



LEGAL COMMITTEE—37TH SESSION

(Montreal, 4 to 7 September 2018)

Agenda Item 2: Consideration of the General Work Programme of the Legal Committee

INTRODUCTION TO THE CREDIT MANAGEMENT MEASURES OF CIVIL AVIATION ADMINISTRATION OF CHINA (CAAC)

(Presented by China)

1. BACKGROUND OF THE CREDIT MANAGEMENT MEASURES OF CAAC

1.1 In June, 2014, the Chinese Government issued the *Outline Program for the Building of a Social Credit System (2014-2020)*, which identified the overarching roadmap for the building of social credit system. In May, 2016, the Chinese Government, by issuing the *Guiding Opinions of the State Council on Establishing a Sound Joint System for Encouraging Credibility and Punishing Dishonesty to Accelerate the Building of a Social Credit System*, put forward the requirements of establishing a sound joint system for encouraging credibility and punishing dishonesty, and accelerating the building of a social credit system, including implementing credit management measures in all sectors of the civil aviation industry.

1.2 The civil aviation industry features high safety requirement, strong service demand, broad influence and high attention from the public. It requires management of both personnel and entities, from home and broad, engaged in the civil aviation industry and passengers taking civil flights. Therefore, it calls for constant innovations in concepts, expansion of channels and diversification of measures for industry governance.

1.3 Since 2012, CAAC first promoted credit management measures in the safety management sector of the industry, later in other sectors of the industry, having accumulated experience in its management. Meanwhile, with the environment of credit building and credit management in China getting better and the sense of agreement and endorsement of entities and individuals for credit management keeping enhancing, the foundation for implementing credit management measures across the industry is laid down.

2. CONTENT OF THE CREDIT MANAGEMENT MEASURES OF CAAC

2.1 CAAC has developed the *Measures for the Credit Administration of Civil Aviation Industry (Trial)* (the Measures) and the *Opinions on Promoting Building of Social Credit System by Appropriately Restricting Specific Seriously Dishonest Persons from Taking Civil Aircraft within Certain Periods* (the Opinions), which developed relevant rules from the two perspectives of credit management of personnel engaged in the civil aviation industry and that of passengers taking civil aviation flights, realizing a full coverage of both civil aviation enterprises and personnel, and passengers, and of both home and abroad. These two documents have both officially come into force in 2018, and the rules provided for therein have already been implemented.

- a) Regarding the credit system of civil aviation enterprises and personnel, the Measures cover all domestic parties subject to administration of Chinese civil aviation administrative authorities, 1,015 foreign training or maintenance organizations with CAAC licenses, and 177 foreign or regional airlines operating flights connecting the

mainland of China, realizing consistent national treatment for all parties subject to administration. For the aforementioned entities and individual license holders, their serious dishonest acts of 15 kinds under four categories that violate laws and regulations as specified in the Measures will cause them to be included in the blacklist by civil aviation administrative authorities for a time period between 1 year to 3 years, during which the company or individual is subject to restriction or prohibition in obtaining routes and flights, flight slots and professional qualification. This rule is aimed to crack down serious violating acts that severely endanger civil aviation safety, disrupt operation order or infringe consumer rights, so as to play a positive role in ensuring safe and orderly development of the civil aviation industry. By far, one corporate body of Zhangjiakou Airport in Hebei Province and 6 natural persons were on the Blacklist Record for Serious Dishonesty due to the aforementioned acts;

- b) Regarding the credit system of air travellers, for general violation acts or criminal acts occurred within the territory of China or on board an aircraft as China is the state of landing and exercises the jurisdiction according to the Tokyo Convention and its Montreal Protocol signed in 2014, as long as the acts have been subject to the administrative penalties by Chinese public security organs or the investigation for criminal offences by Chinese courts according to law, the violators or criminals will be included in the boarding restriction list by CAAC, whose ticket purchase requests will be automatically rejected by the sales system for one year. The 9 circumstances for the aforementioned acts, all of which are acts that endanger aircraft safety, operation safety and operation order, are defined and specified in the Opinions. The aforementioned acts occurred on foreign aircraft are also covered, which after Chinese public security authorities legally establish jurisdiction and execute penalties will cause the violators or criminals to be included in the boarding restriction list by CAAC. The rules reflect the determination of the Chinese government to proactively safeguard international and domestic civil aviation development order and crack down violations and criminal acts that compromise civil aviation safety and order. As such, these rules will certainly facilitate safe and orderly development of civil aviation industry both in China and on the globe. By far, CAAC has published the boarding restriction list that includes 421 persons, being well received by the society.

2.2 CAAC will develop the *Memorandum on Conducting Joint Punishment on Seriously Dishonest Subjects in the Civil Aviation Field* in the second half of 2018, which will require other industry authorities in China to carry out joint punishment on the civil aviation personnel and entities included in the blacklist by Chinese civil aviation administrative authorities in their industries other than civil aviation. These efforts include restrictions or prohibition in obtaining work safety licenses, establishing financial institutions, issuing corporate (enterprise) bonds and participating in project bidding. The aim is to constantly improve relative rules on credit management in the civil aviation industry and realize dual-level credit management coverage from both inside and outside of the industry.

3. CONCLUSION

Since these credit management measures have been proved effective, CAAC would like to seek support from ICAO expertise to further improve these measures. If ICAO recognizes the necessity to promote these measures, CAAC is ready to provide necessary help and share experience with civil aviation authorities of other countries. The ICAO Legal Committee's comments on the possibilities of improving and promoting these credit management measures is welcomed.