



**Maldives Civil Aviation Authority**  
**Republic of Maldives**

**Maldivian Civil Aviation Regulations**

**MCAR-250**

**Maldives Airports and Air  
Navigation Services Economic  
Oversight Regulations**

**Issue 1.00, 03 September 2021**

**Foreword**

Maldives Civil Aviation Authority, in exercise of the powers conferred on it under Articles 5(f), 5(g) and 6 of the Maldives Civil Aviation Authority Act 2/2012 has adopted this Regulation.

This Regulation shall be cited as 'MCAR-250 Maldives Airport and Air Navigation Services Economic Oversight Regulations' and shall come in to force on 03 September 2021.

Definitions of the terms and abbreviations used in this regulation, unless stated otherwise in this regulation, or unless the context requires otherwise, are in MCAR-1 Definitions and Abbreviations.

'Acceptable Means of Compliance' (AMC) illustrate a means, or several alternative means, but not necessarily the only possible means by which a requirement can be met.

**For the Civil Aviation Authority**

Hussain Jaleel

**Chief Executive**



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## Section A — General Provisions

### MCAR-250.A.01 Introduction

This Regulation lays down the rules and procedures under which the MCAA supervises the commercial and operational practices of all airport operators and air navigation services providers for the purpose of achieving a balance between the State policy objectives, the interest of the users and the interests of airport operators and air navigation services providers, including government-owned providers.

### MCAR-250.A.05 Objectives

The main objectives of these Regulations are to:

- (a) provide for economic oversight of airport operators and air navigation services providers in the Maldives in order to establish a fair and competitive environment for the operations and development of the civil aviation industry;
- (b) Establish the duties and powers of the Authority, the obligations of providers and the responsibilities of users.

### MCAR-250.A.10 Application of these Regulations

- (a) These Regulations apply to providers and users.
- (b) The Authority shall publish annually lists of Tier 1 and Tier 2 Providers.
- (c) The obligations of providers described in Section C of these Regulations do not apply to commercial activities.

### MCAR-250.A.15 Definitions

Unless otherwise stated in these Regulations or unless the context otherwise requires, the words and phrases below shall be defined as follows:

- (a) **'Air Navigation Services'** means facilities and services provided for air traffic management (ATM), communications, navigation and surveillance systems (CNS), meteorological services for air navigation (MET), search and rescue (SAR) and aeronautical information services/aeronautical information management (AIS/AIM). These services are provided to air traffic during all phases of operations (approach, aerodrome and en-route);
- (b) **'Airport Services'** means those services and facilities at an airport that are necessary for aircraft-related operations and for passenger and freight processing, including the following and any other facilities and services that may be determined by the Authority:
  - 1. Aircraft-related operations facilities and services:
    - i) Runways, taxiways, aprons, airside roads and airside grounds;
    - ii) Airfield and airside lighting;
    - iii) Aircraft parking sites;



- iv) Ground handling (including vehicles, equipment and storage facilities);
- v) Aircraft refueling (including fixed storage tanks, pipelines and hydrant distribution equipment, refueling vehicles and equipment);
- vi) Airside freight handling and staging areas essential for aircraft loading and unloading;
- vii) Airside safety and security services and facilities (including rescue and fire-fighting services and perimeter fencing);
- viii) Environmental hazard control;
- ix) Services and facilities to ensure compliance with environmental laws and regulations;

2. Passengers and Freight Services and Facilities:

- i) Public areas in terminals, public amenities, lifts, escalators and moving walkways;
- ii) Necessary departure and holding lounges, and related facilities;
- iii) Aerobridges and buses used in airside areas;
- iv) Flight information and public-address systems;
- v) Facilities to enable the processing of passengers through customs, immigration and quarantine;
- vi) Check-in counters and related facilities (including any associated queuing areas);
- vii) Terminal access quays and facilities in landside areas (including docks, lighting and covered walkways);
- viii) Security systems and services (including closed circuit surveillance systems);
- ix) Baggage make-up, handling and reclaiming facilities;
- x) Space and facilities, whether in landside or airside areas, that are necessary for the efficient handling of arriving and departing aircraft (e.g. airline crew-rooms and airline operations centers).

- (c) **'Charge'** means a levy that is designed and applied specifically to recover the costs of providing airport and air navigation facilities and services used by civil aviation users and end-users;
- (d) **'Commercial Activities'** means the various commercial arrangements made by providers in relation to the granting of concessions and access rights, the rental or leasing of premises and land, retail and duty-free shops operations. Also included are the commercial activities operated directly by the providers;
- (e) **'Constructive Engagement'** means an approach that brings providers and users together throughout the entire consultation, decision-making and implementation process in a cooperative and non-adversarial partnership aimed at reaching consensus on revision to existing charges or imposition of new charges, introduction or changes to economic

performance management systems, capacity development plans and related investments and, to the extent that this is not possible, to provide the Authority with a clear view of the position of each party;

- (f) **'Differential charges'** means any preferential charges, rebates, discounts or other reductions in the charges normally payable for the use of airport and air navigation facilities and services;
- (g) **'Dominant Position'** means a situation where the Authority determines that an airport operator or air navigation services provider has, or is likely to acquire, substantial market power for one or more facilities and service provided;
- (h) **'End-Users'** means the ultimate consumers of the facilities and services provided by airport operators and air navigation services providers including passengers and shippers;
- (i) **'Ground Handling Services'** mean all the services an aircraft is provided during the period it remains on the ground which may include the following types:
  - 1. Cabin Services (including for example cleaning, replenishing onboard consumables - soap, tissues, toilet paper, reading materials and washable items like pillows and blankets);
  - 2. Catering Services (including for example unloading of unused food and drink from the aircraft, and the loading of fresh food and drink for passengers and crew with catering trucks);
  - 3. Ramp Services (including services on the ramp or apron, such as for example aircraft marshalling, towing with pushback tractors, lavatory drainage, water cartage (non-potable for lavatory sink use), air conditioning, air start units, luggage handling by means of belt loaders and baggage carts, gate checked luggage, freight/cargo handling by means of cargo dollies and cargo loaders, aircraft refueling with a refueling tanker truck or refueling pumper or hydrant dispenser, ground power, passenger stairs, wheelchair lifts, hydraulic mules);
  - 4. Passenger Services (including for example providing check-in counter services for the passengers departing, providing gate arrival and departure services (meeting a flight on arrival as well as boarding passengers and closing the flight at departure), staffing transfer counters, customer service counters, ticketing, lost & found services and airline lounges);
  - 5. Field Operation Services (including for example dispatching the aircraft, maintaining communication with the rest of the airline operation at the airport and with Air Traffic Control, Station Management & Control, Load Control, Crew Administration); Aircraft Maintenance Services (including for example) repairs, engineering, ETOPS signoff, aircraft checks);
  - 6. Ground Support Equipment Services (including for example scheduled and unscheduled maintenance, repairs, overhaul, fueling);
  - 7. ULD Maintenance Services (including for example repair of containers, pallets, envirotainers);
  - 8. Any other facilities and services that may be determined by the Authority.

- (j) **'ICAO's Policies and Guidelines'** means the policies and guidelines on airports and air navigation services charges established by the International Civil Aviation Organization (ICAO) in the latest versions of Documents 9082, 9161 and 9262, amended from time to time;
- (k) **'Modulated Charges'** means charges that are adjusted according to the time and/or situation of use of the facility or service concerned (for example, peak/off-peak hours, air traffic congestion, noise and local air quality aspects);
- (l) **'Performance Management'** means an interactive process through which the performance of providers is expected to improve over time. This process consists of several steps, i.e. defining performance objectives, selecting performance indicators, setting their targets, monitoring performance, reporting and assessing performance;
- (m) **'Person'** means any person, either natural or legal;
- (n) **'Provider'** means an entity, including any subsidiary, which is responsible for the provision of airport and/or air navigation services;
- (o) **'Revenues from Commercial Activities'** means any revenues received by providers from commercial activities including the gross revenues, less any sales tax or other taxes, earned from commercial activities operated directly by the providers;
- (p) **'The Act'** means the Maldives Civil Aviation Authority Act 2/2012;
- (q) **'The Authority'** means the Maldives Civil Aviation Authority established by Article 3 of the Act;
- (r) **'The Minister'** means the Minister responsible for Civil Aviation;
- (s) **'These Regulations'** means the present Regulations;
- (t) **'Tier 1 Providers'** means airports having more than 1 million passenger movements per annum the previous 2 calendar years, and all air navigation service providers;  
**'Tier 2 Providers'** means all other airports;
- (u) **'Users'** means aircraft operators as users of airport and air navigation facilities and services.

## **Section B — Duties and Powers of the Authority**

### **MCAR-250.B.01      Duties of the Authority**

The Authority shall perform the following duties under these Regulations:

- (a) Minimize the risk of providers engaging in anti-competitive practices or abusing any dominant position they may have, and ensure corrective measures are put in place should such practices or abuses occur;
- (b) Ensure non-discriminatory access to airports and air navigation services for all users, including new entrants;
- (c) Ensure non-discrimination, cost-relatedness and transparency in the charges imposed on users;
- (d) Ensure providers put in place appropriate performance management systems;
- (e) Ascertain that development plans and investments in capacity meet current and future demand in a cost-effective manner;
- (f) Ensure providers consult regularly and effectively with users before implementing new or revised charges, adopting or revising performance management systems and implementing development plans and related investments;
- (g) Ensure charges are published and communicated to ICAO;
- (h) Ensure that all relevant obligations of the State specified in the Convention on International Civil Aviation, its Annexes and in air services agreements are complied with, and that ICAO's Policies and Guidelines are observed;
- (i) Perform economic oversight responsibilities in a transparent, accountable, proportionate, consistent and cost-effective manner, while keeping interventions at a minimum and as required, for instance, when there is a disagreement between the parties, where strong market positions create the potential for overcharging, or where there is increased potential for discriminatory and/or anti-competitive behavior against specific users and/or end-users;
- (j) Promote the interests of users and end-users regarding the range, availability, continuity, cost and quality of airport and air navigation services;
- (k) Seek to achieve a balance between the interests of the Maldives government, the Maldives economy, the interests of users and end-users and the interests of providers;
- (l) Report annually to the Minister on the performance of its duties and the exercise of its powers as referred to in MCAR-250.B.01 (a) to (k) and MCAR-250.B.05 (a) to (p) of these Regulations.

**MCAR-250.B.05 Powers of the Authority**

The Authority may exercise the following powers under these Regulations:

- (a) Participate as an observer in meetings being held as part of the consultations between providers and users concerning requests to access facilities and/or services, proposals to amend existing charges or introduce new charges, proposals concerning performance management systems, Service Level Agreements with users, proposed development plans and related investments;
- (b) Review providers' use of corporate governance and management best practices in all areas of their business to promote transparency, cost-effectiveness and an adequate level of quality in the provision of facilities and services to users and end-users;
- (c) Review providers' accounts to ensure they are maintained in accordance with internationally accepted accounting standards, properly and equitably allocate costs amongst users and calculate charges levied on users and/or end users in compliance with these Regulations and with ICAO's Policies and Guidelines;
- (d) Review any providers' decisions to refuse access to facilities and/or services;
- (e) Review any providers' justifications to limit competition in the provision of any type of ground handling services and determine if competition shall remain restricted in the provision of any or all types of ground handling services or conversely if competition must be implemented and determine the terms and conditions of such implementation;
- (f) Review and approve providers' applications to impose differential charges if it determines that such charges:
  - 1. are in the best interest of the public;
  - 2. are non-discriminatory for all categories of users meeting the same criteria and offering the same or similar air services;
  - 3. have the purpose and the criteria on which they are offered stipulated in a clear and transparent manner;
  - 4. do not result in cross subsidization where revenue shortfalls resulting from the introduction of preferential charges for specific user categories are shouldered by other users;
  - 5. are offered on a temporary basis only;
  - 6. have been subject to prior consultation with users during which a constructive engagement approach has been applied;
  - 7. are in full compliance with ICAO Policies and Guidelines;
- (g) Review and approve providers' applications to impose modulated charges if it determines that such charges:
  - 1. are in the best interest of the public;
  - 2. are non-discriminatory for all categories of users meeting the same criteria and offering the same or similar air services;

3. have the purpose and the criteria on which they are offered stipulated in a clear and transparent manner and are related, where capacity is constrained, to the maximization of system-wide capacity by rewarding high performance, or to the generation of environmental benefits;
  4. are to be applied only according to time and/or situation of use of the facility or service concerned;
  5. have been subject to prior consultation with users during which a constructive engagement approach has been applied;
  6. are in full compliance with ICAO Policies and Guidelines;
- (h) Receive and handle formal written complaints made by any person, concerning these Regulations;
- (i) Suspend any decision by providers to refuse access to facilities and/or services, to restrict competition for any type of ground handling services, to amend existing charges, to introduce new charges, to change performance management systems and implement development plans and related investments, if it deems providers are not complying with these Regulations;
- (j) Investigate any conduct, decision, agreement of providers if it has reasonable grounds to believe discriminatory, anti-competitive practices or abuse of dominant position exist and any provision of these Regulations have been, or may be contravened. The Authority may choose to investigate on its own initiative or following the reception of a formal written complaint made by any person;
- (k) Enter the premises of providers, request and obtain all relevant documents it deems necessary for the purpose of an investigation under these Regulations;
- (l) Request, obtain and review all relevant documents concerning proposals to amend existing charges or introduce new charges, proposals concerning performance management systems, Service Level Agreements with users, proposed development plans and related investments;
- (m) Issue instructions to providers to take measures within a set time limit to correct a situation deemed by the Authority to be in contradiction with these Regulations;
- (n) Recover the cost from providers, users and end-users of performing economic oversight of airports and air navigation services;
- (o) Engage and / or consult with other Regulatory Authorities, where necessary and / or appropriate, in order to achieve the objectives of these Regulations;
- (p) Review and amend or revoke at any time these Regulations and issue any Decisions, Directives, Instructions and Procedures it deems necessary to ensure effective implementation of these Regulations.

### **MCAR-250.B.10 Appeals against the decisions of the Authority**

Any of the decisions rendered by the Authority concerning these Regulations can be appealed in accordance with the procedure described in Chapter 9 of the Act.

## **Section C — Obligations of the Providers**

### **MCAR-250.C.01 Binding obligations**

These Regulations impose binding obligations on providers. These obligations are in addition to any applicable obligations contained in Acts and other Regulations, Decisions, Directives, Instructions and Procedures issued by the Authority.

### **MCAR-250.C.05 Access to facilities and services without discrimination**

- (a) Providers shall grant to users access to facilities and/or services without any discrimination.
- (b) Any request to access facilities and/or services denied by a provider shall be adequately justified, documented and submitted in writing to the user.
- (c) Providers shall submit to the Authority a copy of any written decision with detailed justifications for denied access to facilities and services.

### **MCAR-250.C.10 Competition in the provision of ground handling services**

- (a) Tier 1 providers shall ensure all types of ground handling services are provided to users and/or end-users by a minimum of two competing suppliers, unless it can be reasonably demonstrated to the Authority that competition is not feasible for reasons of safety, security, space availability and economic sustainability.
- (b) When any type of ground handling service is provided without competition, the Tier 1 provider shall submit detailed justifications in writing to the review of the Authority within 3 months of the entry into force of these Regulations.
- (c) Upon request by the Authority, the Tier 1 provider shall periodically reassess the reasons justifying that any type of ground handling services are provided without competition and submit the results of the reassessment in writing to the review of the Authority.

### **MCAR-250.C.15 Application of charges without discrimination**

Providers shall not imposed charges for the use of facilities and services by foreign aircraft which are higher than those that would be paid by national aircraft of the same class engaged in similar operations.

### **MCAR-250.C.20 Good governance and management practices**

To promote transparency and cost-effectiveness and an appropriate level of service quality in the provision of facilities and services, providers shall apply good governance and management best practices in all areas of their business.

### **MCAR-250.C.25 Charging principles**

- (a) Providers shall charge users and end-users only for facilities and services they used and for the portion of costs properly allocable to them.

- (b) Providers shall not charge users and end-users for any other facilities and services, as well as for any excessive construction, operation or maintenance expenditures.
- (c) Charges applied by Tier 1 providers shall be reviewed every 3 years.
- (d) Charges applied by Tier 2 providers shall be reviewed every 5 years.

#### **MCAR-250.C.30 Maintenance of accounts**

Providers shall maintain their accounts, in accordance with internationally accepted accounting standards, in a manner that ensures that costs are properly and equitably allocated amongst users, and charges levied are properly calculated in compliance with ICAO's Policies and Guidelines.

#### **MCAR-250.C.35 Allocation of costs**

- (a) Providers shall establish equitable cost-recovery systems based on the allocation of total cost of the facilities and services provided.
- (b) The cost to be allocated by providers is the full cost of providing all the facilities and services, including appropriate amounts for cost of capital and depreciation of assets, as well as the costs of maintenance, operation, management and administration. These costs shall be offset by revenues from commercial activities.
- (c) Providers may produce sufficient revenues to exceed all direct and indirect operating costs and so provide for a reasonable return on assets (before tax and cost of capital) to secure efficient financing for the purpose of investing in new or enhanced facilities and services.
- (d) Providers shall allocate the costs of facilities and services among users in an equitable manner. The proportions of cost attributable to civil aviation and attributable to others (including State or other exempted aircraft, and non-aeronautical users) should be determined in such a way as to ensure that no users are burdened with costs not properly allocable to them according to sound accounting principles.
- (e) Providers shall maintain basic data in respect of the utilization of facilities and services, when such information is relevant to the allocation and recovery of costs. Such data may include the number of flights by user category, whether domestic or international, as well as distances flown and information on aircraft type or weight, and other relevant data.

#### **MCAR-250.C.40 Charging systems**

- (a) Providers shall implement simple and equitable charging systems to ensure the administrative cost of collecting charges does not exceed a reasonable proportion of the charges collected.
- (b) Providers shall ensure that charges are not imposed in such a way as to discourage the use of facilities and services necessary for safety or the introduction of new aids and techniques beneficial to civil aviation operations.
- (c) Before imposing differential charges to users, providers shall obtain the Authority's prior approval by submitting a written application containing the following information:
  1. why the charges would be in the best interest of the public;



2. a demonstration that the proposed charges would be non-discriminatory for all categories of users meeting the same criteria and offering the same or similar air services;
  3. a clear and transparent description of the purpose and the criteria on which the charges would be offered to users stipulated in manner;
  4. a demonstration that the proposed charges would not result in cross subsidization where revenue shortfalls resulting from the introduction of preferential charges for specific user categories should not be shouldered on to other users;
  5. a clear indication of the time period during which the charges would be temporarily offered to users;
  6. a demonstration that the proposed charges would be in full compliance with ICAO Policies and Guidelines.
- (d) Before imposing modulated charges to users as means of easing capacity constraints and/or congestion, providers shall engage in consultation with users, obtain the Authority's prior approval by submitting a written application containing the following information:
1. why the charges would be in the best interest of the public;
  2. a demonstration that the proposed charges would be non-discriminatory for all categories of users meeting the same criteria and offering the same or similar air services;
  3. a demonstration that the proposed charges are not to be implemented as an alternative to effective slot co-ordination as the main tool that can address capacity shortages at airports;
  4. a clear and transparent description of the purpose and the criteria on which the charges would be imposed and demonstrations that they would be related, where capacity is constrained, to the maximization of system-wide capacity by rewarding high performance;
  5. a clear indication that the charges would be applied only according to time and/or situation of use of the facility or service concerned;
  6. a demonstration that the proposed charging methodology is transparent, simple, auditable and harmonized across airports;
  7. a demonstration that the proposed charges will be in full compliance with ICAO Policies and Guidelines.
- (e) Before imposing modulated charges to users as means of reducing noise problems at and around airports, providers shall engage in consultation with users, obtain the Authority's prior approval by submitting a written application containing the following information:
1. why the charges would be in the best interest of the public;
  2. a demonstration that the proposed charges would be non-discriminatory for all categories of users meeting the same criteria and offering the same or similar air services;

3. a demonstration that the proposed charges are not to be implemented as the sole alternative to a comprehensive noise management program which should include reduction of noise at the source, land-use planning and management, noise abatement operational procedures and, not as a first resort, operating restrictions;
  4. a clear and transparent description of the purpose and the criteria on which the charges would be imposed and demonstration that they would be used strictly for the financing, implementation and performance of noise alleviation or prevention measures to generate environmental benefits;
  5. as airport noise and emissions are interrelated, a clear demonstration that the noise charging scheme would be harmonized with that of emissions or any other emissions related charges so as to appropriately reflect the overall environmental footprint of an aircraft;
  6. a demonstration that the proposed charging methodology is transparent, simple, auditable and harmonized across airports;
  7. a demonstration that the proposed charges will be in full compliance with ICAO Policies and Guidelines.
- (f) Before imposing emission-related modulated charges to users as means of reducing local air quality (LAQ) problems at and around airports, providers shall engage in consultation with users, obtain the Authority's prior approval by submitting a written application containing the following information:
1. why the charges would be in the best interest of the public;
  2. a demonstration that the proposed charges would be non-discriminatory for all categories of users meeting the same criteria and offering the same or similar air services;
  3. a demonstration that the proposed charges are not to be implemented as the sole alternative to a comprehensive LAQ problems management program which should include a variety of measures of a technical or operational nature including a proper assessment of the LAQ situation, the respective contribution of all sources of emissions, the agreed LAQ quality objectives, and an analysis of the cost-effectiveness of all possible measures;
  4. a clear and transparent description of the purpose and the criteria on which the charges would be imposed and demonstration that they would be used strictly for the financing, implementation and performance of emissions alleviation or prevention measures to generate environmental benefits;
  5. as airport emissions and noise are interrelated, a clear demonstration that the emission charging scheme would be harmonized with that of noise or any other noise related charges so as to appropriately reflect the overall environmental footprint of an aircraft;
  6. a demonstration that the proposed charging methodology is transparent, simple, auditable and harmonized across airports;

7. a demonstration that the proposed charges will be in full compliance with ICAO Policies and Guidelines.

- (g) When providers introduce new charges or significantly revised existing ones, they shall avoid undue disruption to users and introduce resulting increases in charges on a gradual basis and any departure from this approach that may be necessary must be justified to the Authority.
- (h) Charges shall be levied in such a way that no facility or service is charged for twice with respect to the same utilization. In cases where certain facilities or services have a dual role (for example, approach and aerodrome control as well as en-route control), their cost should be equitably allocated for charging purposes.
- (i) The charging systems established by providers shall comply with ICAO's Policies and Guidelines.
- (j) Providers shall submit to the Authority and make available to the users, yearly within 2 months from the end of their financial year, a complete list of the charges they apply to users and end-users for the use of facilities and services related to airport, air navigation facility and services.

**MCAR-250.C.45      Performance management of providers**

- (a) Providers shall develop and implement appropriate performance management systems to continuously improve on a yearly basis their performance in key performance areas (KPA's) including at a minimum, safety, quality of services, productivity and cost effectiveness.
- (b) Providers' performance management systems shall at a minimum define on a yearly basis performance objectives in each of the KPA's, select and report at least one relevant performance indicator and its target for each of the KPA's, use the results to evaluate and improve performance, include consultations with users and other interested parties that may be designated by the Authority to achieve a mutual understanding and consensus, where appropriate, on performance objectives, level of performance targets and plans to achieve the targets.
- (c) Providers' performance management systems shall comply with ICAO's Policies and Guidelines.
- (d) Providers shall, within 3 months of the end of their financial year, send to the Authority and users a report on the improvement of performance based on the KPA's, indicators and targets referred to in paragraph (b) above.

**MCAR-250.C.50      Development plans and related investments**

- (a) Providers shall adopt a constructive engagement approach when consulting users or their representative organizations with respect to proposed capacity development plans to meet current and future capacity requirements, their related investments and potential financial implications for the users and/or end-users.
- (b) Tier 1 Providers shall ensure that any proposed capacity development plans requiring major investments is supported by a proper cost benefit analysis.

- (c) Tier 1 Providers shall ensure that, notwithstanding MCAR-250.C.60 (b) below, for any proposed capacity development plans requiring major investments appropriate notice shall be given to the Authority and to users, either directly or through their representative organizations, at least 12 months in advance of the date of implementation contemplated by Tier 1 Providers.

#### **MCAR-250.C.55      Service level agreements**

Providers shall offer to all users or groups of users the possibility to enter into Service Level Agreements that define the level of service to be provided, the rules that govern the provider/user relationship on the agreed services, the cost and any other terms and conditions mutually agreed by all parties.

#### **MCAR-250.C.60      Mandatory consultations**

- (a) Providers shall implement a mandatory consultation process that is clearly defined, consistent and effectively carried out.
- (b) When providers contemplate revision to existing charges or imposition of new charges, introduction or changes to economic performance management systems and want to propose capacity development plans and related investments, appropriate notice shall be given to the Authority and to users, either directly or through their representative organizations, at least 4 months in advance of the date of implementation contemplated by the providers.
- (c) Providers shall notify users of all proposals for revision to existing charges or imposition of new charges, introduction or changes to performance management systems and capacity development or investment plans:
- (d) Notices shall include the period in which the proposals will be made available for inspection and where and when the proposal can be inspected.
- (e) Proposals shall be available for inspection by users, either directly or through their representative organizations, for a minimum period of 1 month from the day on which the proposals are made available for inspection. The period in which the proposals are made available for inspection shall not commence until the day following the announcement.
- (f) Proposals shall contain sufficiently detailed information to allow for meaningful consultation by clearly stipulating, at a minimum, the nature of the proposals, the reasons for the proposed changes and the time schedule for responses.
- (g) Providers' proposals involving any revision of charges or imposition of new charges shall be transparent and contain appropriate financial, operational and all other relevant information to allow users to make informed comments and reasonably understand the basis for the revision to existing charges or introduction of new charges. The information shall include at a minimum:
- (h) Proposals concerning performance management of the providers shall contain at a minimum the information described in MCAR-250.C.45 (b) and also the projected performance improvements for the next financial year, based on the indicators mutually agreed upon, compared with the current financial year.

- (i) Proposals concerning development plans and investments in facilities and services shall contain at a minimum the description of the nature of the development plans and investments, the facilities and services involved, the justifications for the investments, the projected costs and impacts on the charges to users and end-users.
- (j) All interested parties should be given the opportunity to present their views on the providers' proposals and shall be given a minimum of 2 months after receipt of the notice and consultation documents to prepare and submit their written comments on the proposals being contemplated by the providers within the time limit set for responses in the notice.
- (k) If users or their representative organizations make a specific written request to the providers within the time limit set for responses in the notice, they shall be allowed to give an oral presentation of their views, if they deem it necessary.
- (l) The written comments submitted by users or their representative organizations and any feedback obtained through oral presentations and associated consultative discussions shall be considered by the providers before reaching their decisions.
- (m) As the best outcome from consultation is the consensus, the providers shall take reasonable measures to reach consensus with the users on all proposals being contemplated.
- (n) After due consideration of all written comments and views submitted by users, providers shall inform in writing the appropriate rationales for the decisions taken. Where users' views have not been accepted, justification for the decision is mandatory and shall also be submitted to the Authority.
- (o) Before implementing the revision of charges or imposition of new charges, providers shall give reasonable advance notice of their final decisions to the users, of at least 1 month in order to allow users to make any necessary arrangements for the additional costs involved or to invoke a dispute resolution mechanism, prior to the revised or new charges taking effect.
- (p) Throughout the consultation process, the providers shall ensure that all market-sensitive data submitted by users is protected properly so as not to discourage effective consultation.

#### **MCAR-250.C.65      Exemption to mandatory consultations**

- (a) In cases where the commercial relationship between a provider and a user is defined under a mutually agreed Service Level Agreement, the provider may apply to the Authority to be exempted from implementing the mandatory consultation process described in article 19 above when dealing with the user.
- (b) Providers that can invoke that the consultation process described in MCAR-250.C.60 above is too cumbersome and expensive for the scope of their facilities and services and/or the nature of the proposals being considered, can apply in writing to the Authority to obtain specific authorization to apply less elaborate process and related consultation information.

### **MCAR-250.C.70      Appeal of the Authority's decision**

Pursuant to MCAR-250.B.10, providers may appeal the decisions rendered by the Authority if in their opinion these are contrary to these Regulations.

## Section D — Responsibilities of Users

### **MCAR-250.D.01      Engagement in consultations**

- (a) Users, either directly or through their representative organizations, are responsible to engage actively in the consultation process.
- (b) Users, either directly or through their representative organizations, are responsible to provide sufficient information to providers for meaningful consultations.
- (c) Concerning capacity development and investment plans, users are responsible to provide advance planning data to providers on a 5 to 10-year forecast basis relating to future types, characteristics and numbers of aircraft expected to be used, the anticipated growth of aircraft movements, passengers and cargo to be handled, and other relevant matters.
- (d) Users, either directly or through their representative organizations, are responsible to respond to convocations and attend diligently any consultation meetings called upon directly by providers or agreed to between the parties following a formal request to the providers.
- (e) Users, either directly or through their representative organizations, are responsible to present their written comments on the proposals being contemplated by the providers in a detailed, comprehensive and timely manner. To be receivable, any comments submitted by users or their representative organizations on providers' proposal shall:
  - 1. be submitted within the time limit set for responses in the applicable notice;
  - 2. be in writing (letter, fax or e-mail);
  - 3. contain the date of the submission and the name, address, telephone, fax number and e-mail address of the user; if the user is represented by an organization, the submission will also contain the particulars of such organization;
  - 4. may be submitted in the Dhivehi or English language;
  - 5. specify which elements of the provider's proposal are concerned;
  - 6. specify the grounds upon which in the opinion of the user the proposal is not acceptable or is contrary to these Regulations.
- (f) Throughout the consultation process, the users shall ensure that all market-sensitive data shared, viewed or communicated by providers so as not to discourage effective consultation.

### **MCAR-250.D.05      Appeal of the Authority's decision**

Pursuant to MCAR-250.B.10, users may appeal the decisions rendered by the Authority if in their opinion these are contrary to these Regulations.

## Section E — Dispute Resolution

### **MCAR-250.E.01      Constructive engagement**

Parties to these Regulations should make all reasonable efforts to resolve disputes arising in relation to these Regulations through constructive engagement. Parties shall cooperate voluntarily and actively with the Authority and/or any other competent entity in resolving such dispute.

### **MCAR-250.E.05      First-resort mechanism**

- (a) If there is a need for a third party to resolve disputes on any matter covered by these Regulations, the Authority shall act as a first-resort mechanism.
- (b) In resolving disputes, the Authority shall act:
  - 1. flexibly; and
  - 2. With a focus on conciliation or mediation.

### **MCAR-250.E.10      Requests to the Authority**

Any party wishing to seek the intervention of the Authority to resolve disputes on any matter covered by these Regulations, shall address a formal request to the Authority. To be receivable, such request shall:

- (a) be in writing (letter, fax or e-mail);
- (b) contain the date of the submission and the name, address, telephone, fax number and e-mail address of the user; if the user is represented by an organization, the submission will also contain the particulars of such organization;
- (c) may be submitted in the Dhivehi or English language;
- (d) specify the motives for the dispute;
- (e) be accompanied by all supporting information and documentation relevant to the dispute.

### **MCAR-250.E.15      Decisions of the Authority**

- (a) From the day the Authority receives all the information and documentation pertaining to the dispute it shall render its decision within a period not exceeding 2 months.
- (b) In the event the Authority requires any of the parties to make an oral presentation concerning the dispute it shall render its decision within a period not exceeding 2 months from the day such presentation is made.
- (c) Decisions of the Authority in relation to disputes between parties on any matter covered by these Regulations shall be binding on all parties.
- (d) Any of the decisions rendered by the Authority concerning these Regulations can be appealed pursuant to Chapter 8 of these Regulations.



## Section F — Offences and Penalties

### **MCAR-250.F.01      Offences**

Offences under these Regulations shall include the following:

- (a) obstruction or interference with the duties of the Authority in relation to these Regulations;
- (b) obstruction of any person acting in the execution of his duties in relation to these Regulations;
- (c) failure to disclose information that the person has been required to produce by the Authority pursuant to the provisions of these Regulations;
- (d) intentional alteration, suppression or destruction of documentation that the person has been required to produce by the Authority pursuant to the provisions of these Regulations;
- (e) provision of information that is false or misleading in a material respect.

### **MCAR-250.F.05      Penalties**

- (a) The Authority may impose penalty on a person if, in relevant circumstances, the person commits an offence pursuant to the provisions set out in Chapter 6 of these Regulations.
- (b) The amount of a penalty imposed on a person under these Regulations shall be such amount as the Authority determines to be:
  - 1. appropriate;
  - 2. proportionate to the offence in respect of which it is imposed, and
  - 3. not exceeding the limits set in Article 24 of the Maldives Civil Aviation Act (2/2001).
- (c) Before imposing a penalty on a person the Authority shall:
  - 1. give the person a notice about the proposed penalty; and
  - 2. consider any representations made about the proposed penalty in the period specified in the notice.