
Flight Operations Information Letter

GM009

Subject:

Guidance for leasing and code sharing

Applicable legislation: Aviation Act No. 60/1998
Commission Regulation (EC) 965/2012
Regulation EEC 216/2008.

Target Group: Icelandic operators licensed to provide commercial
air transport for passengers.

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1. INTRODUCTION

1.1. Objective

This guide issued by the Icelandic Transport Authority discusses the regulations applicable to leasing and code sharing which apply according to the Regulation (EC) No. 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the European Union (hereinafter referred to as the air services regulation) and Regulation (EC) No. 965/2012 (hereinafter referred to as AIR-OPS, PART-ARO, PART-ORO, etc.).

Reference is made to other relevant regulations:

- Regulation (EC) No. 216/2008 (Basic regulation);
- Regulation (EC) No. 1178/2011 (PART-FCL);
- Regulation (EC) No. 2042/2003 Annex I (PART-M);

The (consolidated) European regulations may be consulted via the website <http://eur-lex.europa.eu/>. Acceptable Means of Compliance and Guidance Material (AMC/GM) may be consulted via the website <http://www.easa.europa.eu>.

The guide serves as clarification of requirements and policy and does not intent to interpreted or replace these. No rights can therefore be derived from this guide.

The guide describes all relevant information for each type of lease in a separate section, thus only the section applicable to your situation must be read.

- Chapter 1: Objective and definitions
- Chapter 2: Dry lease
- Chapter 3: Wet lease
- Chapter 4: Code share
- Chapter 5: Audit program
- Chapter 6: Ad-hoc dry lease

1.2. Definitions

The term "EU operator" means any undertaking within the European Union (EU) or EFTA States whose business includes or consists solely of carriage by air, with an operating licence in accordance with the air operations regulation.

The term "air service" means a flight or a series of flights carrying passengers, cargo and/or mail for remuneration and/or hire.

The term "undertaking" means any natural person or legal entity, whether profit-making or not, or any official body whether having its own legal personality or not.

The term "dry lease agreement" means an agreement between undertakings pursuant to which only the aircraft concerned is operated (without provision of crew) under the AOC and associated conditions of the lessee.

The term "wet lease agreement" means an agreement between commercial operators pursuant to which an aircraft is operated under the AOC of the lessor.

The term "audit" means an audit in accordance with the approved audit program.

The term "code sharing" means any commercial agreement between two operators pursuant to which flights are operated for one operator (also referred to as the marketing operator) under the flight number of the other operator (also referred to as the operating operator). Tickets are sold by the marketing operator, whilst the flight is operated under the AOC of the operating operator.

The term "ad-hoc dry lease agreement" means a dry lease agreement between two operators pursuant to which the same aircraft is included on both AOCs and is operated alternately by one of the parties.

1.3. Types of Lease

According to the air service regulation (article 13) and PART-ORO.AOC.110 the following types of lease can be distinguished:

- A. **Dry lease-in** (see paragraphs 2.1 - 2.3)
 - Between an EU operator and an undertaking which is not an operator (PART-ORO.AOC.110(a)).
 - Between two EU operators (PART-ORO.AOC.110(a)).
 - Between an EU operator and an operator from a third country (PART-ORO.AOC.110(d)).
- B. **Dry lease-out** (see paragraph 2.4)
 - Between two EU operators (PART-ORO.AOC.110(e)).
 - Between an EU operator and an operator from a third country (PART-ORO.AOC.110(e)).
- C. **Wet lease-in** (see paragraphs 3.1 - 3.3)
 - Between two EU operators (PART-ORO.AOC.110(a)).
 - Between an EU operator and an operator from a third country whereby an aircraft registered in that third country is the subject of the lease-in (PART-ORO.AOC.110(c)).
- D. **Wet lease-out** (see paragraph 3.4)
 - Between operators PART-ORO.AOC.110(f) including Aircraft Crew Maintenance Insurance (ACMI) agreements. Agreements between an EU operator and an undertaking not being an operator are charter agreements and are not considered as ACMI or wet lease.

2. DRY LEASE

The Icelandic Transport Authority follows the basic principle that aircraft owned by the undertaking, or available on the basis of a comparable dry lease agreement, must be registered in the national register and must have all legal liability insurances.

A financial lease is regarded as an ownership framework. With finance leasing an operator has beneficial ownership of the aircraft, whilst the legal ownership rests with an external financier. This includes sale and leaseback agreements. The Icelandic Transport Authority regards this type of dry lease-in as a form of ownership, opposed to a temporary dry lease-in from another operator.

In a dry lease agreements with another operator, the aircraft is operated under the AOC of the lessee. The aircraft will be registered in the State of the lessee unless arrangements are made with the State

of registration on supervisory obligations. Such a lease is limited to a pre-agreed period, which could be extended after evaluating the agreements in respect to supervisory obligations.

Iceland follows the European policy for so-called dry lease agreements, for mutual operation of aircraft without crew within the EU, and the transfer of supervision between Member States in accordance with international agreements. This in order to ensure the effective performance of supervisory obligations. This guide therefore only contains references to the statutory requirements. Applications will be assessed on a case by case basis.

Operators with safety deficiencies according to the criteria of Regulation (EC) No. 2111/2005 do not qualify for dry lease agreements. The "List of operators banned within the EU" is published by the European Commission on the website http://ec.europa.eu/transport/air-ban/list_nl.htm.

2.1. Dry lease-in, ownership framework

2.1.1. Prior approval required

A dry lease-in requires prior approval of ICETRA according PART-ORO.AOC.110(a).

For this purpose an operator must submit an application for approval of the dry lease-in agreement to ICETRA. With the addition of the aircraft to the AOC ICETRA grants its approval.

AMC1-ORO.AOC.110 contains the information that the operator should provide to the competent authority, when intending to lease-in an aircraft.

2.1.2. Assessment framework ICETRA

Approval will be granted if PART-ORO, PART-FCL, and PART-M have been fulfilled.

In the case of sale and leaseback, whereby an operator sells an aircraft and immediately leases it back, no removal from or addition to the AOC is needed, provided that the holdership by the operator has not been interrupted.

This should be reflected in the signed holdership statement.

In this holdership statement the details of the lease are recorded with a statement signed by the lessee, that the parties to the lease agreement fully understand their respective responsibilities under the applicable regulations (refer to AMC1-ORO.AOC.110).

Once an aircraft has been removed from the AOC, or if the holdership by the operator has been interrupted, a new approval must be obtained for the dry lease-in.

2.2. Dry lease-in within the EU

2.2.1. Prior approval required

According to PART-ORO.AOC.110(a) each dry lease-in agreement is subject to prior approval.

2.2.2. Assessment framework ICETRA

Approval is given subject to compliance with the applicable requirements of PART-ORO, PART-FCL, and PART-M. Approval is granted by adding the aircraft to the AOC.

In the case of dry lease-in of an aircraft registered in another Member State, ICETRA will look for coordination with the competent authority responsible for the continuing oversight of the aircraft (PART-ARO.OPS.110(d)(1)).

2.3. Dry lease-in third country aircraft

2.3.1. Prior approval required

According to PART-ORO.AOC.110(d) a dry lease agreement is subject to prior approval by the applicable law in the field of aviation safety.

The operator has to submit to ICETRA an application for approval of the dry lease-in. This application is only admissible if the State of registry of the aircraft is willing to transfer (part of) the supervisory obligations to ICETRA, including the applicable conditions.

Approval by the ICETRA is granted by adding the aircraft to the AOC.

2.3.2. Assessment framework ICETRA

Approval is given subject to compliance with the applicable requirements of PART-ORO, PART-FCL and PART-M. The agreements which are made with the competent authority of the third country, which is responsible for the continuing oversight of the aircraft, are part of this approval.

The applicant for approval of a dry lease-in agreement for a third country aircraft must demonstrate (PART-ORO.AOC.110(d)) to ICETRA that:

1. for operational reasons it is not possible to lease an EU aircraft;
2. the duration of the dry lease-in is not longer than 7 months in any period of 12 consecutive months;
3. compliance with the requirements of Regulation (EU) No. 2042/2003 is guaranteed;
4. the aircraft is equipped in accordance to PART-CAT (instruments, data, and equipment) and PART-SPA (specific approvals) if applicable;
5. the insurance meets the requirements of Regulation (EU) No. 785/2004.

Ad 1: The rationale of the operator, that it is not possible for operational reasons to dry lease an aircraft registered in the EU, shall be assessed case by case. E.g. this may be necessary if under-capacity exists for a specific type of aircraft within the EU.

Ad 2: The duration of the dry lease-in may be more than 7 months, if an aircraft of a third country operator is (temporarily) registered in EEA States.

2.4 Dry lease-out

2.4.1 Prior approval required

According to PART-ORO.AOC.110(e) a dry lease-out agreement is subject to prior approval.

The operator has to submit to ICETRA an application for approval of the dry lease-out agreement. The application shall be accompanied by copies of the lease agreement or a description of the lease provisions (excluding financial arrangements) and any other relevant documentation.

Approval by ICETRA is granted by removing the aircraft from the AOC.

2.4.2 Assessment framework ICETRA

Approval is given subject to compliance with the provisions of the applicable requirements of PART-ORO, PART-FCL, and PART-M.

The agreements made with the competent authority responsible for the operation of the aircraft are part of this approval, if this is not the same authority (PART-ARO.OPS.110(d)).

2.4.3 Foreign flight crew licences

According to the Basic regulation (article 4, paragraph b), PART-FCL does not apply to aircraft if the regulatory safety oversight has been delegated to a third country, provided that the aircraft are not used by an EU operator.

An operator from a third country may apply to ICETRA for a block validation for its flight crew personnel. This application must be accompanied by a statement from the foreign authority that the crew members, who will fly the Icelandic aircraft, have a valid pilot licence which has been issued in accordance with the requirements of ICAO Annex I. The third country authority shall supervise these crew members.

For all other situations covered by the Basic regulation individual validations for commercial and public transport flights must be applied for under PART-FCL.

3 WET LEASE

The Aviation Act No. 60/1998 entitles an Icelandic operator to operate air services. If the identification code of the Icelandic operator is used by another operator under a wet lease agreement, this can be regarded as a contracted activity performed by an organisation that itself is certified for that activity.

The basic principle is that the Icelandic operator provides a method of ensuring that effectiveness of the management system and level of safety performance of the other operator are equivalent to the own organisation. When leasing from third country operators, the Icelandic operator must also demonstrate compliance with the European standards, or that the standards are equivalent to the applicable European requirements.

Operators with safety deficiencies according to the criteria of Regulation (EC) No. 2111/2005 do not qualify for wet lease-in agreements. This "List of operators banned within the EU" is published by the European Commission on the website http://ec.europa.eu/transport/air-ban/list_nl.htm.

2.4 Wet lease-in within the EU

A wet lease-in agreement under which an Icelandic operator wet leases an aircraft from an EU operator.

2.4.1 Free operation of aircraft registered within the EU

According to (EU) Regulation 1008/2008 on common rules for the operation of air services in the Community, EU operators may freely operate wet-leased aircraft registered within the EU. Free operation is not permitted if it can compromise safety.

According to PART-ORO.AOC.110(a) any lease is subject to prior approval by the competent authority. To minimise administrative burden, ICETRA may grant approval in the form of prior approval based on pre-assessment conducted by Icelandic operators. In this case, the Icelandic operators must have procedures to ensure that the ICETRA assessment framework is applied.

ICETRA may also give approval to a framework agreement for short-term wet lease-in, based on an approved procedure in the Operation Manual (see paragraph 3.3).

2.4.2 Assessment framework ICETRA

The Icelandic operator notifies ICETRA in advance of any plans for wet lease-in of an EU operator. ICETRA will grant approval if the Icelandic operator has procedures to ensure that:

1. the EU operator has a valid and appropriate AOC for which the competent authority of the EU operator has not taken level 1 measures in accordance with PART-ARO.GEN.350(d)(1);
2. the EU operator makes a corrective action plan available to the Icelandic operator for review, if the competent authority has taken level 2 measures in accordance with PART-ARO.GEN.350(d)(2);
3. the contracted activities comply with the applicable requirements, particularly with regard to management systems and safety performance of the EU operator (PART-ORO.GEN.205(a)).

If there is no approved wet lease-in procedure, or in case of a wet lease without full crew, the above assessment must be done by the ICETRA and explicit prior approval must be obtained for the agreement in accordance with PART-ORO.AOC.110(a).

3.2 Wet lease-in outside the EU

A wet lease-in agreement whereby a Icelandic operator wet leases an aircraft from a non-EU operator.

3.2.1 Prior approval required

According to PART-ORO.AOC.110(c) prior approval must be obtained. If ICETRA sets conditions to the approval, these conditions must be incorporated in the wet lease-in agreement.

When applying for approval of the wet lease-in agreement (AMC1-ORO.AOC.110), the Icelandic operator provides a statement of the exceptional circumstances justifying the leasing of aircraft registered in third countries.

The applicant must provide a signed audit compliance statement, with final assessment and review of the corrective actions and closed findings, which demonstrates that the operator is satisfied that the third country operator complies with equivalent safety standards. The conditions for an audit program are outlined in chapter 5.

The audit compliance statement must contain a full description of the flight time limitations, operational procedures and safety standards referred to in AMC1-ORO.AOC.110(c).

3.2.2 *Assessment framework ICETRA*

ICETRA may grant approval if the Icelandic operator demonstrates that:

1. the third country operator holds a valid AOC issued in accordance with ICAO Annex 6 and the aircraft has a standard Certificate of airworthiness issued in accordance with ICAO Annex 8 (PART-ORO.AOC.110(c));
2. the safety standards of the third country operator with regard to continuing airworthiness and air operations are equivalent to the applicable requirements established in AMC1-ORO.AOC.110(c);
3. operator from the third country complies with the insurance requirements of Regulation (EU) No. 785/2004;
4. one of the following conditions of the air service regulation (article 13, paragraph 3) is applicable:
 - a. exceptional needs; or
 - b. seasonal capacity needs; or
 - c. operational difficulties.

Ad I: The Icelandic operator demonstrates that exceptional needs is the basis for the wet lease-in. In that case, the wet-lease may be approved for period up to 7 months. This period may be extended once for 7 months.

ICETRA will assess applications for exceptional needs on a case to case basis. Exceptional needs should be temporary (not stable or final) and delimited. Examples include (but are not limited to) special or outsized cargo, transport capacity for prospecting new markets. Justification may also be replacing an aircraft for a limited time due to circumstances which could not have been avoided even if all reasonable measures have been taken by the operator.

In principle there will be no objection as long as the leased capacity is not disproportional to the existing capacity of the operator. After a maximum of 14 months, either the need disappeared, or flights are operated by own aircraft.

Ad II: The Icelandic operator demonstrates to ICETRA that wet lease-in is required to satisfy seasonal capacity needs. The operator also demonstrates that it is not possible to fulfil capacity needs by wet leasing aircraft registered in the EU. By example the lack of adequate aircraft on the Community market.

The test of "reasonability" covers economic or commercial considerations specific to the operator requesting the approval. In principle there will be no objection as long as the leased capacity is not disproportional to the existing capacity of the operator.

Ad III: The Icelandic operator demonstrates to ICETRA that the wet lease-in is needed to overcome operational difficulties, and that it is not possible or reasonable to lease an aircraft registered in the EU. The wet lease-in is limited to the duration strictly necessary to overcome the operational difficulties (see also paragraph 3.3).

3.2.3 Conditions of approval

ICETRA may attach conditions to the approval, such conditions shall form part of the wet lease agreement. ICETRA may refuse to grant an approval if there is no reciprocity regarding wet leasing with the third country where the wet-leased aircraft is registered.

3.3 Short-notice short-term wet lease-in

Objective of short-term wet lease-in is to reduce delays and/or inconvenience to passengers if an aircraft breaks down and the passengers have to be transported to their destination in the shortest possible time. Short-term wet lease-in is explicitly not intended to expand capacity.

To cater for operational difficulties in situations that direct, unforeseen and urgent it is possible to wet lease-in an EU operator through a pre-approved procedure or, if that is not possible or reasonable, a third country operator that has been placed on a whitelist of the Icelandic operator.

For short-term wet lease-in the following limitation applies:

- the wet lease-in period is limited to the duration strictly necessary to overcome the operational difficulties;
- the lessor provides the aircraft with complete crew;
- the flight time limitations during the lease period are not beyond the applicable European and Icelandic legislation.

The Icelandic operator has to determine whether at least one other European operator with an appropriate EU aircraft is available on or near the airport of departure. The phrase "appropriate" includes issues such as AOC operations specifications, type of aircraft, available seat capacity / seating plan, time and cost of positioning of aircraft and crew, etc.

For example, it may be reasonable to use an aircraft of a third country operator if the wet lease-in of an EU aircraft would lead to additional discomfort for passengers, delayed departure and/or arrival compared to the planned flight schedule, changes to the planned route, additional costs due to denied boarding compensation, etc.

If it is not possible or reasonable to lease an aircraft registered in the EU a wet lease-in may be entered under a framework agreement with a third country operator which prior has been placed on a whitelist of the Icelandic operator.

3.3.1 Prior approval EU operator

According to PART-ORO.AOC.110(a) any lease is subject to prior approval by the competent authority. From a practical view, ICETRA may grant prior approval to a general framework for short-term wet lease-in with any other EU operator, if the Icelandic operator demonstrates that it has procedures to ensure that:

- a. the EU operator has a valid and appropriate AOC for which the competent authority of the EU operator has not taken level 1 measures in accordance with PART-ARO.GEN.350 (d) (1);
- b. the contracted operations comply with the applicable requirements, particularly with regard to management systems and safety performance of the EU operator (PART-ORO.GEN.205(a)).

The Icelandic operator may use a preferred supplier list or whitelist with EU operators. An audit is optional.

3.3.2 Prior approval third country operator

The Icelandic operator has to apply to place preselected third country operators on a whitelist, which is maintained by the Icelandic operator (GM1-ORO.AOC.110(c)).

The application must include a signed audit compliance statement, with final assessment and review of the corrective actions and closed findings, demonstrating that the Icelandic operator is satisfied that the operator from the third country complies with equivalent safety standards. The conditions for an audit program are outlined in chapter 5.

The audit compliance statement will contain a full description of flight time limitations, operational procedures and safety assessment as referred to in AMC1-ORO.AOC.110(c).

3.3.3 Assessment framework ICETRA

ICETRA will approve the framework agreement if the audit compliance statement of the Icelandic operator demonstrates that the third country operator has an equivalent safety standard (AMC1-ORO.AOC.110(c)). After approval the operator may be added to the whitelist for short-term wet lease-in (AMC2-ARO.OPS.110).

3.3.4 Notification short-term wet lease-in

Approval for short-term wet lease-in is only effective after notification by the Icelandic operator to ICETRA. The notification shall contain at least the name and AOC number of the lessor, aircraft type, registration and the dates specified in AMC1-ORO.AOC.110. The underlying documents don't need to be sent, but should be available for verification.

Notification of wet lease-in of third countries operators must also include a statement with the EU operator from which a replacement aircraft was requested, with the reasons why it is not possible or reasonable to lease-in an aircraft registered in the EU.

3.3.5 Audit pooling and validity of a whitelist

The Icelandic operator has to carry out an audit according to the approved lease audit program to demonstrate that a third country operator meets equivalent safety standards (see chapter 5).

The regulation has no provisions for the use of third party providers to perform audits for wet lease-in. Third party audits are only possible within the code share audit program (AMC2-ORO.AOC.115(b)).

The period of validity of inclusion on the whitelist is determined by the results of the audit report and is always valid for a maximum period of 24 months.

3.4 Wet lease-out

3.4.1 Prior approval not required

A wet lease-out agreement whereby an Icelandic operator provides an aircraft that is registered in the EU does not need approval by ICETRA if it is subject to the following conditions:

- a. the wet lease-out agreement is entered into by an operator with a valid operating license or similar document issued by a state that has signed the Convention on International Civil Aviation (ICAO); and
- b. the Icelandic operator provides the aircraft with complete crew; and
- c. the Icelandic operator will be the operator of the aircraft and retains all roles and responsibilities prescribed PART-ORO.GEN.110; and
- d. the Icelandic operator performs a risk assessment in compliance with PART-ORO.GEN.130(a) to ensure that the planned flights are within the AOC and operations specifications, and that the management system is sufficiently equipped for these flights in accordance with PART-ORO.GEN.200 (see GM1-ORO.GEN.130(a)(4)(5)(8)(9)).

3.4.2 Deviations subject to prior approval

If the aircraft is not leased out with complete crew, or if it is not immediately clear from the risk analysis that wet lease-out will not affect the AOC operations specifications or parts of the management system (PART-ORO.GEN.200(a)(1) and (a)(2)), prior approval must be obtained of the ICETRA for these differences.

Approval of ICETRA is also necessary in the case of wet lease-out of a non-Icelandic registered aircraft. This in respect to sub-lease agreements between the competent authorities.

3.4.3 Only notification to ICETRA

In view of the supervisory role of ICETRA it is necessary that the ICETRA is informed by Icelandic operators. The Icelandic operator reports each wet lease-out within 72 hours to the ICETRA.

The message contains at least aircraft type, registration or serial number, name and address of the lessee and the duration of the lease. A copy of the lease agreement with the terms and conditions, without financial details, must be submitted to ICETRA on request (AMC1-ORO.AOC.110(f)).

If the lessee is included on the list of operators with safety deficiencies according to Regulation (EC) No. 2111/2005, this must be stated explicitly in the message. This is because of notification to EUROCONTROL with regard to EC Blacklist Alerts.

4. CODE SHARING

4.1 Code share within the EU

4.1.1 No restrictions on air services within the EU

When operating intra-Community air services (air services within the EU), it is permitted for Icelandic operators to combine air services and to participate in code share arrangements.

4.1.1 Passenger is informed of the identity of the operating operator

As a measure for the protection of air passengers in the case of code sharing it has been made compulsory for air carriage contractors to inform passengers of the identity of the operating operator according the Regulation (EC) No. 2111/2005 (article 11).

4.2 Code share outside the EU

4.2.1 Prior approval required

A code share agreement, whereby a Icelandic operator places its identification code on a flight operated by a third country operator, must be accepted by the ICETRA (PART-ARO.OPS.105).

ICETRA may give a general approval to an Icelandic operator for a code share procedure in the Operation Manual, to demonstrate that a third country operator meets the applicable standards of PART-ORO.AOC.115.

4.2.2 Assessment framework ICETRA

The Icelandic operator shall describe the procedures to ensure that the third country operator operates on the basis of equivalent safety standards.

This equivalence in safety must be demonstrated by the Icelandic operator by an audit compliance statement (PART-ORO.AOC.115(e)), according to an audit based on the approved audit program (see chapter 5). The audit program includes both the initial audit and continuous monitoring.

Audit pooling is possible between EU operators if the full audit report is available. In that case one operator endorses the audit report of the other operator by the issuance of an audit compliance statement.

If audits are made by third parties, such as the IATA Operational Safety Audit (IOSA) program, the Icelandic operator shall ensure that the contracted activities continue to meet the applicable requirements (see PART-ORO.GEN.205(a)).

4.2.3 Notification to ICETRA is sufficient

In view of the supervisory role of ICETRA it is necessary that ICETRA is informed by the Icelandic operators.

The signed audit compliance statement has to be attached, which demonstrates that the third country operator meets the applicable standards and is included in the monitoring program of the Icelandic operator.

4.2.4 Obligation operator after approval

The Icelandic operator ensures and verifies that during the term of the code share agreement the third country operator meets the applicable standards of PART-ORO.AOC.115.

4.2.5 Passengers are informed of the identity of the operating operator

As a measure for the protection of passengers in the case of code sharing it has been made compulsory for air carriage contractors to inform passengers of the identity of the operating operator according to Regulation (EC) No. 2111/2005 (article 11).

An Icelandic operator shall not sell or issue tickets for a flight operated by a third country operator if this operator has an operating ban according to Regulation (EU) No. 2111/2005 or when the applicable operator continues non-compliance to ICAO standards.

5 AUDIT PROGRAM

5.1 Supervision of a third country operator

For monitoring a third country operator, the Icelandic operator may establish an audit program. The audit focuses on operational, management, and control systems of that operator.

5.2 Audit program

The Icelandic operator applies to the ICETRA for prior approval of the audit program. The content of the program must meet AMC1-ORO.AOC.115(a)(1) and AMC1-ORO.AOC.115(b).

The program includes both the initial audit and continuous monitoring. The validity of an audit is determined by the results of the audit report with a maximum of 24 months.

5.3 Code sharing audit program

Within the code share audit program third party audits are allowed, such as the IATA Operational Safety Audit (IOSA) program. The Icelandic operator remains responsible and demonstrates that the third party complies with AMC2-ORO.AOC.115(b).

5.4 Wet lease-in audit program

The Icelandic operator may use the audit program for wet lease-in, to ensure that the standards applied comply with ICAO standards and the requirements of PART-ORO.AOC.110(c). The legislation does not provide for the use of third-party providers to perform audits for wet lease-in. A wet lease-in audit is carried out by the operator on-site.

The scope of the wet lease-in audit shall be documented and must include at least the areas as prescribed in AMC1-ORO.AOC.110(c):

- PART-CAT (Annex IV);
- PART-SPA (Annex V), if applicable;
- PART-M Subpart B, Subpart C and Subpart G, except for M.A.707 and M.A.710;
- PART-145;
- PART-ORO.GEN.110 Responsibilities;
- Subpart GEN Section 2 Management;

- PART-ORO.MLR Manuals (except ORO.MLR.105-MEL);
- PART-ORO.FC Cockpit crew;
- PART-ORO.CC Cabin crew (except ORO.CC.200 and ORO.CC.210(a));
- PART-ORO.TC Technical crew;
- PART-ORO.FTL Flight time limitation, and related CS-FTL;
- PART-ORO.SEC Security.

5.5 Level of supervision by the authority

In the audit scope the level of authority supervision may also be observed.

ICAO publishes results of regular safety audits on its member states (the Universal Safety Oversight Audit Program Universal Safety Oversight Audit / Continuous Monitoring Approach CMA, see the website <http://www.icao.int/safety/>).

Furthermore, the FAA International Aviation Safety Assessments Program may be used. In category 2 extra attention should be paid to the supervisory authority (see de website <http://www.faa.gov/about/initiatives/iasa/>).

5.6 Documentation

The following items should be available at least 5 years:

- a) Audit plan;
- b) Audit report;
- c) Summary of findings and corrective actions;
- d) Assessment of third party scope of registration (e.g. IOSA);
- e) Assessment of audit findings and decision by the operator on equivalent safety standards.