THE CIVIL AVIATION AUTHORITY (OVERSEAS TERRITORIES) DIRECTIONS 2003

The Secretary of State, in exercise of his powers under section 6(2), (b), (c) and (d) of the Civil Aviation Act 1982 in order to ensure that the United Kingdom discharges its obligations under the Convention on International Civil Aviation done in Chicago on 7 December 1944 ("the Chicago Convention") in respect of the Overseas Territories and after consultation with the Civil Aviation Authority ("the CAA") hereby directs the CAA as follows:

Commencement and Citation

1. This Direction may be cited as the Civil Aviation Authority (Overseas Territories) Directions 2003 and shall come into force on 2 January 2003.

Interpretation

- 2. In this Direction "Overseas Territory" means Gibraltar and any Territory to which the Air Navigation (Overseas Territories) Order 2001 applies except for British Antarctic Territory.
- 3. No later than 31 January 2003 the CAA shall form a subsidiary company wholly owned by the CAA (hereinafter referred to as "the Company") with the following functions:
- a) regularly to audit aviation safety regulation in each Overseas Territory and to advise the Secretary of State, the Governor of that Territory and those responsible for aviation safety regulation in that Territory on whether that Territory is complying with the United Kingdom's obligations under the Chicago Convention, on the standard of aviation safety regulation in that Territory, on the adequacy of the resources employed in that Territory on such regulation and on any remedial measures that may be necessary;
- b) to produce, in respect of each function of each Governor of an Overseas Territory under the Air Navigation (Overseas Territories) Order 2001 which provides for him to issue a certificate, licence or other document if he is satisfied as to specified matters, the means of compliance which will enable that Governor to be and remain satisfied as to those matters;
- c) to produce and submit to the Secretary of State draft amendments to the Air Navigation (Overseas Territories) Order 2001 as and when necessary and, in particular, so as to enable timely effect to be given to Standards and Recommended Practices contained in Annexes to the Chicago Convention;
- d) to provide assistance, training and advice to those responsible for aviation safety regulation in each Overseas Territory; and
- e) to carry out aviation safety regulation functions in an Overseas Territory: i) when so designated by the Governor of that Territory under the powers granted to him by the Air Navigation (Overseas Territories) Order 2001; or (ii) where no other person has been designated by the Governor to carry out those functions.
- 4. The Memorandum and Articles of Association of the Company may permit it to carry out functions unrelated to those specified in paragraph 3 provided that the Secretary of State consents to its so doing.

- 5. The Memorandum and Articles of Association of the Company shall not be altered without the consent of the Secretary of State.
- 6. The directors of the Company shall be not less than 6 and not more than 12 in number and shall comprise 3 executive directors. The non-executive directors shall include a Chairman and the executive directors shall include a Chief Executive. The appointments of the Chairman and the Chief Executive shall be subject to approval by the Secretary of State and the CAA. The Chief Executive shall be recruited following public advertisement for the post (including advertisement in the appropriate journals in each Overseas Territory). The non-executive directors shall include one nominated by the Secretary of State for Transport, one nominated by the Foreign Secretary and two nominated by the Governments of the Overseas Territories acting together and the remainder shall be appointed by the CAA.
- 7. The CAA shall ensure that the Company makes no charge to any other person in respect of those functions. The CAA shall require the Company to submit its budget, which shall include a forecast of any income and expenditure which the Company expects to arise as a result of any activities permitted under paragraph 4 which are unrelated to those functions specified at paragraph 3, to the Secretary of State for approval by him 3 months before the beginning of each financial year. The CAA shall require the Company to provide to the Secretary of State quarterly returns showing its performance against budget.
- 8. The CAA shall require the Company to comply with any directions made by the Secretary of State to the CAA in exercise of his powers under the Civil Aviation Act 1982 which are applicable to the Company.
- 9. The CAA shall set objectives for the Company which shall be approved in advance by the Secretary of State. They shall include provision that the Company shall assess aviation safety regulation in each Overseas Territory against the ability of each Overseas Territory to carry out the functions designated to it and against the rules, requirements and procedures applicable in that territory and against the Standards and Recommended Practices contained in Annexes to the Chicago Convention.
- 10. The CAA shall undertake at least annually an audit of the Company's activities and shall submit a report thereon to the Secretary of State.

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MICHAEL SMETHERS
Head of Multilateral Division

Department for Transport

Date: January 2003