requirements have long term implementation times that are subject to additional compliance action. These include, but are not limited to, airworthiness directives (ADs) that address corrosion prevention and control programs (CPCPs). Aircraft, which are subject to these ADs, must be inspected, and maintenance records reviewed to determine compliance with the provisions of the ADs with particular attention to the following:

- (a) corrosion and structural related service bulletins;
- (b) structural modifications and repairs including major and multiple site damage repairs and damage tolerant repairs;
- (c) application of supplemental structural inspection programs (SSIPs);
- (d) fatigue quality of multiple repairs; and,
- (e) major repair documentation such as drawings, procedures and related technical data.

Modifications - The applicant, for an authorization to operate a foreign registered aircraft, must provide a list of all modifications e.g. STC, field approvals (e.g. FAA ACA 337) or company approved modifications for the aircraft.

Modification Review - Modifications on foreign aircraft will be reviewed by the DGCA Airworthiness Office. Particular attention will be focused on modifications that have been approved on the basis of airworthiness standards or regulations that are not recognized by the DGCA. The following factors should be considered when determining the level of airworthiness review of the modification:

- (a) the type of modification and possible safety implications;
- (b) the type of operation proposed versus its previous role; and,
- (c) the service history of the leased aircraft.

Note: Following due consideration of the above, the aircraft may be accepted without further review of those installed modifications, provided the aircraft continues to operate in its previous role.



Level of Review – The level of the review will depend on the findings evolving from the evaluation requirements. Each aircraft will be assessed on the basis of its history. Upon satisfactory review of the documentation provided, it may be determined that specific modifications may be acceptable for the duration of the lease period, while others may require more formal validation.

Exceptions – Possible exceptions to the above may be applicable for the duration of a 90 day lease only, where approved. Should the operator decide to register the aircraft in Lebanon during or at the termination of the lease period, all the documentation pertaining to modifications should be submitted to the DGCA Airworthiness office for formal review at least 45 days prior to the registration.