



ཨཱ །འབྲུག་གི་མཐའ་མཐའ་འབྲུག་དབང་འཛིན།
ཨཱ །བད་དོན་དང་བརྒྱན་འབྲེལ་ལྷན་ཁག། དབལ་ལྷན་འབྲུག་གཞུང་།
BHUTAN CIVIL AVIATION AUTHORITY
Ministry of Information & Communications
Royal Government of Bhutan
PARO : BHUTAN



BCAA/ASA/003 /855

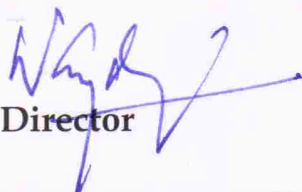
21 April 2016

26

ADVISORY CIRCULAR

Subject: Minimum requirement of Substantial Ownership and Effective Control to be complied by the designated air operators as per the ASA.

- 1. Purpose:** This Advisory circular seeks to provide clarity and guidance with regard to the domestic requirement of the Royal Government of Bhutan and the interpretation of “substantial ownership and effective control” in the event of a foreign airline desiring to operate air services into Bhutan in accordance with the respective bilateral Air Services Agreement (ASA).
- 2. Applicability:** The Royal Government of Bhutan has defined “Substantial Ownership and Effective Control” in relation to **Designation and Authorization** (Article 3) of the respective bilateral Air Services Agreement as, under:
 - a) “Substantial Ownership”** is defined as the maximum shares held by its nationals or by the government of the Contracting Party of the ASA;
 - b)** The percentage of the “substantial ownership” shall be no less than 80% of the total shares held.
 - c)** The “**effective control**” shall mean that the Chairman and two-third of its Directors in the Board shall be represented by its national or by the government of the Contracting Party of the ASA or both.


Director