



ASSEMBLY — 40TH SESSION

LEGAL COMMISSION

Agenda Item 40 : Other issues to be considered by the Legal Commission

CREDIT ADMINISTRATION IN CIVIL AVIATION OF CHINA

(Presented by People's Republic of China)

EXECUTIVE SUMMARY

Civil Aviation Administration of China (CAAC) attaches great importance to credit administration. With several rules and regulations in place, CAAC has developed credit management mechanisms for both civil aviation practitioners and passengers, covering both enterprises and personnel engaged in China's civil aviation industry and air transport of passengers, and both home and abroad.

Action: Since relevant efforts have been proved effective, China would like to receive support from ICAO to further improve its credit administration, and is willing to share its experience with other civil aviation authorities, and to contribute to the promotion of credit administration.

<i>Strategic Objectives:</i>	Safety, Capacity and Efficiency.
<i>Financial implications:</i>	Not Applicable.
<i>References:</i>	LC/37-IP/2 - Introduction to the Credit Management Measures of Civil Aviation Administration of China (CAAC) DOC 10114-LC/37, Report of the 37th Session of the Legal Committee.

¹ English and Chinese versions were provided by China.

1. BACKGROUND OF CREDIT ADMINISTRATION BY CAAC

1.1 In June, 2014, the Chinese Government issued the Outline Program for Building of Social Credit System (2014-2020), which identifies 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 Building of Social Credit System, put forward the requirements on establishing a sound joint system for encouraging credibility and punishing dishonesty, and accelerating the building of a social credit system, implementing credit management measures in all sectors including the civil aviation industry.

1.2 CAAC attaches great importance to credit management of the civil aviation industry, and has fully included credit management measures in the industry regulation. In 2012, CAAC first promoted credit management measures in the safety management sector of the industry, and later in other sectors of the industry, having accumulated experience in the credit management. Meanwhile, with the environment of credit building and credit management in China getting better and the sense of recognition of entities and individuals for credit management keeping enhanced, the foundation for implementing credit management measures across the industry has been laid down. In 2016, CAAC officially became a member of the Cross-ministry Joint Conference on Building of Social Credit System, since then its credit management efforts have been fruitful and its credit management measures proved effective.

2. CREDIT MANAGEMENT MEASURES BY CAAC

2.1 CAAC has developed the Measures for the Credit Administration of Civil Aviation Industry (Trial) and the Opinions on Promoting Building of Social Credit System by Appropriately Restricting Specific Seriously Dishonest Persons from Taking Civil Aircraft within Certain Periods, which developed relevant credit systems in the fields of the civil aviation industry and air transport of passengers, 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 two systems have already been implemented.

2.2 Regarding the credit system of civil aviation enterprises and personnel, CAAC issued the Measures for the Credit Administration of Civil Aviation Industry (Trial) (hereinafter referred to as the Measures) in November 2017, which covers 2,336 domestic administrative subjects (excluding sales and cargo agents), 1,015 domestically located organizations with CAAC licenses, and 177 foreign or regional airlines operating flights to China and relevant individuals that engage in the civil aviation activities. The Measures also regulates collection, use and removal of credit information of the civil aviation industry, and has integrated credit assessment documents in the professional civil aviation fields and developed records of information on general dishonest acts and information on serious dishonest acts by administrative subjects, i.e. a gray list and a black list. An administrative subject with a poor credit record due to general dishonest acts is subject to strict administration as appropriate, and an administrative subject with a poor credit record due to serious dishonest acts is subject to joint punishment measures in multiple forms by heavier standards, so as to realize the result of “ubiquitous restrictions due to one dishonest act”. Since the Measures was put into trial operation on 1 January 2018, it has been contributing to strengthening building of credit culture among the civil aviation industry, safeguarding orderly civil aviation activities and promoting the sound development of the civil aviation industry.

2.3 The Measures identifies serious dishonest acts of 15 categories, and organizations and individuals with these acts will be recorded on the Information List of Serious Dishonest Acts of the Civil Aviation Industry. The 15 categories are as follows:

- a) acts listed in the “Black List of Safety Management Dishonest Units” or “Black List of Safety Management Dishonest Persons” according to the Measures for the Management of Discredit Activity of Civil Aviation of China (MDAS2016-01);
- b) acts of transporting dangerous goods that violate regulations and cause dangerous goods transport incident, and refusing to take rectification measures;
- c) acts of failing to implement security work requirements provided for by CAAC, resulting in hijacking, airplane explosion and other severe events of unlawful interference, or violent terrorist events, or events of unlawful incursion into airport-controlled area and access the aircraft that shall be held security accountability;
- d) human acts that trigger especially severe incident in safety inspection;
- e) acts of unlicensed operation;
- f) bid-rigging in civil aviation project and facility bidding;
- g) pricing acts that violate laws and regulations and constitute serious circumstances according to the China Civil Aviation Rules on Domestic Transport Pricing;
- h) defaulting China Civil Aviation Development Fund with serious circumstances;
- i) acts of mishandling transport service work that seriously infringe customers’ interests and cause group event of adverse social effects, with the accountable entity refusing to take corrective measures or make service improvement;
- j) acts that were punished with a fine of no less than 30,000 yuan, revoking of administrative permit, suspension of operation and business, or cancellation of administrative permit by CAAC administrative organs;
- k) being capable but refusing or avoiding to implement decisions of CAAC administrative organs after the decisions are made;
- l) providing false materials or false testimony when applying for administrative permit or accepting inspections, investigations and assessments of CAAC administrative organs;
- m) general dishonest acts of the same type that happen more than twice within a year;
- n) acts that are identified as serious dishonest acts by CAAC professional field credit rating system; and

- o) acts that are identified serious dishonest acts by other laws, administrative regulations or rules during civil aviation activities.

2.4 The Measures also provides that where an entity falls into the credit record due to the abovementioned acts, those acts shall also be kept as serious dishonest acts in the individual credit record of the legal representative, major person in charge and other persons with direct responsibilities. By 11 April 2019, the Information List of Serious Dishonest Acts of the Civil Aviation Industry published by CAAC involves in total 2 entities and 14 individuals. Among them, the 2 entities respectively conducted acts of categories (X) and (XI), which also caused 2 individuals to be included in the list; and the other 12 individuals conducted acts of category (X).

2.5 By far, the listed 15 categories of serious dishonest acts have attracted great attention of the industry, driving relevant organizations and individuals to improve their credit performance and to avoid violation of those acts, through which the overall credit performance of the industry has been improved.

2.6 Regarding the credit system for air passengers, CAAC, together with other eight departments, issued the Opinions on Promoting Building of Social Credit System by Appropriately Restricting Specific Seriously Dishonest Persons from Taking Civil Aircraft within Certain Periods (hereinafter referred to as the Opinions) in March 2018. The Opinions stipulates that passengers who are subject to administrative punishments or prosecuted for criminal liabilities by the public security organs for conducting specific acts at airports or in the aircraft shall be included in the List of Passengers Restricted from Taking Civil Flights and their ticket purchase applications shall be automatically rejected by the ticketing system within one year. 9 detailed circumstances are involved:

- a) fabricating or intentionally disseminating false terrorist information concerning civil aviation security;
- b) using forged, altered or fraudulently using others' identity certificates or boarding documents;
- c) blocking, forcibly occupying, intruding into check-in counters, security check lanes and boarding gates (passages);
- d) carrying or consigning dangerous goods, prohibited goods and restricted articles defined in national laws and regulations; deliberately conceal articles not mentioned by national laws and regulations but prohibited or restricted by civil aviation regulations and rules in carry-on or checked baggage;
- e) forcibly boarding and occupying or intercepting aircraft and forcibly entering or intruding into aircraft cockpits, runways and aprons;
- f) disturbing or inciting others to prevent aircrew, security check, check-in personnel from performing their duties, and committing or threatening to commit physical attacks;
- g) disturbing cabin order by forcibly occupying seats and baggage holds, fighting, provoking trouble, and deliberately damaging, stealing, unlawfully opening aircraft or aviation facilities and equipment;

- h) using naked fire, smoking or illegally using electronic equipment in the aircraft in disregard of dissuasion; and
- i) stealing other people's goods in the aircraft. All of the above mentioned are acts that endanger the safety of aircraft or damper security inspection, operation safety and order.

2.7 The above-mentioned acts occurring on foreign aircrafts are also within the scope of protection, and people who conduct such acts will be included in the List of Passengers Restricted from Taking Civil Flights by the CAAC after the Chinese public security organs have established jurisdiction according to law and imposed penalties. This system demonstrates the determination of the Chinese government to take the initiative to maintain the order of international and domestic civil aviation development and to combat illegal and criminal acts against civil aviation safety and order. And it will certainly promote the safe and orderly development of civil aviation in China and around the world. The Opinions came into effect on May 1, 2018. As of April 10, 2019, the CAAC has published eight issues of List of Preventing Passengers with Serious Dishonest Acts Taking Civil Aircraft, involving 7,517 people. The publication of the list has caused a wide range of positive impacts in society, having effectively promoted civil aviation credit management, and ensured civil aviation flight safety and aviation security.

3. CONCLUSION

3.1 Since these credit management measures have been proved effective, CAAC would like to seek support from ICAO to further improve relevant work. If the assembly recognizes the necessity to promote the credit management measures, CAAC is ready to provide necessary help and share experience and exchange the lessons learned with civil aviation authorities of other countries.

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