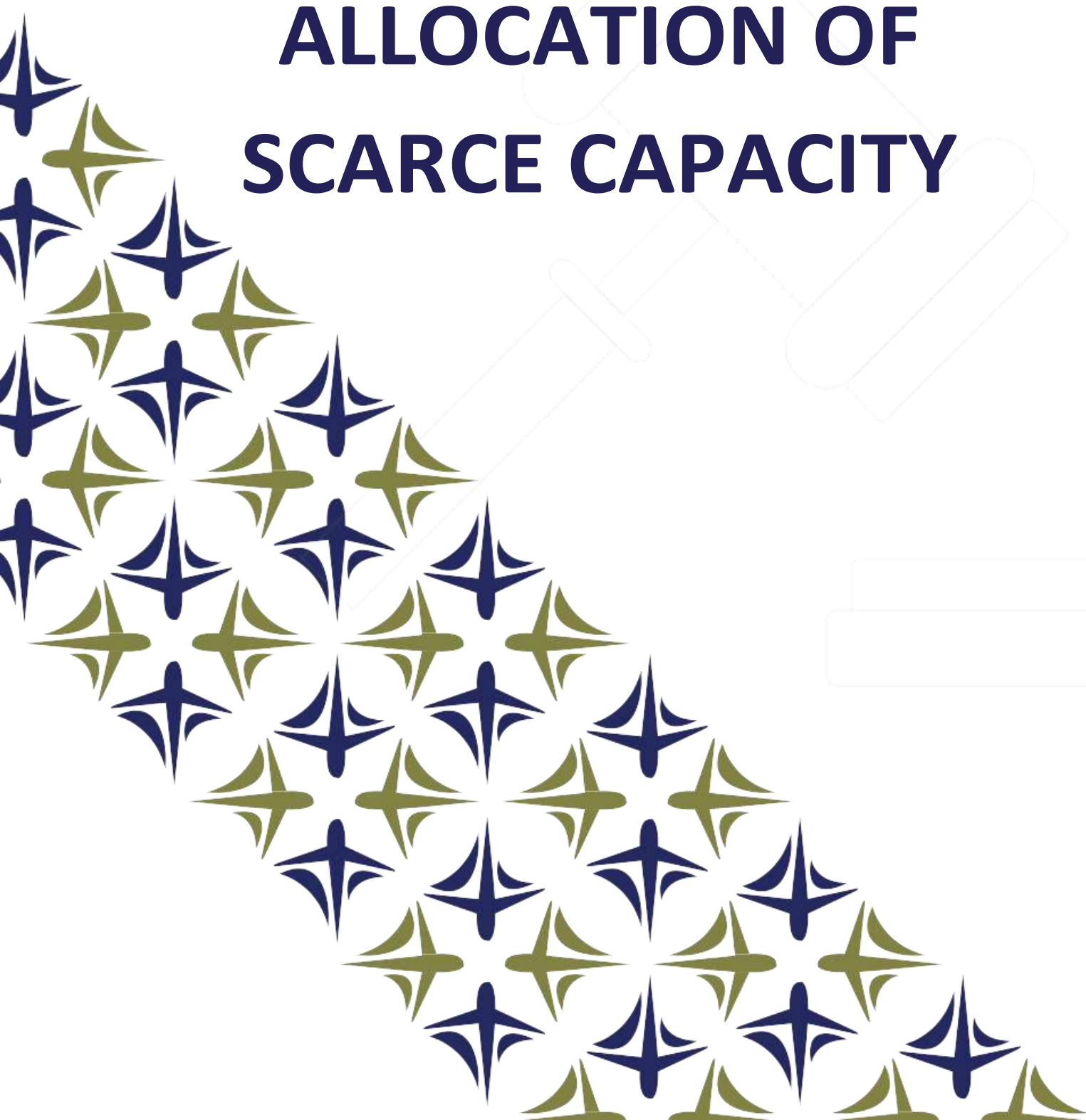




SULTANATE OF OMAN  
CIVIL AVIATION AUTHORITY

CIVIL AVIATION REGULATION

# ALLOCATION OF SCARCE CAPACITY





SULTANAT OF OMAN  
CIVIL AVIATION AUTHORITY

## **Amendment of Chapter 2 – Part 2 of the “ECONOMIC REGULATION OF LICENSING AND CONSUMER PROTECTION IN CIVIL AVIATION (2015)”**





# **CAR-ASC**

## **Civil Aviation Regulation**

# **ALLOCATION OF**

# **SCARCE CAPACITY**

**Effective: 16 September 2025**

**Approved by: H.E. Eng. Naif Ali Hamed Al-Abri**

**President of CAA**

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**CIVIL AVIATION (ALLOCATION OF SCARCE CAPACITY) REGULATIONS 2025**  
**PROCEDURE FOR THE ALLOCATION OF LIMITED AIR TRAFFIC RIGHTS**

**CIVIL AVIATION AUTHORITY, SULTANATE OF OMAN**

**PREAMBLE**

**IN EXERCISE** of the powers conferred upon the **President of the Civil Aviation Authority** by Article 2 of the Civil Aviation Law issued by Royal Decree No. (76/2019), **these Regulations are made on this 16th day of September, 2025.**

**CITATION, COMMENCEMENT AND APPLICATION**

1. Citation. These Regulations may be cited as the Civil Aviation (Allocation of Scarce Capacity) Regulations 2025.
2. Commencement (Effective Date). These Regulations shall come into force on 16 September 2025 (the "Effective Date").
3. Application (Applicability Date). These Regulations shall apply from 21 September 2025 (the "Applicability Date").

**TRANSITIONAL AND SAVINGS**

1. Existing allocations. Any designation, authorization, or allocation of scarce capacity granted before 21 September 2025 shall remain valid from 21 September 2025, until replaced or varied under these Regulations.
2. Pending applications (pre-applicability). Any application submitted before 21 September 2025 shall be processed under the previous framework, unless the applicant elects in writing to have the application determined under these Regulations. Where a substantive evaluation has commenced under the previous framework, the Authority may continue such evaluation to conclusion for reasons of procedural economy and fairness.
3. New applications (on/after applicability). Any application submitted on or after 21 September 2025 shall comply with and be determined under these Regulations.
4. Prevalence. To the extent of any inconsistency between these Regulations and any prior instrument or policy concerning the allocation of scarce capacity, these Regulations shall prevail from 21 September 2025.

**Article 1: Purpose**

Having regard to:

- (1) The provisions of the Convention on International Civil Aviation of 7 December 1944 and Act 211/1947 on International Civil Aviation;
  - (2) All other relevant laws and regulations of the Sultanate of Oman;
- this regulation establishes a regulatory framework and procedures for allocating air traffic rights, among eligible national air carriers established in Oman, for the operation of scheduled services between Oman and countries outside Oman where they are limited under the air service agreements, by amending Part 2 of the chapter II- Allocation of Scarce Capacity, of the Economic regulation of licensing and consumer protection in Civil Aviation-2015.

## Article 2: Definitions

For the purpose of this Regulation, the following definitions shall apply:

**“Air Services Agreement”** or **“ASA”** means an agreement between Oman and another state or states that establishes the rights and obligations of each state in relation to air services between the two states, and all amendments made to such an agreement from time to time;

**“Applicant”** means a qualifying carrier who has applied for a scarce capacity allocation certificate.

**“Authority”** means; Civil Aviation Authority of Oman;

**“Civil Aviation Authority”** means the competent authority officially in charge of civil aviation affairs in the Sultanate of Oman, currently the Civil Aviation Authority (CAA), or its successors;

**“Civil Aviation Law”** means the Civil Aviation Law 2019, issued by the Royal Decree No. (76/2019).

**“Designation”** means the award to one or more interested National air carriers of the right to operate scheduled air services between the Sultanate of Oman and another Contracting Party agreed in the corresponding bilateral air service agreement, the Contracting Party concerned is notified thereof through diplomatic channels (except where the bilateral air service agreement provides otherwise).

**“National Air Carrier”** means a person, natural or juridical, or an undertaking that is locally registered and majority owned by the nationals, offering or operating an air service for the transport of passengers, mail, or cargo, and granted an air transport license in accordance with Article 36 of the Civil Aviation Law; and possesses a valid operating license and AOC issued by the Civil Aviation Authority of Oman in accordance with the provisions of the Civil Aviation law and Regulations.

**“President”** means President of the Civil Aviation Authority, Sultanate of Oman.

**“Scarce Capacity”** means the capacity that exists for providing air services where the relevant traffic rights are insufficient to enable all eligible national carriers who would wish to operate services on a route, to provide all the services they would wish to provide.

**“Scarce Capacity Allocation certificate”** means a certificate issued in accordance with Article 33 of the Civil Aviation Law as per the provisions contained in this regulation.

## Article 3: General provisions

This Article sets forth the regime for distributing traffic rights, where scarce capacity exists, to national air carriers on the basis of a non-discriminatory and transparent procedure.

## Article 4: Scarce capacity allocation

- (1) No person shall use an aircraft for the carriage for a reward of passengers, mail, or cargo on a capacity-constrained route unless:
  - (a) the qualifying carrier operating the air service holds a scarce capacity allocation certificate authorizing him to operate aircraft on the route in question; and
  - (b) the terms of the scarce capacity allocation certificate are complied with insofar as they relate to that route.

## Article 5: Scarce Capacity Notification Procedure

- (1) The procedure for the designation of a National Air Carrier for the operation of scheduled air services between Oman and a Contracted Party or country outside is initiated either on the initiative of the Civil Aviation Authority (CAA) or following an application from an eligible National Air Carrier established in Oman in accordance with Article 36 of the Civil Aviation Law, and is as follows:

- (a) Invitation from the CAA to eligible National Air Carriers to express interest in the designation of one or more air carriers (in accordance with the provisions of the relevant bilateral air service agreement) for the operation of scheduled air services from/to another country in accordance with the provisions of the relevant bilateral air service agreement. The invitation shall take the form of a notice from the CAA addressed to the national air carriers. The notice shall include any application for designation already submitted for the route in question. The notice shall also be published on the CAA's website ([www.caa.gov.om](http://www.caa.gov.om)). The deadline for submission of an expression of interest shall be 15 working days from the notice's publication date.
- (b) A National Carrier wishing to operate on a capacity-constrained route must apply in writing to the Authority for a Scarce Capacity Allocation Certificate.

The Authority may refuse to consider an application for the grant of a scarce capacity allocation certificate unless:

- (i) If an application is served to the Authority not less than two months (in the case of an application initiated by the air carrier) before the Scarce Capacity Allocation Certificate is intended to have effect.
  - (ii) The applicant has furnished all the information and documents required.
  - (iii) The applicant has paid any applicable fees required.
  - (iv) The application has been submitted on or before the deadline as stipulated in article 5(1) (a) above.
- (2) As soon as reasonably practicable after an application has been received in accordance with this regulation the Authority must publish it on its website ([www.caa.gov.om](http://www.caa.gov.om)):
  - (i) such particulars of the application as it thinks necessary for indicating the substance of the application; and
  - (ii) the period within which representations in respect of the application must be made, provided that the Authority may not specify a period of less than 15 days unless it is satisfied that for reasons of urgency, it is necessary to do so.
- (3) Where the Authority has received an application, it must notify the holder of all other scarce capacity allocation certificates relating to the route to which the application relates.
- (4) Where the Authority considers that there is no longer scarce capacity on a route, it must issue a notice to the concerned airlines stating that, with effect from the date specified in the notice, the route is no longer capacity-constrained.

#### Article 6: Supporting documents required

- (1) A national air carrier that expresses interest in being designated for the operation of an international scheduled air service shall submit to the CAA an application accompanied by an assessment file, which shall contain the following supporting documents:
  - (a) its operating license and air operator's certificate together with the accompanying special conditions;
  - (b) a flight plan, which shall contain a detailed list of services with the number, type, and capacity of the main and auxiliary aircraft that the air carrier intends to use for the operation of the

- said services, the frequencies, and the proposed date of commencement and duration of services, and data showing whether the aircraft are owned or chartered;
- (c) a detailed three-year forecast of the financial results for the route in question, including data allowing the viability of the route to be assessed (expected market share on the route, fuel prices, salaries, maintenance, insurance premiums, taxes, ground handling, catering, expected revenue, expenses, etc.);
  - (d) the tariffs/fares which will apply to the route;
  - (e) any commercial practices (code-sharing, alliances) that will apply to the route;
  - (f) data demonstrating the air carrier's operational and financial capacity to meet at any time its actual and potential obligations under this regulation.
- (2) Only applications accompanied by a complete file will be considered.
- (3) Only applications in Arabic or, if the originals are in English, accompanied by an Arabic translation shall be considered.
- (4) The application shall state the address in Oman to which the CAA is to address correspondence.
- (5) Where it deems necessary, the Civil Aviation Authority may request the submission of additional information, which the air carrier shall be obliged to submit within fifteen calendar days.

#### **Article 7: Traffic Rights Allocation Criteria**

- (1) The CAA allocates air traffic rights with respect to the principles of transparency and non-discrimination, amongst others, with due consideration for the sustainable development of air transport, tourism, and trade in the Sultanate. The following aspects will be assessed as part of the traffic rights allocation procedure:
- (a) Provisions of the relevant Bilateral Air Services Agreement;
  - (b) Proof that the qualifying air carrier(s) provide the air transport services that satisfy all substantial categories of public demand with a high standard of safety;
  - (c) Proposed tariff and tariff policy, including a competitive level of charges for air carriage and related services;
  - (d) Frequency of services;
  - (e) The impact of granting traffic rights to the airline on promoting competition. Proof to show that qualifying air carrier(s) will be able to compete as effectively as possible with other airlines in providing air transport services on international routes;
  - (f) Quality of the service offered, particularly with regard to the type and layout of the aircraft;
  - (g) The existence of a sales network for the convenience of the traveling public;
  - (h) Plans for protecting and promoting the reasonable interests of users of air transport services;
  - (i) Intended date for the launch of the service;
  - (j) Financial, technical, and operational capacity of the air carrier to operate the flights covered by the application, and guarantees regarding the continuity of operation of the services;
  - (k) Development of connecting flights for passengers;
  - (l) The impact of the operations in opening new routes, and improving regional connectivity (if any);
  - (m) Contribution to the promotion of the local business, including tourism;



- (n) The history of operating domestic and international flights in the Sultanate, including the financial and other contributions in the past for the development of air services to the given country (if available)
  - (o) Compliance with the additional conditions that CAA may choose to introduce because of the government policies, nature, and requirements of the market, etc.; and
  - (p) Compliance with the emissions trading scheme and combating climate change.
- (2) When allocating scarce capacity, the Authority must have regard:
- (a) to the effect on existing air transport services provided by qualifying carriers; and
  - (b) in any case where:
    - (i) The existing services are similar (in terms of route) to the proposed new service; or
    - (ii) Two or more applicants have applied for a scarce capacity allocation certificate, indicating that they propose to provide a new but similar service, to any benefits that may arise from enabling two or more airlines to provide the service in question.

#### **Article 8: Grant of a scarce capacity allocation certificate without an application being made**

- (1) The President of the CAA may grant a scarce capacity allocation certificate otherwise than in pursuance of an application under Article 5(1).
- (2) Where the Authority proposes to grant a scarce capacity allocation certificate under Paragraph 1 above, it must notify other concerned airlines:
- (a) the particulars of the proposal, and
  - (b) the reasons for the proposed grant.

This provision is intended to allow the civil aviation authority to allocate scarce capacity in emergency situations, including force-majure, and to enable swift, flexible, and equitable responses to crises while safeguarding the public interest and maintaining operational continuity while ensuring that decisions are made transparently and based on predefined criteria, even if the usual processes are bypassed.

The scarce capacity allocated under this Article shall be:

- i. Temporary and subject to review.
- ii. Documented and publicly justified.
- iii. Subject to independent oversight or reporting to a higher authority (Minister of Transport).

#### **Article 9: Grant of a scarce capacity allocation**

- (1) The Authority must decide whether to grant or refuse to grant, a scarce capacity allocation certificate as soon as reasonably practicable after the closing date for applications specified in Article 5(1).
- (2) The Authority must give notice of its decision to the applicant.



- (3) Where the Authority decides to grant a scarce capacity allocation certificate it must send the scarce capacity allocation certificate to the qualifying carrier to whom it relates.
- (4) A scarce capacity allocation certificate may be in such form as the Authority reasonably decides and must include:
  - (a) the route(s) to which it relates;
  - (b) the services it authorizes;
  - (c) the date on which it takes effect; and
  - (d) any conditions or restrictions to which a route or service is subject (e.g. frequency of services, capacity, in accordance with the provisions of the relevant bilateral air services agreement).
- (5) Designation of the selected air carrier to the authorities of the foreign State shall be done based on the provisions of the relevant bilateral air services agreement.
- (6) The abovementioned decisions shall be communicated to all air carriers that have expressed interest in being designated.
- (7) A scarce capacity allocation certificate remains in force until:
  - (a) it is revoked by the Authority;
  - (b) it is varied by the Authority, or
  - (c) every route to which it relates ceases to be a capacity-constrained route.

#### **Article 10: Obligations of the designated air carrier**

- (1) The designated air carrier must take all due preparatory action for the operation of the route for which it has been designated such that services commence no later than six months after the date of its designation and without exceptions from the flight plan which it submitted, except in the event of exceptional circumstances.
- (2) The designated air carrier must inform the CAA of any change in its flight plan on the route for which it has been designated.
- (3) When providing services on the routes for which it has been designated, the designated air carrier must comply faithfully with the provisions of all the relevant national and international legislation on the operation of international air transport services and with the procedures and guidelines laid down by the aviation authority of the country in which it has been designated, in accordance with the provisions of the relevant bilateral air services agreement.
- (4) The transfer of the rights in question to another air carrier is not permitted.
- (5) An air carrier shall not make any public announcement about its intended operation on a route for which the CAA has not formally allocated traffic rights to the carrier.
- (6) An air carrier shall not sell tickets to passengers for the route until such time it receives formal approval from the CAA regarding the allocation of traffic rights to the carrier to operate on that route.

**Article 11: Revocation, or variation of a scarce capacity allocation certificate**

- (1) A qualifying carrier may apply in writing to the Authority for the variation or revocation of a scarce capacity allocation certificate which that carrier holds by furnishing all the information and documents required by the Authority.
- (2) The Authority may vary, or revoke a scarce capacity allocation certificate otherwise than in pursuance of an application under paragraph 1 of this Article.
- (3) Where the Authority proposes to vary or revoke a scarce capacity allocation certificate under Paragraph 1 above, it must notify:
  - (a) the holder of the scarce capacity allocation certificate, and
  - (b) the holders of all other scarce capacity allocation certificates relating to the route to which the proposal relates.
- (6) The Authority must decide whether to revoke or vary a scarce capacity allocation certificate as soon as reasonably practicable after receipt of the applications specified in paragraph 1 of this Article.
- (7) The Authority must give notice of its decision to the applicant, and state the reasons for its decision.

**Article 12: Reassessment of the designated air carrier and revocation of designation**

- (1) In the event of a substantial change in the operational, commercial, financial, or other information based on which the air carrier(s) was/were designated in accordance with this Regulation, and/or failure on the part of the air carrier(s) to comply with the provisions hereof, the CAA may at any time reassess the air carrier(s) in accordance with the provisions hereof, with respect either to the renewal of the designation act or to the revocation of its designation and, where deemed appropriate, issue an invitation to express interest to air carriers.
- (2) In particular, failure in part or in whole to use the rights for a period exceeding six months, in accordance with the provisions of Articles 9 and 10 above, partial or total interruption by the air carrier of the operation of the services for a period exceeding six months, shall constitute sufficient reason to revoke the designation. The CAA may, where it deems appropriate, issue a new invitation to express interest to eligible air carriers.

**Article 13: Enforcement**

- (1) These regulations will be enforced by the Authority.
- (2) Where the Authority has a reason(s) to believe that an aircraft is intended to be used on a flight in contravention of Article 9, the Authority may:
  - (a) give to the operator or commander of the aircraft a direction that he must not cause or permit the aircraft to take off until further notice; and
  - (b) having given the direction, detain the aircraft until it is satisfied that it will not be used on a flight in contravention of Article 9.
- (3) Any person who violates any of the provisions contained in this regulation shall be guilty of an offense.

**Article 14: Entry into force**

- (a) Publication. These Regulations shall be published on the Authority's official website ([www.caa.gov.om](http://www.caa.gov.om)).
- (b) Entry into force (Effective Date). These Regulations shall enter into force on 16 September 2025 (the "Effective Date").
- (c) Applicability (Applicability Date). These Regulations shall apply from 21 September 2025 (the "Applicability Date").
- (d) Repeal. Upon the Effective Date, Part 2 — Allocation of Scarce Capacity of the Economic Regulation of Licensing and Consumer Protection in Civil Aviation (2015) stands repealed, without prejudice to any transitional and savings provisions contained in these Regulations.