

Principle and Rationale behind the Draft of the Royal Decree Prescribing Criteria, Conditions and Timeframes for the Exemption from the Qualifications and Characteristics Relating to the Registered Capital and Business Management Power of an Applicant for an Aircraft Production License, a Major Aircraft Appliances Production License and an Applicant for a Repair Station Certificate, Class One
B.E.

Principle

Prescribing Criteria, Conditions and Timeframes for the Exemption from the Qualifications and Characteristics of an Applicant for licenses or certificated pursuant to Section 41/22, Section 41/33 and Section 41/95 (1) relating to the registered capital, which must belong to a person holding Thai nationality pursuant to Section 41/23 Paragraph 1 (2) and to the business management power, which must be controlled by a person holding Thai nationality pursuant to Section 41/23 paragraph 1 (4) of the Air Navigation Act B.E. 2497 (1954)

Rationale

As Section 6/2 of the Air Navigation Act B.E. 2497 amended by the Air Navigation Act (No. 13) B.E. 2562 prescribes that for the purpose of technology transfer and promotion of investment in the production of aircraft, production of major aircraft appliances and the repair of aircraft in the repair station for the aircraft of maximum takeoff mass not exceeding five thousand seven hundred kilograms, the Royal Decree may be promulgated to grant exemption only from the qualifications and characteristics of the applicant for the licenses or certificate according to Section 41/22 Section 41/33 and Section 41/95 (1) relating to the registered capital, which must belong to a person holding Thai nationality pursuant to Section 41/23 Paragraph 1 (2) and to the business management power, which must be controlled by a person holding Thai nationality pursuant to Section 41/23 paragraph 1 (4). Such Royal Decree may also prescribe criteria, conditions and timeframes for the exemptions. It is therefore necessary to enact this Royal Decree.

Royal Decree Prescribing Criteria, Conditions and Timeframes for the Exemption from the Qualifications and Characteristics Relating to the Registered Capital and Business Management Power of an Applicant for an Aircraft Production License, a Major Aircraft Appliances Production License and an Applicant for a Repair Station Certificate, Class One
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Whereas it is expedient to grant exemption from the qualifications and characteristics of an applicant for an Aircraft Production License, a Major Aircraft Appliances Production License and an applicant for a Repair Station Certificate, Class One relating to the registered capital and business management power.

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Section 1 This Royal Decree is called “Royal Decree Prescribing Criteria, Conditions and Timeframes for the Exemption from the Qualifications and Characteristics Relating to the Registered Capital and Business Management Power of an Applicant for an Aircraft Production License, a Major Aircraft Appliances Production License and an Applicant for a Repair Station Certificate, Class One B.E.”

Section 2 This Royal Decree shall come into force on the day following the date of its publication in the Government Gazette for a period of not more than ten years.

Section 3 In this Royal Decree,
“Director General” means Director General of the Civil Aviation Authority of Thailand.

Section 4 The qualifications and characteristics of an applicant for an Aircraft Production License and an applicant for a Major Aircraft Appliances Production License according to Section 41/22 and Section 41/33 relating to the registered capital, which must belong to a person holding Thai nationality pursuant to Section 41/23 Paragraph 1 (2) and to the business management power, which must be controlled by a person holding Thai nationality pursuant to Section 41/23 paragraph 1 (4) shall be exempted if the following criteria, conditions and timeframes have been fulfilled:

(1) such applicant has been promoted under the law on investment promotion or the applicant has a plan to invest in the production in Thailand for more than a billion baht;

(2) the productions of aircraft or major aircraft appliances need engineering techniques, continuous specialized advanced research and development, technology and production procedures with quality in line with standards of production certification, using of personnel with high knowledge and expertise, utilization of technology relating to advanced or specific system and equipment, production methods, including computerized design and modern operating systems, using of equipment controlled by computer or compact electronics in production design and product management;

(3) the applicant has a plan for technology transfer and training of Thai personnel, submitted for approval from the Director General. Such plan shall be implemented throughout validity of the license and shall include the following activities:

(a) technology transfer and training of Thai personnel within the entity;

(b) appointment of Thai personnel to work in the position in place of foreign personnel;

(c) technology transferring to and training Thai personnel for at least one Thai licensee whose registered capital in whole belongs to person(s) holding Thai nationality (or not less than 51 percent of registered capital belongs to person(s) holding Thai nationality), done in the form of an agreement;

(d) conducting a research and development project and dissemination of knowledge relating to aircraft production or major aircraft appliances production to the aviation industry or academic sector in Thailand;

(e) providing scholarship or sponsorship programme to cover costs for studying aircraft production or major aircraft appliances production to person(s) holding Thai nationality;

After being granted with an Aircraft Production License or a Major Aircraft Appliances Production License, the licensee shall make a report on technology transfer following the approved plan and submit it to the Director General every year. If the licensee does not make the report or cannot follow the approved plan without any appropriate reason, the Director General has power to revoke the Aircraft Production License or the Major Aircraft Appliances Production License of the licensee.

(4) the applicant will use Thai personnel in the operation for not less than 80 percent within the period of five years.

Section 5 The qualifications and characteristics of an applicant for a Repair Station Certificate, Class One for the aircraft of maximum takeoff mass not exceeding five thousand seven hundred kilograms pursuant to Section 41/95 (1) relating to the registered capital, which must belong to a person holding Thai nationality pursuant to Section 41/23 Paragraph 1 (2) and to the business management power, which must be controlled by a person holding Thai nationality pursuant to Section 41/23 paragraph 1 (4) shall be exempted if the following criteria, conditions and timeframes have been fulfilled:

(1) such applicant has been promoted under the law on investment promotion or the applicant has a plan to invest in the aircraft maintenance in Thailand for more than five hundred million baht;

(2) the aircraft maintenance needs engineering knowledge, continuous specialized advanced research and development, technology and maintenance procedures with quality in line with standards of maintenance certification, using of personnel with high knowledge and expertise, utilization of technology relating to advanced or specific system and equipment, maintenance methods, including computerized design and modern operating systems;

(3) the applicant has a plan for technology transfer and training of Thai personnel, submitted for approval from the Director General. Such plan shall be implemented throughout validity of the certificate and shall include the following activities:

(a) technology transfer and training of Thai personnel within the entity;

(b) appointment of Thai personnel to work in the position in place of foreign personnel;

(c) technology transferring to and training Thai personnel for at least one Thai certificated person(s) whose registered capital in whole belongs to

person(s) holding Thai nationality (or not less than 51 percent of registered capital belongs to person(s) holding Thai nationality), done in the form of an agreement;

(d) conducting a research and development project and dissemination of knowledge relating to aircraft maintenance to the aviation industry or academic sector in Thailand;

(e) providing scholarship or sponsorship programme to cover costs for studying aircraft maintenance to person(s) holding Thai nationality;

After being granted with a Repair Station Certificate, Class one, the certificated person shall make a report on technology transfer following the approved plan and submit it to the Director General every year. If such certificated person does not make the report or cannot follow the approved plan without any appropriate reason, the Director General has power to revoke the Repair Station Certificate of such person.

(4) the applicant will use Thai personnel in the operation for not less than 80 percent within the period of five years.

Section 6 The Minister of Transport shall be responsible for the enforcement of this Royal Decree.

Countersigned by:

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Prime Minister