

**Response of NEPAL
to questions concerning its current policy, position and practice
on air carrier ownership and control**

(Date of response: 5/11/07)

No.	Question	Yes	No	Case by Case	Note/Comment
1.	When designating your airline to operate the agreed services under an air services agreement, do you require it to be substantially (or majority) owned and effectively controlled by nationals of your country?		X		There is substantial departure in our Civil Aviation Policy 2006 in this respect.
2.	In dealing with the designation of foreign airlines, which of the following criteria do you accept:				
	a) substantially (or majority) owned and effectively controlled by the designating party or its nationals (the traditional approach)			X	If required by the BASA
	b) substantially (or majority) owned and effectively controlled by one or more States that are parties to an agreement or within a predefined regional grouping (e.g. a “community of interest” carrier)			X	These provisions are not in place
	c) incorporated and having its principal place of business or permanent residence in the territory of the designating party			X	If agreed so in the BASA
	d) having its principal place of business in the territory of and effective control by the designating party (without the ownership requirement)			X	If agreed so in the BASA
	e) having its principal place of business in the territory of and effective regulatory control by the designating party			X	If agreed so in the BASA
	f) any other criteria (please describe)				
3.	In dealing with airline designations in the future, are you willing to accept criteria other than the traditional national ownership and control:				

No.	Question	Yes	No	Case by Case	Note/Comment
	a) for both yourself and the foreign partner?	X			
	b) for the foreign partner but maintain traditional criteria for yourself?		X		
	c) What economic regulatory conditions will you impose for such acceptance? (please describe)			X	Principle place of business in the country designating such airline(s) subject to regulatory control
4.	Are you willing to consider the following positive action in facilitating liberalization of air carrier ownership and control:				Subject to reciprocity
	a) issuing an individual statement of policy for accepting designations of foreign air carriers?				Based on the relations of regional cooperation and common interest
	b) developing a common policy with partner States? (please indicate, if possible, with which partner(s))				
	c) any other action? (please describe)				

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