

Civil Aviation Act

Promulgated on May 30, 1953.

Amendment to all Articles promulgated on January 4, 1974.

Amendment to Articles 2,10,22,35,37,38,44,45,64,73,76,78~89,91,92 and addition of Articles 32-1,76-1,92-1 and deletion of Article 90 promulgated on November 19, 1984.

Amendment to Articles 10,15 and addition of Article 10-1 promulgated on January 27, 1995.

Amendment to all Articles promulgated on January 21, 1998.

Amendment to Article 37 promulgated on June 2, 1999.

Amendment to Articles 2,84~87,111,121 and addition of Article 112-1 and deletion of Article 88 promulgated on April 5, 2000.

Amendment to Articles 23,28,43,48,55,64,112,114 promulgated on May 2, 2001.

Amendment to Article 55 promulgated on May 30, 2001.

Amendment to articles 9,23,25~27,32,33,41,47,49,50,65,66,71,73~75,77,78,111,112,116,118-121 and deletion of Articles 20-1,29-1,33-1,41-1,63-1,64-1,66-1,70-1,72-1,74-1,75-1,77-1,88-1 promulgated on November 14, 2001.

Amendment to Articles 2,23,27,40,55,57,63-1,69,79,93,105,108,112,118,119 and addition of Articles 58-1,93-1,chapter 9-1,99-1~99-8,110-1,119-1 and deletion of Article 63 promulgated on May 28, 2003.

Amendment to Articles 2,99-1,99-8,112 and addition of Article 41-2 and deletion of Articles chapter 8,84~87,88-1 promulgated on June 2, 2004.

Amendment to Article 37 promulgated on June 9, 2004

Amendment to Article 37 promulgated on January 30, 2005

Amendment to Articles 2,5,9,10,23,25,28,29-1,33~35,37,38,40~41-1,43,49,63-1~64-1,66-1,67,70-1,74-1,78,82,99-1~99-3,99-5,102,104~106,110,111,112,113,114,118,119-1 and addition of Articles 7-1,23-1,23-2,28-1,43-1,43-2,47-1~47-5,78-1,83-1,110-2,112-2~112-7,119-1~119-4 and deletion of Articles 68,120,122 per Presidential Decree No.Hua-Zong-Yi-Yi-Zi-09600091031 dated July 18, 2007.

Amendment to Article 55 per Presidential Decree No.Hua-Zong-Yi-Yi-Zi-09800018531 dated January 23, 2009

Amendment to Article 33, 78, 81, 83, 107, 112-4 per Presidential Decree No.Hua-Zong-Yi-Yi-Zi-10000299641 dated January 4, 2012

Chapter 1

General

Article 1

This Act is enacted to insure the aviation safety, a sound civil aviation system, compliance with international civil aviation standards, and promote the development of

civil aviation.

Article 2

The terms used in this Act are defined as below:

- 1) “Aircraft” means any machine that can derive support in the atmosphere from the reactions of the air other than the reactions of the air against the earth’s surface.
- 2) “Airport Terminal” means an area of land that is used for the landing and takeoff of aircraft, including its buildings and facilities to load/unload passengers/goods.
- 3) “Flight” means takeoff, navigation in the air, landing of aircraft and its taxiing on the ground of an airport or of an airfield before takeoff and after landing.
- 4) “Airman” means aircraft pilot, flight engineer, mechanic, air traffic controller, repairman and aircraft dispatcher.
- 5) “Airfield” means any land or water that is used for takeoff, landing and surface movement of aircraft.
- 6) “Navigation Aids” means facilities designed for the support of aviation communications, meteorology, radio and visual aids as well as other installations providing safety guidance to aircraft in flight.
- 7) “Airway” means a control area or portion thereof established by CAA in the form of a corridor.
- 8) “Special Flight” means any approved single flight such as an aircraft test flight, acrobatic flight, flight beyond prescribed limits or repair as well as maintenance, and ferry flight.
- 9) “Air Traffic Control” means a service provided by an appropriate authority to preventing collisions between aircraft, and on the maneuvering area, between aircraft and obstructions, as well as expedite and maintain an orderly flow of air traffic.
- 10) “Pilot-in-Command” means the pilot assigned by the aircraft owner or user and who is responsible for the operation and safety of an aircraft during flight time.
- 11) “Civil Air Transport Enterprise” means an undertaking directly engaging in the transportation by aircraft of passengers, cargo and mail for compensation or hire.
- 12) “General Aviation Enterprise” means an enterprise engaging in the aviation business other than Civil Air Transport Enterprise for compensation, including aerial tourism, survey, photographing, fire-fighting, searching, paramedic, hauling and lifting, spraying and dusting, drone-hauling service, business charter, as well as other authorized aviation service.
- 13) “Air Freight Forwarder” means a business authorized to forward, through a civil air transport enterprise, air cargo and international trade and commercial documents other than mails for others for compensation or hire.

- 14) "Airport Ground Handling Service" means a service that performs towing and guiding of aircraft on the ramp, loading and unloading of baggage, cargo and meals, and cleaning aircraft cabin, and operating airbridge, and other associated tasks.
- 15) "Catering Service" means a caterer who transports meals and beverage and other necessary articles to and from aircraft on the ramp.
- 16) "Air Cargo Entrepot" means a business receiving compensations for providing customs clearance and warehousing space, facilities and services to handle import, export or transfer cargo into and out of airport bonded areas.
- 17) "Aircraft Accident" means an occurrence associated with the operation of aircraft which takes place between the time any person boards the aircraft with the intention of flight until such time as all such persons have disembarked, in which a person, either within or without the aircraft, is fatally or seriously injured or the aircraft sustains substantial damage or structural failure, is missing or completely inaccessible.
- 18) "Aircraft serious incident" means an occurrence associated with the operation of aircraft which takes place between the time any person boards the aircraft with the intention of flight until such time as all persons aboard have disembarked, which almost result in an accident.
- 19) "Aircraft incident" means an occurrence associated with the operation of aircraft which takes place between the time any person boards the aircraft with the intention of flight until disembarkation of all those on board, other than what happen in the preceding two items.
- 20) "Ultra-light vehicle" means a powered aircraft which is used for manned operation in the air, has a maximum takeoff weight of five hundred and ten kilograms or less, and has a takeoff speed of less than sixty-five kilometers per hour at maximum takeoff weight or a power-off stall speed which does not exceed sixty-four kilometers per hour.
- 21) "Flight safety related event" means any occurrence of aircraft accident, aircraft serious incident, and aircraft incident incurred in operations of aircraft and the occurrence of ground safety events incurred in non-operations of aircraft.
- 22) "Aviation Product" means an aircraft, aircraft engine and propeller.
- 23) "Private Aircraft Activity" means a not-for-profit aviation with a privately owned aircraft.
- 24) "Aeroplane" means a power-driven heavier-than-air aircraft, deriving its lift in flight chiefly from aerodynamic reactions on surfaces which remain fixed under given conditions of flight.
- 25) "Helicopter" means a heavier-than-air aircraft supported in flight chiefly by the

reactions of the air on one or more power-driven rotors on substantially vertical axes.

Article 3

The Ministry of Transportation and Communications (hereinafter referred to as MOTC) shall establish the Civil Aeronautics Administration (hereinafter referred to as CAA) to administer affairs relating to civil aviation.

Regulations governing the organization of CAA shall be enacted separately.

Article 4

The use of air space and demarcation of control area, control zone, restricted area, dangerous area and prohibited area shall be determined by the MOTC in coordination with the Ministry of National Defense.

Article 5

The first inbound landing of an aircraft originating from any point in a foreign country, or an outbound aircraft taking off from the ROC to another country, shall conduct such landing or takeoff at a designated international airport. A special approval granted by MOTC or in case of an emergency may be an exception.

Article 6

In the event it is necessary for an aircraft to land at a military airfield, or to utilize the facilities of a military airport, the owner or operator of the aircraft shall apply to the military authorities through CAA for permission. However, an exception may be made for emergency landing.

When taking off from and landing at a military airfield, aircraft shall observe regulations of the airfield and abide by the instructions of the airfield authorities.

Chapter 2

Aircraft

Article 7

All citizens, legal persons and government organizations of the ROC may enjoy the right to own aircraft according to this Act and other related statutes. MOTC may impose restrictions on such ownership of non-public use aircraft if air space is limited or facilities at air terminals are inadequate.

Foreigners, aside from complying with the provisions set forth in Chapter 7, shall not own aircraft in the ROC.

Article 7-1

Any entity intending to engage in private aircraft activities shall request MOTC through CAA for its permission for making preparations and, in addition thereto, shall purchase aircraft while making preparations and possess the capabilities of engaging in safe aviation. Such entity may not engage in the aforesaid activities unless and until permit is obtained from the CAA upon its satisfactory completion of the review of the safe aviation capabilities of such entity, who, subsequent to the completion of said review, has applied to MOTC through CAA for its approval. The entity engaging in private aircraft activities intending to terminate its private aircraft activities shall first report to MOTC for reference through CAA.

The entity engaging in private aircraft activities is referred to in the preceding paragraph shall be a citizen, juridical association, foundation or corporate organization of ROC.

The aircraft of any entity engaged in private aircraft activities shall not be used for the purposes of commercial aviation, nor be leased or loaned to another engaged in aviation activities.

Rules governing the application for permission of making preparations, approval procedure and restrictions, application for purchase of aircraft and its restrictions, limitations of aircraft age, application for aviation and other matters to be observed in respect of the engagement in private aircraft activities, shall be enacted by the MOTC.

CAA may send its personnel to inspect various personnel, equipment, aviation operations and activities of an entity engaged in private aircraft activities, and such entity shall not refuse, avoid or impede such inspection. In case of any deficiency, CAA shall so inform such entity and set a time limit for the latter to cure such deficiency.

Article 8

The owner or operator of an aircraft shall apply to CAA for aircraft registration. A certificate of registration shall be issued if the application meets all appropriate requirements. No ROC-registered aircraft shall be registered in a foreign country without first canceling its Chinese registration.

Aircraft that have been registered in a foreign country shall not be allowed to apply for registration in the ROC until its registration has been cancelled.

Article 9

The design and manufacture of aviation products, appliances and parts shall be approved by CAA. Appropriate certificates will be issued upon completion of the certification. No person may manufacture, sell or use aviation products, appliances and

parts for civil aviation unless properly certificated.

No person may sale or use imported aviation products and their imported appliances and parts for civil aviation unless certificated or validated by CAA.

The rules governing the certification for the design and manufacture as prescribed in the first two paragraphs of this article, and application, approval, issuance, modification, cancellation and renewal for airworthiness certificate and airworthiness approval tags of aviation products and their appliances and parts, and collection of certification fees shall be enacted by the MOTC.

The owner or operator of an aircraft registered in accordance with the previous article shall apply to the CAA for airworthiness certification. An airworthiness certificate will be issued upon completion of certification.

Classification and limitation of the above-mentioned airworthiness certification, conditions for application, issuance, cancellation and abolition as well as rules of revocation and renewal, signing of certificate, documentation, controlling of life-limited parts, airworthiness, management of maintenance and repair, and collection of certificate fees shall be enacted by MOTC.

Article 10

An aircraft may be registered as ROC aircraft under any of the following categories:

- 1) Owned by ROC citizens.
- 2) Owned by government organizations of the ROC.
- 3) Owned by the following legal persons who have a principal office in ROC in accordance with ROC Acts:
 - (1) Unlimited company completely owned by citizens of the ROC.
 - (2) Limited company with over 50 percent of capital owned by citizens or legal persons of the ROC and represented by directors who are citizens of the ROC.
 - (3) Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of the ROC.
 - (4) Company limited by shares with over 50 percent of its total shares owned by ROC citizens or legal persons of ROC, whose chairman and over 50 percent of the directors are citizens of the ROC, provided that no single citizen or legal person of a foreign country may hold more than 25 percent of its total shares.
 - (5) Other legal persons whose representatives are citizens of the ROC.

Except otherwise prescribed in this Act, aircraft other than that of ROC nationality may not apply for registration in this country.

Article 11

Any non-ROC aircraft purchased from a foreign country on conditional terms by

ROC citizens, legal persons or government agencies pending entitlement of ownership, or any such aircraft leased from a foreign country for a period more than 6 months, may be registered as an ROC aircraft if its registration in the foreign country has been duly cancelled, provided the purchaser or lessee is responsible for operating such aircraft and employing the required personnel and equipment.

The purchaser or lessee may apply to the CAA for appropriate registration. However, such registration shall not construe proof of ownership.

Renewal is not required for registrations found to be in compliance with the provisions of this Article prior to the effective date of this Amendment.

Article 12

After the aircraft has been properly registered, the ROC nationality marks and registration number shall be displayed on a conspicuous part of the aircraft.

Article 13

The certificate of registration shall become invalid upon any of the following events:

- 1) Transfer of aircraft ownership.
- 2) Aircraft is destroyed or damaged beyond repair.
- 3) Aircraft is dismantled or abandoned.
- 4) Forfeiture or loss of aircraft nationality.

Article 14

The certificate of airworthiness shall become invalid upon any of the following events:

- 1) Expiration of the certificate.
- 2) Invalidation or revocation of the certificate of registration.
- 3) Aircraft fails to meet CAA airworthiness requirements.

Article 15

In case a registration or airworthiness certificate becomes invalid, CAA shall serve a public notice of its cancellation, and the holder of such certificate shall return it to CAA within twenty days from the date of invalidation.

Article 16

In case a registered aircraft is found to be in non-conformity with the provisions of the paragraph II of Article 8, Article 10 or Article 11, the CAA shall cancel the registration and order the certificate of registration be returned.

Article 17

At anytime a certificate of registration becomes invalid for reasons other than the two preceding articles, the CAA shall immediately revoke the aircraft registration certificate.

Article 18

Except as specifically provided in this Act, aircraft shall be governed by the provisions of the Civil Code and other appropriate Acts.

Article 19

Aircraft may be an object of mortgage.

The provisions of the Chattel Secured Transactions Act with regard to movable property shall apply to mortgaging an aircraft.

Article 20

Unless duly registered, transfer of ownership, creation of mortgage, or lease of an aircraft, shall not be a defense against a third party.

Article 20-1

Rules governing the registration and cancellation of an aircraft nationality and ownership, mortgage and lease thereof, nationality insignia , registration numbering and registration fees shall be fixed by MOTC.

Article 21

The provisions of Article 11 to Article 14 and Article 16 to Article 19 of the Maritime Act shall apply to aircraft under joint ownership.

Article 22

Except as otherwise specified in this act or other laws, aircraft shall not be detained, attached or provisionally attached from the time it takes off until completion of its flight.

Article 23

Airworthiness standards for the aviation products, appliances and parts with regard to their design, manufacture, performance, operation limitations, flight and maintenance documentation shall be stipulated by CAA. Nevertheless, the airworthiness standards, which are generally used in international aviation practices and are deemed suitable for domestic use, can be adopted after CAA approval.

CAA may delegate a qualified agency, body or individual to perform the certification of aviation products, appliances and parts. Measures concerning qualifications, terms,

obligations and supervision of those so delegated shall be enacted by MOTC.

CAA shall inspect/oversee the manufacturers of aviation products, appliances and parts with regard to their employees, facilities and operations. Those being inspected shall not refuse, avoid or obstruct such inspections. The inspected shall be notified of any deficiency found and given a time limit in which to effect improvement. CAA may suspend partial or entire operations of those who have any of the following violations:

- 1) Conduct manufacturing not in accordance with CAA approved documents.
- 2) Change quality systems without notifying CAA.
- 3) Mark unapproved aviation products and their appliances and parts as CAA approved.

Article 23-1

Upon completion of manufacture of an aircraft, the aircraft manufacturer shall apply to CAA for a provisional registration. An aircraft with provisional registration may only be used in test flight or ferry flight.

Aircraft provisionally registered as per above shall not be subject to the constraints of the terms of owners set forth in Article 10, paragraph 1, subparagraph 3 and shall be exempt from charges for provisional registration.

Article 23-2

A repair station that performs the maintenance of aviation products, appliances and parts shall apply to CAA for certification, a repair station certificate will be issued upon certification.

The rules governing classification of ratings, the inspection procedures manual, maintenance records, maintenance facilities, equipment, parts and qualification of personnel, the establishment of maintenance and quality assurance systems, application for certification, revision of ratings, issuance, cancellation and renewal, collection of certification fees for the repair station certificate etc, shall be enacted by MOTC.

CAA shall send its personnel to inspect the repair station with regard to personnel facilities and operations. Those being inspected shall not refuse, avoid or obstruct such inspections. In case of any deficiencies noted, the CAA shall inform the repair station and set a time limit to correct the deficiencies. CAA shall terminate, in whole or in part, the operation of a repair station for any of the following conditions:

- 1) An airman who does not possess a valid certificate or an aircraft pilot whose physical and psychological status is not suitable for flight.
- 2) The flight test operation would cause imminent danger to persons or property on the ground.

Chapter 3 Airman

Article 24

An airman shall be a citizen of the ROC, unless granted a special approval by MOTC.

Article 25

Airmen rated qualified after passing written and practical tests shall be issued a certificate by CAA. Only those in possession of such a certificate can be allowed to work on their respective jobs. The certificate should be carried with the person while performing his or her duties.

The rules governing classification of ratings for the above-mentioned airmen, eligibility for applying for a certificate/rating, items for tests of written and practical, reexamination, periodic rechecks, additional ratings, expired ratings, eligibility and procedure for a foreign citizen to apply for ratings, collection of license fees and general privileges of the certificate etc, shall be enacted by MOTC.

The testing of airman may be administered by a CAA delegated agency, body or individual. CAA shall prescribe measures related to qualifications, conditions, obligations and supervision of the agency, body or individual so delegated.

Article 26

CAA shall conduct periodical physical examinations of aircraft pilots, flight mechanics and flight controllers as well as temporary checks.

Those meeting the standard will be issued a Clean Bill of Health which should be carried with the person in performing his or her duties. Those who fail to pass the physical examination shall be suspended from duty.

CAA shall prescribe measures relating to the preceding airmen's bodily constitution, timing of examination, items of examination, procedure for requesting a review of those who fail to pass the examination and conditions for submitting such a request for review, the length of time required, collection of fees for such examination and rating, issuance of clean bill of health and the basis on which those who fail to pass examination must be suspended from duty.

Airmen's physical examination stated in paragraph one may be handled by a CAA commissioned agency or body. CAA shall provide measures relevant to the qualification, condition obligation and supervision of such an agency or body so commissioned.

Article 27

With a view to cultivating civil aviation personnel, MOTC may consult with the Ministry of Education (MOE) to establish a civil aviation school, or ask MOE to increase or adjust related departments in existing academic institutions.

Any private civil aviation training institution shall apply to MOTC for approval prior to getting accredited.

MOCT shall establish rules governing the above said airmen's training institutions with regard to classification of training, organization, application for setting up such a school, application for a permit, its cancellation and renewal, procedure for student enrolment, qualification of trainees, curriculum of training, facility and equipment for training, qualification of the faculty, as well as collection of license fees and management of training.

CAA shall establish a state-operated air terminal with MOTC approval. Air terminals to be operated by a municipality under direct Central Government jurisdiction shall have application submitted to CAA for MOCT approval before such air terminal can be established. The same applies in the event of abolishing an air terminal.

CAA may send personnel to inspect a civil aviation training institution; to monitor its operations including employees, training, and equipment; and to monitor its business. The civil aviation training institution shall not refuse, avoid or impede such inspections, and will be notified of deficiencies if any, and shall improve within a certain period of time when so advised by the CAA.

Chapter 4 Airport, Airfield & Navigation Aids

Article 28

CAA shall prepare, construct and operate a state-operated airport terminal with MOTC approval. A municipality under direct Central Government jurisdiction shall start to prepare, construct and operate a municipality operated airport terminal after obtaining approval for its application from MOTC through CAA.

A company limited by shares eligible under Article 10, paragraph 1, subparagraph 3, item 4 shall prepare a private airport terminal after obtaining approval for its application to prepare the airport terminal from MOTC through CAA. After completely the construction of the airport terminal within the approved preparation period, registering with the relevant government organs and obtaining approval for its application to operation from MOTC through CAA, the company shall operate the airport terminal.

MOTC shall prescribe rules governing such matters as the preparation, construction, application, approval, rental, ownership transfer, abolishment, cancellation, suspension of

operation or dissolution, management and investment, operations supervision and other affairs that should conform for the preparation, construction, operation of an airport terminal mentioned in the preceding two paragraphs.

Article 28-1

After the construction of an "airport terminal" mentioned in the preceding Article 28th, the airport operator shall apply to CAA for certification including its facilities and operations for the aircraft taking off, landing and movement in the activity area.

The "airport terminal" which has operated before the effective date of the amendment, the 15th June, 2007. The CAA shall inform the airport operator to apply the certification including its facilities and operations for the aircraft taking off, landing and movement in the activity area within a time limit.

About the items, certification, exemption procedure, issuance, suspension, and cancellation of the facilities and operations mentioned in the preceding two paragraphs, and other necessary procedures shall be formulated by MOTC.

CAA shall assign inspectors to inspect the facilities and operations for the aircraft taking off, landing and movement in the activity area in the "airport terminal" and shall supervise and direct its business. The airport operator cannot avoid, obstruct or refuse such inspection. Any deficiency is discovered, CAA shall inform the airport operator to make improvement in a time limit.

Article 29

An airfield may be established and operated by the central or local governments, by ROC citizens or legal persons specified in Article 10, paragraph 1, subparagraph 3 of this Act after applications filed with CAA and approved by MOTC in consultation with authorities concerned. The same requirements shall apply to the lease, transfer or abolition of airfields.

The operators and managers of an airfield as stated in the preceding paragraph shall be limited to ROC citizens.

Article 29-1

MOTC shall establish rules governing application for permission to set up a private airfield, conditions for revocation, abolition and cancellation, suspension of operation or closure, flight control, meteorological forecast and weather report, designing and planning, safety service, request for temporary takeoff and landing and business management and other affairs that should be conformed.

Article 30

No airport and airfield shall be utilized for any other purpose without CAA approval.

MOTC shall consult with the Ministry of National Defense for using a military airport or airfield.

Article 31

The installation, alteration and abolition of navigation aids within the territory shall become effective only with CAA approval.

Any person who installs such navigation aids shall comply with CAA regulations in managing these facilities.

Article 32

To bolster flight safety, CAA shall impose prohibition or restriction to a certain extent, on the heights of buildings and other obstructions around an air terminal, airfield or navigation aid installation and on the radiation angle of lighting thereof, and report the proposed move to MOTC which will consult with the Ministry of Internal Affairs (MOIA) and concerned agencies to reach consensus for a decision. It will then be announced by the municipal and county (city) governments. However, such a decision should not overrule any case of existing heights or lighting angles that has been specially approved by the Executive Yuan.

The MOTC in conjunction with MOIA and the Ministry of National Defense (MND) shall provide measures for regulating the heights of structures and radiation angle of lightings thereof, within certain range surrounding an air terminal, airfield and navigation aids, procedure for making public announcement, procedure for screening a proposed prohibition or restriction and for approving a special case.

Article 33

To deal with violators of prohibition or restriction rulings referred to in the preceding Article, CAA in conjunction with concerned agencies should notify the owner of the obstructive structure to make improvement within a time limit or to relocate. However, in the case of a specially approved structure as referred to in the preceding Article, the owner should be obliged to install obstacle lights and markings.

If such obstructive structures were already in place at the time the prohibition or restriction rulings were promulgated, operator of the airport or the airfield shall pay compensation for the relocation or for installing obstruction lights and marking.

Not according to demolition or relocation in paragraph one, the airport and the Aviation Police Office, Nation Police Agency, Ministry of the Interior (hereinafter referred to as Aviation Police Office) in conjunction with the relevant agencies shall be subject to

perform coercive demolishing.

Article 33-1

Owners of buildings or other facilities exceeding a certain height shall have obstacle lights and marks installed, and shall keep such lights and marking in normal working condition. The same shall apply to buildings or facilities not exceeding such height but nonetheless believed to have an impact on aviation safety upon evaluation.

Standards for the certain height of installing obstacle lights and marking mentioned in paragraph one shall be prescribed by MOTC in conjunction with the MOI.

Article 34

Any person in possession of animals, pigeons and other birds shall prevent the same from entering an airport, airfield or area of navigation aids. The operator of an airport, airfield or navigation aids may catch and kill those animals, pigeons and other birds that have entered any of these areas which may pose a clear danger to aviation safety. Where there is any potential threat of such entry, appropriate measures may be implemented at a certain distance from the outer boundary of an airport to prevent such entry.

Except as otherwise approved by CAA, the raising of pigeons or releasing of any objects that may be considered hazardous to flight safety is prohibited within a certain distance from the outer boundary of an airport or airfield.

The MOTC, in conjunction with agencies concerned, shall determine and announce the exact distance referred to in the preceding paragraph. The operator of an airport or airfield shall make compensation for any pigeon house already in existence within such certain distance prior to the said announcement if such house is dismantled and moved within the announced time limit. Any pigeon house not dismantled and moved within the time limit or re-built without proper authorization shall be subject to compulsory dismantling by the operator of an airport and the Aviation Police Bureau in conjunction with the local police authorities without any compensation.

The MOTC shall prescribe the rules governing such matters as the application for the aforesaid compensation, on-site inspection, appraisal and grant of compensation.

The operator of an airport and the Aviation Police Bureau, in conjunction with the local police authorities, shall clamp down on the releasing of any object that may be considered hazardous to flight safety.

Article 35

In an effort to control the noise problem at a civil airport, the CAA shall collaborate with the Environmental Protection Administration Executive Yuan in the determination of a noise abatement program.

Amongst airports referred to in the preceding paragraph, the noise abatement task of a state-operated airport shall be conducted by the CAA. The CAA may entrust the municipality or local county (city) government to conduct the task. For a non state-operated airport, the noise abatement task shall be conducted by its operator.

Article 36

The land needed for public airports, airfields and navigation aids may be requisitioned by the government in accordance with the laws.

Article 37

User, service or noise charges shall be paid for the use of airports, airfields, navigation aids and related facilities. The charge structures for using a state-operated airport, navigation aids and related facilities will be affixed by the MOTC. The charge structures for a non state-operated airport or airfield shall be formulated by its operator and then submitted to the MOTC through the CAA for approval. The same procedure shall apply in case of any modification thereof.

The noise charges referred to in the preceding paragraph shall be used exclusively for the control of noises. It shall be used first in noise abatement facilities in the vicinity of an airport utilized by civil aircraft. Any remaining budget, if necessary, may be used in health related facilities, or in deduction for electricity bills, house taxes and land value taxes etc. for the residents.

Among various charges stipulated in paragraph one, 8 percent of the total amount of airport landing charges levied annually shall be earmarked as recompenses to airports in accordance with the ratio each airport collects. These recompenses shall be used in maintaining the health of residents, scholarship or grant, social welfare, cultural activities, basic infrastructure budget and activities for public welfare etc.

The MOTC shall formulate the allocation and use of the above two kinds of charges for a state-operated airport. For a non state-operated airport, its operator shall formulate a plan for the allocation and use of such charges and then submit it to the MOTC through the CAA for approval. The allocation and use of the recompenses of an airfield shall be formulated by its operator and then submitted to the MOTC through the CAA for approval.

Chapter 5 Flight Safety

Article 38

An aircraft shall carry the following documents during any flight:

- 1) Aircraft registration certificate;

- 2) Airworthiness certificate;
- 3) Flight logbook;
- 4) Passenger manifest when carrying passengers;
- 5) Cargo and mail manifest;
- 6) Aircraft radio station license.

The pilot-in-command shall ensure before takeoff that the documents described in the preceding paragraph are aboard the aircraft.

If the documents described in the preceding paragraph are not in order or invalid upon the required CAA preflight checks, the flight shall be terminated.

Article 39

Special flight shall be performed only after an application filed with CAA has been approved.

Article 40

The owner or operator of an aircraft with an airworthiness certificate shall maintain the aircraft in accordance to regulations to insure the aircraft remains airworthy and conduct a preflight inspection before flight. If the aircraft is found not to be airworthy determined by an inspector or the pilot-in-command, the aircraft shall not be allowed to take off.

CAA shall send personnel or delegate another agency or body to inspect the maintenance activities of the owner or operator of the aforesaid aircraft. The owner or operator of an aircraft may not refuse, evade or impede such inspection. If the maintenance status does not meet airworthiness and safety requirements, the aircraft shall be grounded and its airworthiness certificate be revoked.

Civil Air Transport Enterprise shall publish aircraft ages, flight hours, the latest maintenance records, and pilots' flight hours for passengers' reference in choosing carriers.

The qualifications, duties and supervision for those delegations as per paragraph two, as well as the procedures to delegate aircraft inspections, shall be formulated by MOTC.

Article 41

In the interest of flight safety, aircraft in flight shall submit to the appropriate requirements of general flight rules, visual flight rules and instrument flight rules. Aircraft shall also follow all instructions issued by the air traffic control unit.

Specific air traffic control procedures described above for general flight rules, visual flight rules, instrument flight rules and other related flight rules shall be prescribed by CAA.

Article 41-1

The owner or operator of an aircraft shall be responsible for flight safety of the aircraft and shall conduct safe flight operations pursuant to this Act or any regulation issued under this Act.

Rules governing flight operations, preparation for flight, aircraft performance and operational limitations, aircraft instruments, equipment and documents, aircraft telecommunication, navigation equipment, aircraft maintenance, flight crew operation, qualification of pilots, dispatchers, handbooks, forms/records, cabin crew and security shall be enacted by MOTC.

CAA shall send personnel to inspect the operations activity of the owner or operator of the aircraft. The owner or operator of an aircraft may not refuse, evade or impede such inspection and will be notified of deficiencies if any. All deficiencies shall be corrected within a time limit when so advised by the CAA. CAA shall terminate the flight operation for any of the following conditions:

- 1) An airman who does not possess a valid certificate
- 2) An aircraft pilot whose physical and psychological status is not suitable for flight.

Article 41-2

Rules governing matters of flight safety-related such as publication of bulletins, fire-fighting, search & rescue, taking emergency measures, as well as investigation of non-aircraft accident or major incident, statistics and analysis, shall all be prescribed by CAA.

Article 42

No aircraft shall be allowed to fly over prohibited areas.

Aircraft flying over restricted or dangerous areas must comply with the applicable provisions of the regulations.

Article 43

Any dangerous goods shall not be carried or consigned on board an aircraft, except complying with the provisions of paragraph four or the dangerous goods standards used in international practices regulations about the classification, identification, limitation, packing, marking, labeling, declaration and shipper's responsibility approved by CAA.

The civil air transport enterprise, general aviation, air freight forwarder, airport ground handling service, catering service and air cargo entrepot shall not consign, store, load or transport any dangerous goods, except complying with the provisions of paragraph four or the dangerous goods standards used in international practices about the classification, identification, limitation, packing, marking, labeling, declaration, shipper's

responsibility, responsibility of the owner or operator of an aircraft, information providing, handling, training program, application procedure and compliance affair, accident or incident report, and other provisions of dangerous goods approved by CAA.

CAA shall publish the name of dangerous goods referred to in the preceding two paragraphs.

The regulations of classification, identification, limitation, packing, marking, labeling, declaration, shipper's responsibility, the responsibility of the owner of operator of an aircraft, information providing, handling, training program, application procedure, compliance affair, accident or incident report, and other provisions shall be enacted by MOTC. The dangerous goods regulations used in international practices, which are adoptable for domestic use can be referred to after CAA approves.

Article 43-1

Any gun, cannon, knife referred to in the Act Governing the Control and Prohibition of Gun, Cannon, Ammunition, and Knife, and any other suspicious articles hazardous to flight safety shall not be carried on board an aircraft except the specially authorized firearms according to the demand of the special mission approved by the Aviation Police Office and agreed by the operator.

CAA shall publish the names of suspicious articles hazardous to flight safety referred to in the preceding paragraph.

Article 43-2

No person shall use any device that may interfere with navigation or telecommunications from the time the cabin door is shut and the cabin crew announces such prohibited use up to the time the said door is reopened.

CAA shall publish the types of devices that may cause interference with navigation or telecommunications, as well as the conditions for such prohibited use.

Article 44

No object shall be dropped from an aircraft in flight, unless otherwise provided for by law, or unless the object dropped is necessary for the safety of flight or for rescue purposes.

Article 45

The pilot-in-command of an aircraft is directly responsible for the safe operation of that aircraft and may take any necessary steps to deal with an emergency.

Article 46

An aircraft, its passengers and cargo, shall be available for examination by

appropriate authorities in accordance with law prior to and after a flight.

Article 47

CAA should help mediate in any dispute between the air carrier and passengers during or upon completion of a flight.

If passengers ignore efforts at mediation and refuse to leave aircraft after landing, the air carrier with CAA consent may request assistance of the Air Police Bureau to persuade or force passengers to leave aircraft after landing, the air carrier with CAA consent may request assistance of the Air Police Bureau to persuade or force passengers to leave aircraft.

Measures for mediation stated in paragraph one shall be provided by CAA.

Article 47-1

For purposes of conducting matters relating to national civil aviation security, MOTC shall formulate a national civil aviation security program and submit it to Executive Yuan for approval prior to its implementation.

Aviation Police Office, which is the security authority of each airport, shall formulate each airport security program and submit it to CAA for approval prior to its implementation.

Each publicly and privately owned institution with operations at an airport shall comply with the regulations of the airport security program of the airport where it is operating.

Article 47-2

The civil air transport enterprise and general aviation enterprise shall formulate its own aviation security program and submit it to CAA for approval prior to its implementation.

The foreign civil air transport enterprise shall formulate its own aviation security program and submit it to CAA for acceptance prior to its implementation.

The air cargo entrepot, airport ground handling service, catering service and publicly and privately owned institution with operations at an airport connected with a security restricted area of an airport that has an independently guarded entrance connecting a non-security restricted area, shall formulate its own aviation security program of the airport where it is operating and submit it to Aviation Police Office for approval prior to its implementation.

The air freight forwarder should formulate an aviation security program and submit it to Aviation Police Office for approval to apply for the regulated agent.

Aviation Police Office may dispatch security inspectors to audit, inspect and test the

security measures and practices of each publicly and privately owned institution operating at an airport and of the regulated agent. The unit subjected to such security audit, inspection and test shall not avoid, impede, or refuse, and will be notified of deficiencies, if any, and shall redress such deficiencies within a specified time limit.

While dispatching security inspectors to implement the security audit, inspection and test referred to in the preceding paragraph, Aviation Police Office may request the operator of an airport to jointly conduct.

Article 47-3

The passenger, baggage, cargo and mail that haven't been screened by Aviation Police Office shall not board nor be loaded onto an aircraft; unless it complies with any of the following:

- 1) No screening is required under the provision of a treaty, agreement or international convention.
- 2) The cargo subject to security control implemented by a regulated agent according to its own approved aviation security program.
- 3) Other exception approved by Aviation Police Office according to applicable regulations.

The owner or operator of an aircraft shall not carry the passenger, baggage, cargo and mail that haven't been screened according to the provision of the paragraph one.

The crew, along with their cabin, hold baggage and articles shall be screened by Aviation Police Office before boarding or loading onto an aircraft; anyone refuses to be screened shall not board nor load onto the aircraft.

The owner or operator of an aircraft shall be responsible for the aviation security of their own aircraft.

The provisions of preceding five paragraphs shall be applicable to the owner or operator of a foreign aircraft.

Article 47-4

The operator of an airport shall designate certain areas of the airport as security restricted area for purposes of maintaining security and operation.

The personnel, vehicles and articles carried or transported by them shall be screened by Aviation Police Office when entering and leaving the security restricted area.

Article 47-5

Rules governing the formulating, reporting and approving procedures for aviation security program; the security measures as to protect an aircraft on the ground, aircraft security check; passenger, baggage, cargo, catering supplies and catering stores;

application procedures of a regulated agent; escorts and personnel under their escort; matters to be followed by armed air marshal and other personnel carrying weapons on board as approved by Aviation Police Office; qualifications of the security control personnel; contingency response measures relating to aviation security incidents; formulating, reporting and approving procedures for aviation security quality control programs; formulating, reporting and approving procedures for security training programs; non-disclosure of security information; security management of the owner or operator of an foreign aircraft and other matters to be followed about the aviation security shall be enacted by MOTC.

Chapter 6 Management of Civil Air Transport Enterprise

Section 1 Civil Air Transport Enterprise

Article 48

Any person desiring to establish a civil air transport enterprise shall request MOTC through the CAA for permission to establish its business. Within a specified preparatory period the applicant shall, according to law, complete registration with appropriate authorities, execute agreements for conditional or unconditional purchase of aircraft, and submit to MOTC through CAA for approval. If an applicant's business scope includes international transport, the applicant shall register with the Customs Office to acquire appropriate certification. The civil air transport enterprise may begin its operation only after receiving a same as business license from CAA.

The license shall become invalid if the enterprise fails to start operations within 24 months from the date the license was issued, or it has suspended operations over 6 months after starting its business. In this case, CAA shall report to MOTC to have the license revoked and notify agencies concerned to cancel its registration, unless an extension justified by special circumstances is applied for and approved through due process.

Before a civil air transport enterprise terminates its operation, advance notice must be served to MOTC through CAA. Within 30 days from termination, it should surrender the issued license for cancellation. If the license has not been surrendered within the 30-day period, CAA will issue a public notice advising that the license has been revoked.

Article 49

A civil air transport enterprise shall be formed as a corporate organization adhering to the following rules:

- 1) Unlimited company with the entire body of its shareholders being citizens of the ROC.
- 2) Limited company with over 50 percent of capital owned by citizens or legal persons of the ROC and represented by directors who are citizens of the ROC.
- 3) Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of the ROC.
- 4) Company limited by shares with over 50 percent of its total shares owned by citizens or legal persons of the ROC, whose chairman and over 50 percent of the directors are citizens of the ROC; provided that no single citizen or legal person of a foreign country may hold more than 25 percent of its total shares.

For a company limited by shares, all the shares issued should be registered by name.

Article 50

A civil air transport enterprise should have secured international air traffic rights with relevant slots and in possession of an air route certificate, before it can engage in international scheduled air transport service on assigned air routes. CAA shall establish an international airport slot coordination committee or commission a neutral entity to conduct the allocation of slots. CAA shall prescribe measures relative to the qualification, condition, obligation and supervision of the entity so commissioned.

Similarly, civil air transport enterprise should have acquired aircraft takeoff & landing allotment for domestic airports or slots and in possession of an air route certificate, prior to commencing domestic scheduled air transport service on designated air routes.

The points of departure, intermediate points and destinations along the designated air routes related to in the foregoing two paragraphs, nature of service and validation date are all specified in the air route certificate.

Guidelines for the screening of international air traffic rights allocation stated in paragraph one shall be formulated by MOTC.

CAA shall prescribe measures for regulating aircraft takeoff & landing allotment for domestic airports and time zone.

Article 51

A civil air transport license or air route certificate is not transferable, and the license or certificate holder must not consider him- or herself as enjoying exclusive rights to operate the various services as prescribed in the permit or certificate thereof.

Article 52

A civil air transport enterprise holding an air route certificate, or any aircraft stopping over in ROC territory shall be required to carry mail in accordance with the provisions of

the ROC Postal Act.

Article 53

Freight rates for airmail letters and air postal parcels shall be lower than those for ordinary air cargo.

Article 54

A civil air transport enterprise shall give priority to transport airmail over that of passengers and cargo.

Article 55

Civil air transport enterprise shall notify MOTC through CAA regarding its tariffs for passengers and cargo on international scheduled air routes. For those tariffs on domestic scheduled air routes, shall notify MOTC through CAA to approve the ceiling and bottom tariffs. The same procedure applies in the event of rate changes.

Rules governing the utilization of tariffs, preferential proposals, application procedures for approval, effective day and any other relevant matters shall all be formulated by MOTC.

As a favorable consideration to residents in remote offshore islands such as Penghu county, Kinmen county, Lienchiang county, Lanyu Township and Lyudao Township both in Taitung county, airfare subsidies shall be offered for travel by air to and from their residence or between offshore islands. Whereby, the airfare subsidies will be classified according to varied airport conditions as follows:

- 1) The subsidies of Magong Airport in Penghu county and Shangyi Airport in Kinmen county shall be 20 percent of airfare.
- 2) The subsidies of Nangan Airport and Beigan Airport in Lienchiang county shall be 30 percent of airfare.
- 3) The subsidies of both Cimei Airport and Wangan Airport in Penghu county , also Lanyu Airport and Lyudao Airport in Taitung county shall be 40 percent of airfare.

Aircrafts in use for the above purpose include fixed wing aeroplanes and helicopters. Air carriers serving offshore islands with fixed wing aeroplanes and/or helicopters should be rewarded.

Measures of granting airfare subsidies as described in third paragraph and of reward in preceding paragraph shall be drafted by MOTC for ratification by the Executive Yuan (Cabinet).

Article 56

A civil air transport enterprise shall submit periodical reports to MOTC for record

through the CAA, pertaining to the following:

- 1) Business matters.
- 2) Financial matters.
- 3) Operations matters.
- 4) Maintenance matters.
- 5) Shareholders holding 3% or more of total shares.

Whenever deemed necessary, CAA may inspect the business and financial conditions and other relevant matters of the civil air transport enterprise.

Article 57

CAA may provide personnel to inspect a civil air transport enterprise and monitor its operations including employees and equipment. The civil air transport enterprise shall not refuse, avoid or impede such inspections, and will be notified of deficiencies if any; and shall improve within a certain period of time when so advised by the CAA.

If no improvement has been made within the specified period, or the civil air transport enterprise refuses, avoids or impedes inspections, the CAA may, with MOTC approval, take action necessary to restrict or suspend all or part of the air routes served by the civil air transport enterprise.

Article 58

A civil air transport enterprise shall, in addition to action taken in compliance with law, make a report to MOTC for record through CAA regarding any of the following events:

- 1) Increase or decrease of capital.
- 2) Issuance of corporate bonds.
- 3) Contracts entered into between one civil air transport enterprise and another, or with any other related enterprise with regard to lease, joint transport and agency matters.
- 4) Change or relocation of principal operations and maintenance facilities.

Article 58-1

Civil air transport enterprises shall report to CAA with a performance plan of alliance and submit related documentation to apply for approval and to file an application for MOTC approval for their alliance before starting the alliance operation. The MOTC is able to approve such alliance with conditions, period, limitations or burdens.

In the event that the civil air transport enterprises fail to operate an alliance in accordance with the performance plan, or the approved reasons for the alliance to cease to exist, or the alliance cause violation of public interest or civil aviation development, the

CAA is entitled to withdraw its approval, revise the contents of approval, order to stop the alliance or amend the alliance actions.

The alliance shall be subject to the Fair Trade Commission's approval if the alliance mentioned in the first paragraph meets the scope of alliance actions under Article 7 of the Fair Trade Law. The Reviewing Rules for Approving the Alliance shall be promulgated by MOTC together with the Fair Trade Commission of the Executive Yuan.

Article 59

To serve the needs of public interest, CAA may, with MOTC approval, instruct any civil air transport enterprise to adjust or increase designated air routes.

Article 60

In the event of any urgent requirement by the government, a civil air transport enterprise shall accept the direction of MOTC to carry out designated transport assignments.

Article 61

When a civil air transport enterprise is dissolved in accordance with the law, its license and air route certificate shall simultaneously become invalid. The license and air route certificate shall be returned to CAA for cancellation within 30 days.

Article 62

A civil air enterprise shall not continue operation beyond the expiration date specified in the license or air route certificate unless an extension is applied for and is approved in accordance with the laws.

Article 63

(Deleted)

Article 63-1

Rules governing the business items of civil air transport enterprise, limitation of eligibility, application for permission to set up business, application for a permit, registration, cancellation and renewal, amount of capital, change in company registration, procurement of aircraft, conditional purchase and sale, lease of aircraft, limitation of aircraft age, air routes preparation, suspension or termination, application for launching a flight, approval for alliance, collection of certificate fees and charter application fees, business management, as well as air routes preparation of foreign civil air transport enterprise, establishment of branch office, setting up a general sales agent, collection of

certificate fees and charter application fees, management of operations and other matters to be observed shall all be enacted by MOTC.

Section 2 General Aviation Enterprise

Article 64

Any person who start a general aviation business shall request permission for doing so from MOTC via CAA and, within allotted preparatory period, complete registration with concerned authorities, have aircraft made available and capable of undertaking a safe general aviation service duly screened by CAA for MOTC approval. If an applicant's business scope includes international transport by means of business charter, the applicant shall register with the Customs Office to acquire appropriate certification. Business can begin upon only after receiving a general aviation license from CAA.

General aviation business that fails to start operation over 12 months from the date the CAA license was issued, or has suspended operation over six months after start-up, shall have its license revoked by CAA, who will also notify concerned authorities to cancel its registration, unless there are good reasons to justify an extension.

The aforesaid extension shall not exceed a period of six months, and it can only be granted once.

Article 64-1

A general aviation enterprise that operates business charter shall provide private and exclusive aviation passenger transportation with an airplane or helicopter having a passenger-seat configuration of 19 seats or fewer, excluding each crewmember seat, and shall not engage in individual solicitations.

Rules governing the business items of general aviation enterprise, application for permission to set up the said enterprise, application for a permit, registration, cancellation and renewal, amount of capital, change in company registration, procurement of aircraft, conditional purchase and sale, lease of aircraft, limitation of aircraft age, application for making a flight, collection of certificate fees, management of operation and other matters to be observed shall all be enacted by MOTC.

Article 65

The provisions of paragraph 3 of Article 48, Article 49, Article 56, Article 57 and Article 60 shall apply to the general aviation enterprise.

Section 3

Air Freight Forwarder

Article 66

Any person aspiring to work as air freight forwarder shall apply to MOTC via CAA for permission to set up business. Within a specified preparatory period the applicant shall, according to law, complete registration with appropriate authorities and submit to MOTC via CAA for approval. The forwarder-to-be may start operation only after receiving a license from CAA.

If the air freight forwarder fails to start up for over six months from the date license was issued, or has suspended operation for over six months after start-up, CAA shall advise MOTC to have its license revoked and notify concerned authorities to cancel its registration, unless an extension with justifiable reasons is applied for and approved.

To close down business, the air freight forwarder shall report via CAA to MOTC for record and, within thirty days after closure, return the air freight forwarder license. If the license is not return in time, CAA will make known cancellation of the license in a public announcement.

The extension referred to in paragraph two may not exceed six months, and will be granted once only.

Article 66-1

An airfreight forwarder must be formed as a corporate organization.

Article 67

A foreign airfreight forwarder intending to set up a branch office in the ROC shall apply to MOTC for approval of such office through CAA, and shall complete registration for branch office according to law within the approved time period for preparation before applying to MOTC for operation approval through CAA. No air freight forwarding business shall commence until CAA issues a license of foreign airfreight forwarder.

A foreign airfreight forwarder that has not set up a branch office according to the previous paragraph shall not conduct any airfreight forwarding business in the ROC unless it has entrusted an airfreight forwarder in the ROC to carry out or handle such business on its behalf.

A foreign airfreight forwarder intending to close up the business of its branch office shall report to MOTC for record through CAA in advance, and shall return its air freight forwarder license within thirty (30) days after business closure; failure to return such license within the time limit shall entitle CAA to revoke the permit directly and notify the public.

Article 68

(Deleted)

Article 69

CAA may provide personnel to inspect various facilities and operations of any air freight forwarder. The forwarder shall not refuse, avoid or impede such inspections, and will be notified of any shortcomings and told to improve within a certain period.

Article 70

An air freight forwarder shall not employ any of the following persons to a management position, and where there is already a person employed, he or she must be dismissed:

- 1) A person implicated in any one of the circumstances outlined in Article 30 of Company Act.
- 2) A person whose previous air freight forwarder license was revoked less than 5 years before assuming the managerial position.

The provision in the preceding paragraph shall apply to the company board of directors and supervisors.

Article 70-1

Rules governing an airfreight forwarder, application to set up a foreign airfreight forwarder branch office, for license, registration, cancellation and renewal, amount of capital, change in company registration, collection of license fees, application for entrusting business a foreign airfreight forwarder, and business management shall be prescribed by MOTC.

The 2 previous articles shall apply mutatis mutandis to a foreign airfreight forwarder.

Section 4

Air Cargo entrepot

Article 71

The applicant intending to set up an air cargo entrepot shall enclose relevant documents to CAA for permission from MOTC. Within a specified preparatory period, the applicant should complete registration with concerned authorities according to relevant laws, prepare necessary field, equipments and facilities, register with the customs office, for a certificate and submit to MOTC via CAA for approval. Only after a license issued by CAA can the air cargo entrepot begin operations.

CAA shall provide a designated hand-over area to off-airport entrepots which get

approval to run their entrepot business within 25 kilometers radius from an international airport, to handle the freight into and out of the airport.

In the event the air cargo entrepot fails to start operation for more than six months after the license was issued, or has suspended business for over six months after starting up, the CAA shall advise MOTC to have its permission withdrawn, then revoke the license of the air cargo entrepot and notify concerned authorities to abolish its registration. However, an extension may be applied for on the basis of justifiable reasons.

The aforesaid extension, if approved, shall not exceed a period of six months, and it can be granted just once only.

Article 72

A civil air transport enterprise may request permission from the MOTC through the CAA to run the air cargo entrepot business for the cargo carried by its own aircraft.

The provisions of the preceding paragraph shall apply to foreign civil air transport enterprises whose home countries, based on bilateral treaties, agreements or reciprocal principles, grant similar rights to civil air transport enterprises registered in the ROC to run the entrepot business in those countries.

Article 72-1

Rules governing air cargo entrepot, both Chinese and foreign air transport enterprises with intent to run the entrepot business for the cargo carried by their own aircraft, their business items, application for permission to set up business, for a license, registration, cancellation and renewal, amount of capital, change in company registration, collection of license fees and business management, shall all be formulated by MOTC.

Article 73

The provisions of paragraph 3 of Article 48, Article 57 and Article 66-1 shall apply to the air cargo entrepot.

Section 5

Airport Ground Handling Services

Article 74

Any person wishing to run an airport ground handling service shall apply to CAA for permission from the MOTC in order to set up business. Within a specified preparatory period, the applicant shall complete registration with appropriate authorities according to law, and submit to MOTC via CAA for approval. Only after receiving an airport ground handling service license issued by CAA can business get started.

In the event the airport ground handling service fails to start operation for more than 12 months after the CAA license was issued, or has suspended business for over six months after starting up, the CAA will advise MOTC to have its permission withdrawn, then revoke the license and notify concerned agencies to abolish the registration. However, an extension may be applied for on the basis of justifiable reasons.

The above said extension, when approved, shall not be in excess of six months, and it can be granted just once only.

Article 74-1

An airport ground handling service shall be formed as a company organization in compliance with the following rulings:

- 1) Unlimited company with the entire body of its shareholders being citizens of the ROC.
- 2) Limited company with over 50 percent of capital owned by citizens or legal persons of the ROC and represented by directors who are citizens of the ROC.
- 3) Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of the ROC.
- 4) Company limited by shares with over 50 percent of its total shares owned by citizens or legal persons of the ROC, whose chairman and over 50 percent of the directors are citizens of the ROC; provided that no single citizen or legal person of a foreign country may hold more than 25 percent of its total shares.

Stocks issued by company limited by share must be registered by name.

If otherwise provided for under a treaty or agreement, airport ground handling service shall not be bound by restrictions in the 2 preceding paragraphs.

Article 75

Civil air transport enterprise may apply for permission from MOTC via CAA to operate concurrently an airport ground handling service.

The foregoing provision shall also apply to foreign civil air transport service, provided whose home country grants equal rights to ROC civil air transport enterprise to operate airport ground handling service in that country under a treaty or agreement, or based on an equal and reciprocal principle.

To maintain airport security and good business order, MOTC may impose partial or complete restrictions on the operations of the approved airport ground handling service run concomitantly by a civil air transport enterprise, or an authorized private airport ground handling service.

Article 75-1

Rules governing airport ground handling service, both Chinese and foreign civil air transport enterprises applying for concurrent operation of airport ground handling service or private ground handling service, their business items, application for permission to set up business, for license, registration, cancellation and renewal, amount of capital, increase or decrease of business items, change in company registration, collection of license fees and business management, shall all be enacted by MOTC.

Article 76

The provisions of paragraph 3 of Article 48, and Article 57 shall apply to the airport ground handling services.

Article 77

The provisions of paragraph 3 of Article 48, Article 57, Article 74, Article 74-1 and Article 75 shall apply to the flight kitchen service.

Article 77-1

Rules governing flight kitchen service, both Chinese and foreign civil air transport enterprises applying to run concurrently a flight kitchen service, their business items, application for permission to set up business, application for license, registration, cancellation and renewal, amount of capital, change in company registration, collection of license fees and business management, shall all be provided by MOTC.

Chapter 7 Foreign Aircraft or Foreign Civil Air Transport Enterprise

Article 78

Foreign aircraft shall not be allowed to fly over, take off or land in ROC territory without permission from MOTC, unless otherwise provided for in a treaty or an agreement.

CAA may send its personnel to inspect various personnel, equipment and associated documents for a foreign aircraft landing or taking off within the ROC territory. The pilot-in-command shall not refuse, avoid or impede such inspection.

Rules governing the procedures and the required documents of application for permission, the circumstances and reasons of revocation or abolition of permission or forbidding operations, and other matters to be observed for a foreign aircraft flying over ROC territory or taking off or landing in ROC territory stated in paragraph one shall be prescribed by MOTC.

Article 78-1

The provisions of Article 5, Article 6, Paragraph 1 of Article 37, Article 38, Article 39, Article 41, Article 42, Paragraph 1 and 2 of Article 43, Paragraph 1 of Article 43-1, Article 44~47, Article 53, Article 54, Paragraph 1 of Article 55, Article 57, Article 61, Article 62, Article 89~93-1, Article 97 and Article 99 shall apply to the foreign civil air transport enterprises, foreign aircraft, foreign airfreight forwarders and foreign airmen.

Article 79

A foreign civil air transport enterprise may operate its aircraft on a non-scheduled flight between a point in the ROC and a point outside the ROC carrying passengers, cargo and mail with or without remuneration only after obtaining approval from the CAA.

Article 80

A foreign air transport enterprise seeking to operate scheduled flights between a point in the ROC and a point outside the ROC to carry passengers, cargo and mail with or without remuneration pursuant to a treaty or an agreement, or based on an equal and reciprocal principle, shall first apply to the CAA for an air route certificate prior to its operation.

Article 81

No foreign aircraft or foreign civil air transport enterprises may carry passengers, cargo and mail between two points in the ROC with or without remuneration, or operate as a general aviation enterprise in the ROC, unless it complies with any of the following:

- 1) Foreign private aircraft in accordance with paragraph one of article 78 allowed to engage in flights of non-profit activities in the territory of the Republic of China .
- 2) Otherwise provided under a treaty or agreement.

Article 82

A foreign civil air transport enterprise seeking to establish a business partnership in the ROC shall provide all relevant documents in its application to the CAA. The CAA will forward the application to the MOTC for processing and approval in accordance with the laws. If the business partner is a branch office, the registration shall be made in accordance with the law, and the application submitted to the CAA for approval by the MOTC. A branch office may begin operations only after receiving a license for that specific branch office of the parent foreign civil air transport enterprise by the CAA, and supporting documents are obtained upon registering with the Custom Office.

A foreign civil air transport enterprise that has not set up a branch office according to

the previous paragraph shall not solicit any passenger and/or cargo transport business in the ROC unless it has entrusted a general sales agent in the ROC to carry out or handle such business on its behalf.

A foreign civil air transport enterprise intending to close up the business of its branch office shall report to MOTC for reference through CAA in advance, and shall return its branch office license of a foreign civil air transport enterprise within 30 days after its business closure; failure to return such license within the time limit shall entitle CAA to revoke the license directly and notify the public.

Article 83

Article 81 does not apply in cases where the aircraft maintenance needs of a ROC civil air transport enterprise or general aviation aircraft, or in cases where a government agency is of business purposes or legal persons, bodies entrusted to handle government agency's business needs, provided the foreign registered aircraft is under a lease or loan approved by the MOTC for a term not to be exceed 6 months.

Article 83-1

Rules governing a foreign civil air transport enterprise, air routes preparation, application for permission to set up a branch, application for general sales agent, collection of license fees and charter application fees, management of operations and other matters shall be observed shall all be formulated by MOTC.

Chapter 8 (Deleted)

Article 84

(Deleted)

Article 85

(Deleted)

Article 86

(Deleted)

Article 87

(Deleted)

Article 88

(Deleted)

Article 88-1

(Deleted)

Chapter 9
Liability for Compensation

Article 89

Where casualties or damage to property occur as a result of aircraft accident, the owner of the aircraft shall be liable for compensation regardless of whether such accident is due to willful action or negligence. Such an owner of the aircraft shall also be liable for damage caused by force majeure. The same also applies to damage caused by falling or dropping of objects from the aircraft.

Article 90

Where the damage as referred to in the preceding article is caused by an aircraft operated on lease, conditional purchase or lending, the owner and lessee, the conditional purchaser or borrower shall be jointly and severally liable. But if the said conditional purchase and lease have been registered, the lessee and purchaser shall be singly liable unless the owner is faulty for negligence.

Article 91

The aircraft operator shall be liable for accidental death or injury of passengers in the aircraft or while embarking or disembarking the aircraft. But if such death or injury is attributed to the passenger's fault, such liability may be exonerated or reduced.

The aircraft operator shall be liable for causing damage to passengers because of flight delay, provided that the aircraft operator can prove the delay is caused by force majeure. The liability shall be limited to the necessary extra expense incurred to the passengers through the flight delay.

Article 92

Where damage is caused by the willful act or negligence of an airman or a third party, the owner, lessee or borrower has the right to make a claim against such airman or third party.

Article 93

Where there is a special contract providing for the amount of compensation for damage to passengers or duty personnel aboard an aircraft, the special contract shall prevail. If the special contract contains discriminating clauses unfavorable to ROC citizens, the most favorable clauses shall apply. Where there is no special contract, the MOTC shall, according to related regulations or rules in this Law, and making reference to international standards for liability, prescribe rules for compensation and submit to the Executive Yuan for approval and promulgation.

The special contract referred to above shall be in writing.

The standards of liability set forth in the first paragraph shall not affect the right of the victim to bring claim in a lawsuit.

Article 93-1

The liability of aircraft users or carriers for loss of cargo, or checked-in baggage shall be limited to NT\$1,000 per kilogram, unless the nature and value of the cargo or baggage which have been declared to air carriers and specified in the airway bill or passenger tickets.

Passengers' carry-on baggage shall be compensated for actual damages. Each passenger shall not claim compensation for more than NT\$20,000.

Aircraft users or carriers shall not claim for limited liability if the damage mentioned in preceding 2 paragraphs was caused by their intention or by their gross negligence.

The preceding 3 paragraphs shall also be applied to air freight forwarders, airport ground handling services and air cargo entrepots when being claimed for compensations.

Article 94

An aircraft owner shall, prior to applying for registration pursuant to Article 8; or a civil air transport enterprise, prior to applying for a license pursuant to Article 48, purchase liability insurance.

The amount of liability referred to in the preceding paragraph shall be prescribed by the MOTC, and such amount shall be complied with for effecting liability insurance.

Article 95

Where a foreign aircraft operates in the ROC territory with a special permit, the MOTC may order such foreign aircraft to produce, in advance, an appropriate amount as security for liability or a certificate of insurance.

Article 96

CAA may detain any foreign aircraft that fails to produce proof of liability insurance,

or makes an emergency landing or crashed without a special permit to operate in the ROC territory. If there is any damage to persons or property, compensation shall be made in accordance with the ROC laws.

In the events of the circumstance described in the preceding paragraph, except where other violations of law are found, the aircraft shall be released if its owner, lessee, borrower or pilot-in-command produces proof of liability endorsed by CAA.

Article 97

Litigation over damages provided for in Article 89 shall be under the jurisdiction of the court where damage occurred.

Litigation over damage provided for in Article 91 shall be under the jurisdiction of the court at the place where the contract of carriage was concluded or at the destination of the flight.

Article 98

At the request of any interested party or the public prosecutor, the court may declare a person dead who has been missing for six months following the date an aircraft carrying this person was involved in an accident.

Article 99

Except as otherwise provided for in this Act, all matters relating to liability for aircraft accident and jurisdiction of litigation thereof shall be governed by the provisions of the Civil Code and the Code of Civil Procedure.

Chapter 9-1 Ultra-light Vehicle

Article 99-1

Subject to approval by CAA to set up an activity association for ultra-light vehicle (“activity association”) and to register the association as a legal entity for community group under the laws. Through CAA’s permission, the activity association is allowed to operate after its activities guideline has been approved by MOTC together with the National Council on Physical Fitness and Sports, Executive Yuan.

The activities guideline shall include the following:

- 1) Applications for manufacturing, importation, registration, inspection, issuing certification and changing (reissuing) certificate for ultra light vehicle.
- 2) Applications for issuing and changing (reissuing) operating license for ultra-light

vehicle.

- 3) Plan of requirement, arrangement, and application for places of activities.
- 4) Scope, limitation, execution of activities in airspace, safety and management of airspace.
- 5) Notification and handling of Flight safety-related event.

The rules governing the organizational establishment, procedures for abolishment, function guide implementation, ultra-light vehicle importation, registration, inspection, issuance of operating certificate and renewal, operation and air navigation limitations, application for operation areas, application for competition, fare and pricing standards and accident/incident reporting, and the requirements and procedures for approvals of test-flights conducted by ultra-light vehicle manufacturers, flight test manuals, qualifications of ultra-light vehicle manufacturers will be enacted by the MOTC.

The ultra-light vehicle design and manufacturing standard will be prescribed by the CAA. Nevertheless, the airworthiness standards, which are generally used in international aviation practices and are deemed suitable for domestic use, can be adopted after CAA approval.

Article 99-2

Owners and operators of ultra-light vehicle shall join an activity association as members and comply with the guideline provided by the activity association before starting activities. Manufacturers and their operators of ultra-light vehicles may be excluded from the guideline made by the association stated above.

Owners and operators of ultra-light vehicles shall be responsible for flight safety, keep the ultra-light vehicle in serviceable condition, and perform a safe flight operation in accordance with CAR and related regulations.

Article 99-3

Ultra-light vehicles shall be registered, inspected and obtain the inspection certificate before commencing activity. The foregoing shall not apply to test-flights of ultra-light vehicles conducted by the manufacturers in accordance with the CAA approved flight test manuals and relevant limitations.

Operators of ultra-light vehicles shall pass a physical examination and a written and practical test before obtaining the operating certificate prior to commencing activities.

The regulations governing ultra-light vehicle registration, certification and operating certificates may be administered by CAA or a designated agency.

Article 99-4

The airspace for ultra-light vehicle shall be defined by MOTC together with the

Ministry of National Defense; and can be revoked if and when necessary.

The above-mentioned airspace shall not include the airspace of national parks and planned urban development region. Nevertheless, it shall include agriculture and scenery areas or areas approved by the Executive Yuan.

The period for use, or any other prohibitions or limitations for use of airspace mentioned in the first paragraph can be preside over by CAA for national defense, for safeguarding aviation safety, or for public interest, must be published.

The activity association shall inform its members of the publication mentioned in the preceding paragraph.

Article 99-5

The operator of ultra-light vehicle shall operate the vehicle by visual flight, and shall not:

- 1) Operating the vehicle outside the designated airspace.
- 2) Operating the vehicles while blood alcohol content exceeding 0.04% or when exhaling, exceeding 0.02mg per liter.
- 3) Fly after sunset and before sunrise.

Operator of an ultra-light vehicle shall avoid coming close to or hitting another aircraft, ultra-light vehicle or obstruction during flight operation.

CAA may seek assistance from other government officials when enforcing Ultra-Light Vehicle regulations and procedures.

Article 99-6

Where casualty, bodily injury or damage to property occurs as a result of operating an ultra-light vehicle, the owner of the vehicle shall be liable for compensation regardless of whether such accident is due to willful action or negligence. Owner of the ultra-light vehicle shall also be liable for damage caused by force majeure. The same also applies to damage caused by falling or dropping objects from the vehicle.

The owner and operator of ultra-light vehicle shall be jointly liable for damages mentioned in the preceding paragraph if the owner of ultra-light vehicle allowed a third party to operate the ultra-light vehicle.

The compensation amount for death and bodily injury in the preceding 2 paragraphs shall also be applied to the standards as mentioned in the rules of paragraph 1 of Article 93, The standards of liability set forth shall not affect the right of the victim to bring claim in a lawsuit.

The owner of ultra-light vehicle shall purchase liability insurance for the compensation amount mentioned in the preceding paragraph.

Article 99-7

CAA may provide personnel to inspect an activity club and its members for various equipments, business and ultra-light vehicle. The activity club shall not refuse, avoid or impede such inspections, and will be notified of deficiencies if any; and shall improve within a certain period of time when so advised by CAA.

Article 99-8

The provisions of paragraph 1 of Article 42, paragraph 1 of Article 43, Article 44, Article 98, and Article 99 shall apply to the ultra-light vehicle.

Chapter 10
Penalties

Article 100

Any person who hijacks an aircraft by force, threat or other means shall be subject to punishment by death, imprisonment for life, or imprisoned for not less than 7 years.

Such person who causes death to another shall be subject to the penalty of death or imprisonment for life; subject to the punishment by death, imprisonment for life or no less than 10 years while causes serious injury to another person.

Any person attempting to commit the crime described in paragraph 1 shall be punished.

Any person conspiring to commit the crime described in paragraph 1 shall be liable to imprisonment not exceeding 3 years.

Article 101

Any person who endangers flight safety or aviation facilities by force, threat or other means shall be liable to imprisonment not exceeding 7 years, detention or a fine of up to NT\$210,000.

Such person who caused damage to aircraft or other facilities shall be subject to imprisonment from 3 to 10 years.

Such person who causes death to another is subject to the penalty of death, imprisonment for life or more than 10 years; subject to imprisonment from 5 to 12 years for causing serious injury to another.

Any person attempting to commit the crime described in paragraph 1 shall be punished.

Article 102

Any person who violates the provisions specified in Article 43-2, paragraph 1 shall

be subject to imprisonment not exceeding five years, detention or a fine of up to NT\$ 150,000.

Any person committing the crime stated in the preceding paragraph and consequently causes death to another shall be subject to imprisonment for life or not less than 7 years; subject to imprisonment from 3 to 10 years for causing serious injury to another.

Article 103

Any person operating an aircraft without an airworthiness certificate shall be subject to imprisonment not exceeding 5 years, detention or a fine of up to NT\$1,000,000.

The same applies also to a person flying an aircraft with an invalid airworthiness certificate.

Article 104

Any person who engages in a flight without a airman certificate and medical certificate shall be subject to imprisonment not exceeding 5 years, detention or a fine of up to NT\$1,000,000.

Article 105

Any person making a false report to a government official, to the staff of a civil air transport enterprise, or the staff of an activity association alleging a threat to aviation safety or aviation facilities without naming or identifying the violator or offender, or disseminating false information such as to jeopardizes the flight safety, shall be subject to imprisonment up to 3 years, detention or a fine up to NT\$1,000,000.

Any person committing the crime stated in the preceding paragraph and consequently causing real danger to flight safety shall be subject to imprisonment from 3 to 10 years; for causing damage to an aircraft or casualties is subject to imprisonment for life or over 5 years.

Article 106

Any person who, by fraudulence in application for certification or registration, obtaining an airman certificate, medical certificate, certificate of aircraft registration or airworthiness certificate, shall be subject to imprisonment up to 5 years, detention or a fine of up to NT\$1,000,000.

The license and certificates referred to above shall be revoked by CAA.

Article 107

In case of violation of the provisions of paragraph one and two of Article 78, the pilot-in-command shall be subject to imprisonment not exceeding 3 years, detention or a

fine of up to NT\$1,000,000.

Article 108

Any airman, duty personnel aboard an aircraft, passenger, or operator of ultra-light vehicle who violates the provisions of Article 44 without justifiable reasons shall be subject to imprisonment not exceeding 3 years, detention or a fine of up to NT\$600,000.

Article 109

Any person who violates the provisions specified in Article 42, paragraph 1 shall be subject to imprisonment not exceeding 2 years, detention or a fine of up to NT\$400,000.

Article 110

The responsible person of a manufacturer or repair station, their employee or other hired person who undertakes the manufacture or maintenance with unapproved aviation products, appliances and parts, shall be subject to imprisonment not more than 3 years, detention, or in lieu of or addition to, a fine of up to NT\$1,000,000.

Any person who commits the crime stated in the preceding paragraph to the extent of causing danger to flight safety shall be subject to imprisonment from 3 to 10 years; subject to the death sentence, imprisonment for life or up to 10 years for causing death to another; subject to imprisonment from 5 to 12 years for causing serious injury to another.

Any person who, due to negligence of duty, commits the crime stated in paragraph 1 to the extent of causing danger to flight safety shall be subject to imprisonment not exceeding 3 years, detention plus a fine of up to NT\$1,000,000; subject to imprisonment up to 7 years or detention plus a fine of up to NT\$3,000,000 for causing death to another; subject to imprisonment up to 5 years or detention plus a fine of up to NT\$2,000,000 for causing serious injury to another.

Article 110-1

The operator of ultra-light vehicle, who perform aviation activities beyond the limit of aviation vicinity and caused danger to aviation safety, shall be subject to imprisonment for more than 6 months and less than 5 years; subject to imprisonment for more than 3 years and less than 10 years for causing death to another; subject to imprisonment for less than 1 year and less than 7 years for causing serious injury to another.

Article 110-2

Any person entering an aircraft without authorization shall be subject to imprisonment up to one year, detention or a fine of up to NT\$50,000.

Any person lurking in an aircraft without any reason or insisting on board with

compelling for his/her disembarkation shall be subject to the penalty stated in the preceding paragraph.

Article 111

Any airman shall be subject to a fine from NT\$60,000 to NT\$300,000 for any of the following; and in serious cases, the penalty shall be the suspension of duty or revocation of his or her certificate.:

- 1) Landing at or taking off from a site outside an airfield without justification.
- 2) Violate of the provision set forth in Article 46 for refusing to submit to inspection prior to taking off and/or after landing.
- 3) Committing a technical error that leads to an aircraft accident or a serious incident.
- 4) Using an expired airman or medical certificate.
- 5) Falsifying records or flight hours.
- 6) Using an assumed name or asking another to act as in signing various kinds of certificates, records or documents.
- 7) Not reporting or intentionally not reporting an incident relating to flight safety.
- 8) Making use of a airman certificate for illegal activities.
- 9) Causing a serious incident as a result of being neglectful.
- 10) Allowing another to stand in for duty without authorization, thereby causing a serious incident to happen.
- 11) Unlawful alteration of, or lending to another the use of airman certificate.

Any airman may be issued a warning and ordered to make corrections or is liable for a fine from NT\$60,000 to NT\$300,000 for any of the following; He or she may be ordered to make corrections within a specified time frame and may be fined by each violation if he or she fails to make corrections within due date; in serious cases, the penalty shall be the suspension of duty or revocation of his or her certificate:

- 1) Violation of the provisions of Article 25, for not having an airman certificate while on duty.
- 2) Violation of the provisions of Article 26, paragraph 1 for not having a medical certificate while on duty.
- 3) Violation of the provisions of Article 38, for not carrying all required documents.
- 4) Violation of the provisions of Article 41 pertaining to flight control and air traffic control instructions.
- 5) Violation of the provisions of Article 41-1, paragraph 2 pertaining to flight operations, flight preparation, aircraft performance and limitation, aircraft instrumentation, equipment and documentation, aircraft communication, navigation equipment , aircraft maintenance, flight crew operations, flight crew qualifications, dispatcher, manual, forms, record, cabin crew and security.

6) Failure to turn in a certificate due for cancellation.

Article 112

An aircraft owner or operator, civil air transport enterprise, general aviation enterprise, air freight forwarder, airport ground handling service, catering service, air cargo entrepot, airfield, aircraft manufacturer or civil aviation training institution shall be subject to a fine of NT\$600,000 to NT\$3,000,000 for any of the following; and in serious cases, after reporting to MOTC for approval through the CAA, the penalty shall be partial or complete suspension of business or revocation of permits:

- 1) Aircraft nationality marking and registration number not clear or not in designated place.
- 2) Violation of provisions of Article 40, paragraph 1 pertaining to aircraft maintenance requirements.
- 3) Obstructing, avoiding or refusing to accept inspections prescribed in paragraph two of Article 56.
- 4) Violation of the provisions of Article 58-1, paragraph 1 for operating alliance without approval.
- 5) Violation of the provisions of Article 64-1, paragraph 1 regarding individual solicitations.
- 6) Other acts such as rejecting, avoiding or impeding an inspection or scheduled improvement under the Law, and failing to make correction of irregularities or deficiencies, and improvement not corrected or completed within a given deadline.

An aircraft owner or operator, civil air transport enterprise, general aviation enterprise, air freight forwarder, airport ground handling service, catering service, air cargo entrepot, airfield, aircraft manufacturer or civil aviation training institution may be issued a warning and be ordered to make corrections or be subject to a fine of NT\$600,000 to NT\$3,000,000 for any of the following; and in serious cases, after reporting to MOTC for approval through the CAA, the penalty shall be partial or complete suspension of business or revocation of permits:

- 1) Failure to turn in certificate of registration, airworthiness certificate or other certificates issued in accordance with this Law that should have been forfeited due for cancellation.
- 2) Violation of the provisions of Article 9, paragraph 3 regarding certification of design and manufacturing of aviation products, their appliances and parts.
- 3) Violation of provisions of Article 9, paragraph 5 regarding classification and limitation of the airworthiness certifications, signing of certificate, records, controlling of life-limited parts, airworthiness, and management of maintenance.
- 4) Violation of the provisions of Article 41, paragraph 1 pertaining to flight control

- and air traffic control instructions .
- 5) Violation of the provisions of Article 41-1, paragraph 2 regarding aircraft flight operations, flight preparations, operational limits of aircraft performance, aircraft instruments, equipment and documents, aircraft communications and navigation equipment, aircraft maintenance, flight crew operations, pilot qualifications, dispatchers, manual forms and records, cabin crew and security.
 - 6) Violation of provisions of Article 41-2 pertaining to reporting of flight safety related events.
 - 7) Non-compliance with noise control regulations.
 - 8) Violation of the provisions of Article 55, paragraph 1 for failure to report for permission or record when setting or changing passenger and cargo tariffs.
 - 9) Violation of the provisions of Article 56, paragraph 1 for failure to submit periodical reports on business, finance, flight operation, maintenance or name list of shareholders in possession of over three percent (3%) of stocks.
 - 10) Violation of the provisions of Article 58, for failure to report an increase or decrease of capital, issuance of company bonds, contracts of lease for connecting carriage and franchise, change or relocation of major facilities for flight operations and maintenance.

Any person who engages without permission in a civil air transport enterprise, general aviation enterprise, airfreight forwarder, catering service, airport ground handling service, air cargo entrepot or civil aviation training institution and the manufacture and sale of aviation products, appliances and parts shall be subject to a fine from NT\$600,000 to NT\$3,000,000.

Article 112-1

For reporting on one's own initiative to CAA on any undetected violation covered in the preceding two Articles, CAA may impose lesser penalty or grant exoneration judging by the seriousness of the case.

Article 112-2

Any person shall be subject to a fine from NT\$20,000 to NT\$100,000 for any of the following,

- 1) Violation of the provisions of Article 43, paragraph 1 for carrying or consigning any dangerous goods on board an aircraft.
- 2) Violation of the provisions of Article 43-1, paragraph 1 for carrying on board an aircraft any gun, cannon, knife, or any other suspicious articles hazardous to flight safety.

Any civil air transport enterprise, general aviation, air freight forwarder, airport

ground handling service, catering service or air cargo entrepot in violation of the provisions of Article 43, paragraph 2 for consigning, storing, loading or transporting any dangerous goods shall be subject to a fine from NT\$20,000 to NT\$100,000.

Violation of the provisions of the preceding paragraph 3 times or more in a single year shall be subject to a fine from NT\$100,000 to NT\$500,000, and after reporting to MOTC for approval through the CAA by Aviation Police Office, the penalty shall be partial or complete suspension of its business or revocation of its permits.

Any shipper in violation of the provisions of Article 43, paragraph 1 for falsely declaring dangerous goods and being tracked down before loading into an aircraft shall be subject to a fine from NT\$20,000 to NT\$100,000.

Aviation Police Office shall enforce the penalties referred to in the four preceding paragraphs.

For reporting on one's own initiative to Aviation Police Office on any undetected violation covered in the paragraph one to four, Aviation Police Office may impose lesser penalty or grant exoneration judging by the seriousness of the case.

Article 112-3

An airport ground handling service, both Chinese and foreign civil air transport enterprises for concurrent operation of airport ground handling service or private ground handling service, violation of the provisions set forth in Article 75-1 may be issued a warning or be subject to a fine from NT\$60,000 to NT\$300,000, CAA can fine its by times if it doesn't cure deficiency in time; and in serious cases, after reporting to MOTC for approval by CAA, the penalty shall be partial or complete suspension of its business or revocation of its permits.

A catering service or both Chinese and foreign civil air transport enterprises for concurrent operation of catering service in violation of the provisions of Article 75-1 may be issued a warning or be subject to a fine from NT\$60,000 to NT\$300,000, CAA can fine its by times if it doesn't cure deficiency in time; and in serious cases, after reporting to MOTC for approval by CAA, the penalty shall be partial or complete suspension of its business or revocation of its permits.

Article 112-4

The owner or operator of an aircraft, owner or operator of a foreign aircraft, civil air transport enterprise, foreign civil air transport enterprise, general aviation enterprise, air cargo entrepot, airport ground handling service, catering service, publicly and privately owned institutions with operations at an airport, other publicly and privately owned institutions connected with a security restricted area of an airport that has its own independently guarded entrance connecting a non-security restricted area shall be subject to a fine from NT 50,000 to NT 250,000, which is successively punishable, for

any of the following:

- 1) Violation of the provisions of Article 47-1, paragraph 3 for failure to comply with the airport security program where it is operating.
- 2) Violation of the provisions of Article 47-2, paragraph 1~3 for refusing to submit or not submitting its own aviation security program.
- 3) Violation of the provisions of Article 47-2, paragraph 5 for avoiding, impending, or refusing an inspection, or not redressing the deficiencies within a specified time limit.
- 4) Violation of the provisions of Article 47-3, paragraph 3 for carrying passengers, baggage, cargo and mail that haven't been screened by Aviation Police Office according to the provisions of Article 47-3, paragraph 1.
- 5) Violation of the provisions of Article 47-5 about the security measures as to protect an aircraft on the ground, aircraft security check; passenger, baggage, cargo, catering supplies and catering stores; escorts and personnel under their escort; matters to be followed by armed air marshal and other personnel carrying weapons on board as approved by Aviation Police Office; qualifications of the security control personnel; contingency response measures relating to aviation security incidents; formulation procedures for aviation security quality control programs; formulation procedures for security training programs; non-disclosure of security information; security management of the owner or operator of an foreign aircraft and other matters to be followed about the aviation security.

The air cargo entrepot, airport ground handling service, catering service, publicly and privately owned institutions with operations at an airport, publicly and privately owned institutions connected with a security restricted area of an airport that has its own independently guarded entrance connecting a non-security restricted area in violation of any of the provisions of the preceding paragraph shall be punished by the Aviation Police Office.

The owner or operator of an aircraft, owner or operator of a foreign aircraft, civil air transport enterprise, foreign civil aviation transport enterprise, general aviation, air cargo entrepot and airport ground handling service that has been punished 3 consecutive times for violation of the provisions of paragraph 1 but still fails to redress the deficiencies, may be subject to partial or complete suspension of its business or revocation of its permits after reporting to MOTC for approval by CAA or through CAA by Aviation Police Office.

The regulated agent shall be subject to revocation of its qualification for any of the following, after the revocation it shall not apply for a regulated agent again within 1 year.

- 1) Violation of the provisions of Article 47-2, paragraph 5 for refusing inspection, or

not redressing the deficiencies within a specified time limit.

- 2) Violation of the provisions of Article 47-5 about the security measures as to protect an aircraft on the ground, aircraft security check; passenger, baggage, cargo, catering supplies and catering stores; escorts and personnel under their escort; matters to be followed by armed air marshal and other personnel carrying weapons on board as approved by Aviation Police Office; qualifications of the security control personnel; contingency response measures relating to aviation security incidents; formulation procedures for aviation security quality control programs; formulation procedures for security training programs; non-disclosure of security information; security management of the owner or operator of an foreign aircraft and other matters to be followed about the aviation security.

For reporting on one's own initiative to CAA or Aviation Police Office on any undetected violation covered in the paragraph one or preceding paragraph, CAA or Aviation Police Office may impose lesser penalty or grant exoneration judging by the seriousness of the case.

Article 112-5

Any person who engages in private aircraft activities without permission shall be subject to a fine from NT\$600,000 to NT\$3,000,000.

Any person who engages in private aircraft activities shall be subject to a fine from NT\$600,000 to NT\$3,000,000 for any of the following; and in serious cases, after reporting to MOTC for approval through the CAA, to suspend its flight activities and impose restrictions on its right to engage in private aircraft activities:

- 1) Violation of provisions of Article 7-1, paragraph 3 for engaging in commercial activities ,leasing or loan.
- 2) Violation of provisions of Article 7-1, paragraph 5 for refusing, avoiding or impeding inspections.

Any person who engages in private aircraft activities may be issued a warning and ordered to make corrections or subject to a fine of not less than NT\$60,000 but not more than NT\$300,000 for any of the following; and in serious cases, after reporting to MOTC for approval through the CAA, to suspend its flight activities and impose restrictions on its right to engage in private aircraft activities:

- 1) Aircraft nationality marking and registration number not clear or not in designated place.
- 2) Failure to turn in a certificate of registration, airworthiness certificate or other certificates canceled in accordance with this Act.
- 3) Violation of provisions of Article 9, paragraph 5 regarding classification and limitation of the airworthiness certifications, signing of certificate, records, controlling of life-limited parts, airworthiness, and management of maintenance

- 4) Violation of provisions of Article 40, paragraph 1 pertaining to aircraft maintenance requirements.
- 5) Violation of provisions of Article 41, paragraph 1 pertaining to flight control and air traffic control instructions.
- 6) Violation of the provisions of Article 41-1, paragraph 2 pertaining to flight operations, flight preparation, aircraft performance and limitation, aircraft instrumentation, equipment and documentation, aircraft communication, navigation equipment, aircraft maintenance, flight crew operations, flight crew qualifications, dispatcher, manual, forms, record, cabin crew and security.
- 7) Non-compliance with noise control regulations.

Article 112-6

A general aviation enterprise shall be subject to a fine from NT\$60,000 to NT\$300,000 for any of the following:

- 1) Failure to carry out its operations according to approved items of operations.
- 2) Taking off or landing at a non-approved temporary takeoff and landing field without due cause.
- 3) Carrying a non-approved passenger.

Article 112-7

Any air cargo entrepot may be issued a warning or subject to a fine from NT\$60,000 to NT\$300,000 and ordered to make corrections in a certain period of time for any of the following, CAA can fine the air cargo entrepot by times if it doesn't remedy deficiency in time; and in serious cases, after reporting to MOTC for approval by CAA, the penalty shall be partial or complete suspension of its business or revocation of its license:

- 1) Using any parking lot for other purposes without approval.
- 2) Establishing additional air cargo entrepot facilities on adjacent land outside the scope of originally approved land without approval.
- 3) Establishing any additional warehouse within the originally approved scope of building without approval.
- 4) Starting to use any warehouse without first obtaining consent after joint surveys.

Article 113

Any manufacturer or repair station shall be subject to a fine of NT\$1,000,000 to NT\$3,000,000 for committing the crime stated in Article 110 by their responsible person, any employee or hired person.

Article 114

Any repair station, in the execution of its operations, shall be liable to a fine from NT\$60,000 up to NT\$300,000 for any one of the following; and in serious cases, the penalty shall be partial or complete suspension of its business or revocation of his or her certificate:

- 1) For major repair or alteration, not comply with the technical documents approved by CAA or by the civil aviation authority of the manufacture.
- 2) Performing maintenance or alteration of items not rated in operation specification or lacking the necessary special equipment, facility, tools, or technical documents when working on any items been rated.
- 3) Failure to keep its maintenance capacity, inclusive of staff, facilities, equipment, tools and instruments up to the standards, and failure to conduct periodical inspections.
- 4) The material, method and procedures used in maintenance or alterations do not conform to the technical documents issued by the original manufacturer or accepted by CAA.
- 5) The use of special tools or test equipment not in compliance with the recommendations of the original manufacturer, or alternate methods accepted by CAA.
- 6) Not using the maintenance program of the operator or owner.
- 7) The repair or alternation of aviation products, instruments, radio equipment or parts has neither been subject to final inspection by qualified inspectors, nor signed off by personnel considered eligible by CAA.
- 8) Failure to have a complete set of records of the maintenance and alteration, or failure to properly keep such records on file.
- 9) Failure to execute operations in accordance with the technical documents accepted by CAA. For erasing, altering, falsifying records, or for non-reporting of quality control systems, major malfunction or failure or deficiencies of products.
- 10) Violation of the provisions of Article 23-2, paragraph 2 regarding the inspection procedure manual, maintenance records, facilities, equipment, material, qualifications of personnel, maintenance and quality assurance systems or the management of maintenance.
- 11) Others such as evading, impeding or refusing inspections that have to be conducted in accordance with this Act or failure to make corrections within time limit.

For reporting on one's own initiative to CAA on any undetected violation covered in the preceding paragraph, CAA may impose lesser penalty or grant exoneration judging by the seriousness of the case.

Article 115

Any foreign civil air transport enterprise found in violation of this Act, the decrees issued pursuant to this Act, or the provisions of a treaty or an agreement, in addition to penalties prescribed in this Act, the CAA may cancel its air route certificate, or suspend its business totally or partially.

Article 116

Private air field manager and navigation aids installer shall be subject to a fine from NT\$600,000 to NT\$3,000,000 for any of the following, in addition to being ordered to make improvement, dismantle, relocate or to install as the case may be, within a given deadline, and the penalty shall be repeated if work has not been satisfactory completed before the deadline:

- 1) Violation of the provisions paragraph two of Article 29, paragraph 1 relative to setting up, lease, transfer or abolishing an airfield without permission.
- 2) Violation of the provisions paragraph two of Article 31, relative to setting up, changing or abolishing domestic navigation aids installation without permission, or not following regulations in managing the diverse equipment.

Article 117

A private air field operator or manager shall be subject to a fine from NT\$300,000 to NT\$1,500,000 for any one of the following:

- 1) Concurrent use of airfield for other purposes without permission.
- 2) Abolition of airfield, putting it to lease or rent, without permission.
- 3) Collection of airfield charges not conforming to regulations.
- 4) Failure to comply with the rules in managing navigation aids facilities.

Article 118

Violation of any one of the following shall be subject to a fine from NT\$300,000 to NT\$1,500,000:

- 1) Violation of the provisions paragraph two of Article 33, paragraph 1 for failure to make improvement, dismantle, relocate, or to install obstacle lights and marking within a time limit.
- 2) Violation of the provisions paragraph two of Article 33-1, paragraph 1 for not having installed obstacle lights and marking or maintaining the same for normal use.
- 3) Violation of the provisions paragraph two of Article 34, paragraph 1 for intrusion of livestock found to have been set loose negligently by its owner.

- 4) Violation of the provisions paragraph two of Article 34, paragraph 2 for raising pigeons or releasing objects considered hazardous to flight safety.

The owners concerned as referred to in Subparagraphs 1 and 2 of the preceding paragraph, after being fined and still not in compliance, shall continue to be fined until they carry out their obligations.

Article 119

Any civil air transport enterprise violation of Article 40, paragraph 3 shall be subject to a fine from NT\$60,000 to NT\$300,000.

Article 119-1

Any ultra-light vehicle owner, operator, activity association or manufacture shall be subject to a fine from NT\$60,000 to NT\$300,000 for any one of the following; and in serious cases, the penalty shall be suspension of its activities or revocation of his or her operation certificate:

- 1) Violation of the provisions of Article 99-1, paragraph 1 for operating activities.
- 2) Violation the provisions of Article 99-2, paragraph 1 for flying without joining activity association to operate activities, or failing to comply with activity guidelines.
- 3) Violation of the provisions of Article 99-3, paragraph 1 for operating ultra light vehicle without inspection certification, or performing ultra light vehicle test flights not in accordance with test flight manual and related limitations approved by CAA.
- 4) Violation of the provisions of Article 99-3, paragraph 2 for performing ultra light vehicle flying activity without operation certificate.
- 5) Violation of the provisions of Article 99-4, paragraph 3 for operating limitations, prohibitions, or other restrictions to the operation airspace.
- 6) Violation of the provisions of Article 99-4, paragraph 4 for activity association failure to notify its member regarding compliance of all published limitations, prohibitions and restrictions.
- 7) Violation of the provisions of Article 99-5, paragraph 1 for prohibitions specified.
- 8) Violation of the provisions of Article 99-5, paragraph 2 for coming into close proximity of or colliding with other aircraft, ultra light vehicle or obstacle while flying.
- 9) Violation of the provisions of Article 99-6, paragraph 4 for failure to have current liability insurance.
- 10) Violation of the provisions of Article 99-7, for avoiding, interfering, or refusing with such inspections, or failing to make correction within a specified time limit.

Article 119-2

Any person on board an aircraft shall be subject to a fine from NT\$10,000 to NT\$50,000 for any of the following:

- 1) Failure to comply with any instruction given by the pilot-in-command for purposes of maintaining order and safety on board the aircraft.
- 2) Taking alcoholic beverage or medicine, disrupting the order on board the aircraft.
- 3) Smoking in a lavatory on board the aircraft.
- 4) Tampering with any smoke detector without authorization or operating any other safety devices without due cause.

Article 119-3

Any person shall be subject to a fine from NT 5,000 to NT 25,000 for any of the following and, in addition thereto, the operator of an airport may, in conjunction with Aviation Police Office, compel his or her absence from the airport:

- 1) Soliciting donations from, or selling goods to passengers or the general public, or engaging in any other commercial activities at an airport without permission.
- 2) Harassing passengers or soliciting customers at an airport.
- 3) Taking an animal into an airport, thus interfering with health, order and safety.
- 4) Spitting phlegm, beetle nut juice or beetle nut dregs; littering wastepaper, cigarette butts, used chewing gums, other litter; or smoking in a non-smoking area.
- 5) Loitering or lingering in an airport, thus interfering with the passage of or use by passengers, or affecting peace and order.
- 6) Posting or distributing any flyers, hanging any flags, displaying any objects, or holding any activities without permission; or soiling or contaminating any facilities in an improper manner.
- 7) Parking a vehicle arbitrarily on a public passageway, thus impeding passage.
- 8) Violation of the provisions of Article 47-4, paragraph 2 for refusing to be screened or entering and leaving the security restricted area without authorization.

Aviation Police Office shall enforce the penalties referred to in the Subparagraph 8 of preceding paragraph.

Article 119-4

Except otherwise prescribed in this Act, the administrative punishments under this Act hereof are administered by the CAA.

Article 120

(Deleted)

Chapter 11 Supplemental Provisions

Article 121

CAA may, making reference to the standards, recommendations, measures or procedures outlined in relevant international conventions and annexes thereto, propose to MOTC for adoption of provisions involving international affairs not covered in this Act, for their promulgation and implementation.

Article 122

(Deleted)

Article 123

This Act shall become effective on the date of promulgation.