CIVIL AVIATION AUTHORITY OF BANGLADESH
Headquarters, Kurmitola, Dhaka-1229
www.caab.gov.bd

No. CAAB/101/92/FSR/371 Date: 07 December, 2018.

AT CIRCULAR NO. 03 OF 2018

SUBJECT: CIRCULAR ON REQUIREMENTS TO APPOINT GENERAL SALES AGENT BY THE FOREIGN AIR OPERATORS IN BANGLADESH.

1. PURPOSE

1.1 A foreign Air Operator desires to operate in Bangladesh, it shall require to appoint a General Sales Agent (GSA) according to the **Civil Aviation Act, 2017, Chapter II, Section 9, Sub Section 4 and 5 as below:**

> *4. If a foreign air operator desires to provide commercial air transport services in Bangladesh, it shall require to appoint, as its sole sales agent, an entity which is registered in Bangladesh and hundred percent ownership thereof is owned by Bangladeshi citizen.*
>
> *5. Notwithstanding anything contained in any other law for the time being in force, if any dispute arises between any foreign air operator and its sole sales agent, the air transport service provided by such foreign air operator shall not be stopped during such dispute, and the foreign air operator may, if necessary, temporarily appoint a new sales agent, subject to the compliance of sub-section (4).*

1.2 The purpose of this circular is to specify requirements for issuance/ renewal of the Endorsement/ Permit for General Sales Agent Service Provider responsible for selling air transport services for passenger, cargo, mail etc. in favor of Foreign Air Operators/ Principal desire to provide air transport services in Bangladesh.

1.3 Holder of Endorsement/Permit issued by the Civil Aviation Authority of Bangladesh for General Sales Agent arrangements shall comply with the requirements published in this circular and hereby instructed to forward to CAAB a "Declaration of Conformance" which indicates the degree of compliance with each item detailed in this document (Application Form: Appendix-A).

1.4 Contravention of these requirements shall be treated as violation of the Civil Aviation Act, 2017.

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2. APPLICABILITY

2.1 The circular is applicable to any service provider intends to provide General Sales Agent Services which is, hereinafter referred to as the GSA, for both Online/Offline Passenger & Cargo.

2.2 The "Endorsement" will be issued to the applicant for GSA who has not yet entered into agreement with any Foreign Airlines and "Permit" will be issued to those having valid agreement with any Foreign Airlines.

2.3 Foreign Airlines providing air transport services in Bangladesh without any GSA or with a GSA not owned hundred percent by Bangladeshi national(s), shall enter into an agreement to deploy their GSA who have a valid GSA "Endorsement". The "Endorsement" shall be treated invalid once its holder is deployed as GSA by any Foreign Airlines/ Operator/ Employer and will be liable to get formal GSA "Permit" from CAAB for onward activities.

2.4 Issuance of Endorsement/Permit shall be dependent upon the GSA's satisfactory demonstration on adequate General Sales Agent arrangements and compliance consistent with the nature (Passenger/Cargo-Online/Offline) and extent of the operations.

2.5 Administrative, financial or any other surveillance/evaluation whatsoever required shall be carried out by Civil Aviation Authority of Bangladesh at the facilities of the Endorsement/Permit holder(s) for its service(s), arrangements and operations during issuance & renewal of Endorsement/Permit of the prospective GSA.

3. SCOPE OF GSA

A General Sales Agent (GSA) is a sales representative for a foreign airline in Bangladesh in the form of online and offline GSA for passenger/cargo. The GSA is responsible for selling air transport services for passenger, cargo, mail, package etc. One GSA may get engaged to sell the air transport services of more than one airline(s). All costs related to running the GSA's business are the responsibility of the GSA itself or as agreed by the agreement between the parties. No GSA shall start operating as GSA of a particular foreign air operator/principal unless issued with the "Permit" from CAAB under the purview of this circular.

4. CATEGORY OF ENDORSEMENT/PERMIT

4.1 Categories (CAT) of the GSA Endorsement/Permit will be as follows:

(i) GSA CAT-A1.....(Passenger-Online)
(ii) GSA CAT-A2 .....(Cargo-Online)
(iii) GSA CAT-B1.....(Passenger-Offline)
(iv) GSA CAT-B2 .....(Cargo-Offline)

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5. ELIGIBILITY

5.1 The prospective entity for GSA shall be hundred percent owned by Bangladeshi citizen(s).

5.2 The intended GSA must have adequate financial resources to meet its activities and must keep adequate reserve for uninterrupted operation.

5.3 Airlines/ operator or the employer of GSA for the Airline may require for a Security Deposit from the deployed GSA in the form and condition(s) as agreed by both the parties in their agreement. However, for the prospective GSA, the amount of Security Deposit should not be more than 3(three) months remittance based on the average of the expected remittance per year, and in case of existing/ renewal of GSA, the amount shall be based on the average of the last year(s) remittance.

5.4 The prospective GSA may be either registered in the Joint Stock Companies & Firms or be authorized to conduct business as Proprietor/partnership in Bangladesh as per the law of the land.

5.5 To apply for GSA CAT-A1 and GSA CAT-B1, the prospective GSA shall be a Travel Agent in accordance with the Travel Agency Registration Act, 2013.

5.6 Place of business of the prospective GSA must be in Bangladesh.

5.7 The GSA must have an office as per the terms and conditions laid down in the agreement between the parties. In case, where there is no such specification in this regard, the GSA must have an international standard office with required qualified staff, preferably having experience in the related business.

5.8 The GSA must have adequate numbers of office equipment and logistics to carry out the specific GSA activities, which shall include but not limited to the computers, printers, internet facility, accounting & operational software, scanners, telephones, fax machines, transports etc.

6. DURATION AND RENEWAL OF GSA ENDORSEMENT/PERMIT

6.1 The prospective GSA shall apply in the prescribed form attached herewith as ***Appendices A & B.***

6.2 The Endorsement/Permit for GSA shall be issued after the evaluation and on sight inspection of the office/operational facilities of the prospective GSA under this circular.

6.3 Duration of 'Endorsement' shall be for maximum 5 (five) years, but shall be treated ceased once 'Permit' is issued/obtained. However, `Endorsement' may also be requested by a 'Permit' holder, and CAAB will consider its issuance subject to the evaluation of its practical requirement(s).

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6.4 Unless otherwise revoked for the breaches of this circular or the agreement with the Airlines is terminated, 'Permit' issued to work as GSA for a specific Airlines/Employer, shall remain valid for a maximum period as ascertained in the original agreement between the parties, OR, for a maximum period of 03 (three) years with a provision of further renewal.

6.5 Further renewal of 3 (three) years of the 'Permit' may be granted only subject to the existence of a valid agreement between both the parties; a No Objection Certificate (NOC) issued by the concerned Airlines and/or the Employer; and subject to satisfactory performance and renewal audit/inspection carried out by CAAB prior to the expiry of Permit.

6.6 An application for the renewal of a GSA Endorsement/Permit must be submitted to CAAB, at least 60 (sixty) days before the expiry date.

6.7 Airlines/Employer and/or the GSA shall inform immediately to CAAB about the termination of the GSA agreement between them.

7. INCENTIVES AND REMITTANCE

Remittance to the airlines/employer and reconciliation of commission for the passenger/cargo GSA was often an issue of dispute between the parties which ends up often in the court for legal shelter. Hence, the commission set out in the agreement shall follow the IATA guideline to ensure smooth and quality services for GSA. The commission should not be merged with any other expenses or forced to be expended for other purposes by the airlines/employer. Satisfactory performance of GSA will be determined through timely and regular flow of remittance adhering the financial regulations of Bangladesh as agreed upon between the parties. In any case, CAAB will not bear any responsibility for any dispute arose from the breaches of the agreement between the parties.

8. PERIODICAL SURVEILLANCE

8.1 All GSA Endorsement/Permit holder shall be subjected to surveillance/evaluation and the CAAB shall be authoritative to perform the periodical surveillance as and when basis.

8.2 CAAB will organize the surveillance and any nominated officer(s), inspector(s) or committee shall be eligible to perform such inspection and accordingly shall submit a surveillance report.

8.3 Based on the satisfactory result of the evaluation and inspection report, CAAB may take initiative to issue/renew/revoke the Endorsement/Permit of the GSA.

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8.4 Any dissatisfaction/observation/finding(s) of the evaluation and inspection report shall be addressed properly by the GSA Endorsement/Permit holder and the concerned Airlines.

8.5 If the finding(s)/observation(s) are not corrected/ addressed properly it may lead to penalty including the suspension/revocation of Endorsement/Permit.

9. GSA SURVEILLANCE & EVALUATION COMMITTEE

9.1 A Surveillance & Evaluation committee shall be formed comprising of the following officials of the CAAB:

a) Director (deals with the Regulatory affairs, currently, DFSR)- Head of Surveillance & Evaluation Committee (HSEC)
b) 02 (Two) members from Air Transport- Member
c) One representative from Legal Cell - Member

9.2 HSEC retains the discretion to co-opt any other member(s), time to time, apart from the members for carrying out the smooth evaluation and subsequent action.

10. COMPLIANCE WITH LAWS

10.1 Each Airline/Employer and GSA shall observe and comply with this Circular along with all applicable laws of Bangladesh governing its conduct on and its operations in Bangladesh.

10.2 Each Airline/Employer and GSA shall also observe and comply with all applicable requirements of all duly-constituted public authorities. The GSA shall have to pay Tax, VAT and all other applicable fees/charges as per the laws of Bangladesh and will comply with any charges thereto.

10.3 All Foreign Airlines not having GSA must appoint a GSA and each existing GSA (existing in any form or recently signed up with airlines but yet to be processed) shall have to comply with this Circular within **31st January, 2019.** After this stipulated period of time any non-compliance with this Circular for the existing and recently applied GSA Endorsement/Permit holder and Airlines/Operator shall be subject to the enforcement as per the law of the land.

10.4 Each GSA operator is required to comply with the security & safety mandates of CAAB and the airport(s) and with other government rules and regulations relating to the airports.

10.5 Each GSA, its employees and representatives shall be responsible for full compliance with all procedures set by CAAB and aerodromes regulations.

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11. ENFORCEMENT

Any contravention of the Civil Aviation Act, 2017, the Rules made hereunder, regulations, ANO, circulars etc. through any activities of the Airlines/Employer and their GSA or any person/employee/representative of the Airlines/Employer and their GSA shall be treated as offence and consequently leading to enforcement actions.

12. EXCLUSIVE RIGHT OF CAAB

13.1 In case of National Emergency or security or any other reason, CAAB shall have exclusive right to suspend, cancel/void the GSA Endorsement/Permit without serving any notice.

13.2 CAAB shall possess the exclusive rights to amend this Circular at any time.

13.3 Breach of any kind of national laws or regulations will lead to financial penalty and maximum revocation of the Endorsement/Permit.

13.4 For valid reason (s) Chairman, CAAB at his own discretion shall posses the exclusive rights to extend the time mentioned in paragraph 6 and 11 but shall be limited to Six (6) months.

13. ACCEPTANCE OF ENDORSEMENT/PERMIT

The Chief Executive/Managing Director/Chairman/Managing Partner of the entity shall provide the Certificate of Acceptance on Company's letter head as per ***Appendix-C***.

14. ***Effective date:*** *This Circular shall be effective immediately upon being published. Soon after the commencement of this Circular, all the previous circular(s) published by CAAB in relation to GSA shall stand repealed.*

Air Vice Marshal M Naim Hassan, BBP, OSP, afwc, psc
Chairman

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Appendix: A

	Civil Aviation Authority of Bangladesh **Headquarters, Kurmitola, Dhaka-1229.** **GENERAL SALES AGENT (GSA) CIRCULAR** Ref: CAAB/101/92/FSR/..... Dated:.....

Application Form for Endorsement/Permit forGSA

Endorsement/ Permit/ Renewal :.....

Applied for CAT:.....

1.0	**APPLICANT DETAILS**	
1.1	**Name of Applicant**	
	Position in the Company	
	Personal Contact Number *(including area code if applicable)*	
1.2	**Company Details:**	
	Name of Company:	
	Company Registration number (if applicable)	
	Name of Accountable Manager with permanent address: (Chief Executive Officer/Managing Director/ Chairman as designated)	
	Details of establishment of company (Date of execution, Parties and a Summery as per Articles of Association/ incorporation/ memorandum)	
	Details of nominated contact and position within in the organization *(Include salutation e.g. Mr, Ms, Dr)*	
1.3	**Address of the Principal Place of Business:**	
	Postal/Mailing address *(If different to Street Address)*	
	Phone no. *(include area code)*	
	Fax no. *(include area code)*	
	Email	
1.4	**Operating Office (s) (*if different to above*):**	
	Name of the office:	
	Nominated contact person with position within the organization *(Include salutation e.g. Mr, Ms, Dr)*	
	Postal/Mailing address	
	Phone no. *(include area code)*	
	Fax no. *(include area code)*	
	Email	
1.5	**Financial Data:**	
	Paid up capital/Liquid Asset	
	Authorized capital (if applicable)	
	Amount remitted in the last 3 (three)years (For existing and renewal)	
	Annual Turnover in last 3 (three) years (For existing and renewal)	
	Security Deposit to Airlines (For Permit issue/renew)	

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1.6	**Applied for:**	
	Category of GSA	
	Endorsement/Permit/Renewal	
	Previous Endorsement/Permit No.	
	Date of issue	
	Date of expiry	
1.7	**Travel Agent Certification Details** (For CAT-A1 and CAT-B1)	
	Ref :	
	Category & Special conditions	
	Date of Issue	
	Date of Expiry	
1.8	**Office specification** (space details of Head office & Operating offices)	
2.0	**Information of Agreement with Airlines: [for Permit (Use separate Sheet, if needed]**	
	Number of Airlines with valid agreement:	
	Name of Airline (s):	
	Date of agreement/renewal	
	Date of expiry	
3.0	Declarations:	
3.1	Declaration regarding any kind of fraudulent or Legal proceedings	
3.2	Declaration regarding the compliance of regulation, published time to time, by CAAB in this regard.	
4.0	Write-up (Why the prospective GSA applicant is eligible for the aforesaid Endorsement/ Permit/Renewal)	
5.0	Remarks/other information (if any)	

I..... hereby declare that the above information and the documents attached along with Appendix-A of this application form are correct and authentic and understand that the application will be summarily rejected if any information/document is found incorrect/fake along with legal consequences.

I hereby agree to inform any changes relevant to the company, its partner(s), address(s), expiry/termination of agreement with Airlines etc. to CAAB by most expeditious means.

Date:

Applicant Signature ----------
Name & Designation with Seal----------

Authorized by (Name):.....
(Owner/MD/CEO/Chairman/Managing Partner)
Signature:.....
Official Seal:

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APPENDIX – B

	Civil Aviation Authority of Bangladesh **Headquarters, Kurmitola, Dhaka-1229.**
	GENERAL SALES AGENT (GSA) CIRCULAR **CAAB/101/92/FSR/.....**

Information/Document(s)

Application for Endorsement/Permit/Renewal:..... of GSA CAT:.....

Following information/documents are required for the application:

	Description	Remarks/Actions (Submitted as Attachment-XX or N/A)
1	Applicant details /Application form [Appendix-A]	
2	Documents relating to the establishment of the Company/ Proprietorship /Articles of Association etc.	
3	Details of applicant's organizational structure: i. List of Directors (if applicable), Shareholding Structure, Nationality with NID etc. ii. Organizational Structure; iii. List of management level officer & staff including information on individual's qualification, experience, background information, nationality with NID etc.	
4	Details showing applicant's financial status and projections [for renewal applicant]: i. financial statements including income statement, balance sheet and cash flow in last 3 years ii. projected financial statements including income statement, balance sheet and cash flow	
	Details showing applicant's financial status and projections [for endorsement and prospective permit applicant]: i. Document (s) related with Paid up capital/ liquidated asset. ii. Document (s) related with Authorised Capital.	
5	Copy of Up to dateTax and VAT information including appropriate documentation	
6	Details on applicant's service scope, equipment, staffing and documents on insurance coverage	
7	Details of applicant's current operations and Feasibility report covering business plan for the next 5 (five)years: i. Overview of the business (products and services) ii. Market review and competition (e.g. local and regional demand/supply, alternative modes of transportation) iii. Strategic plan (operations management, marketing, human capital development) Justification of benefits the applicants will be contributing to the aviation industry should the Endorsement/Permit be issued.	

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8	Details of experience on applicable Category of GSA (if any)	
9	Attested Copies of Contract between the prospective applicant and Foreign partner (s) [Airlines/Airways]. [Applicable for issuance and Renewal of Permit]	
10	Copy of Valid Travel Agency License (applicable for GSA CAT A1 and B1).	
11	NOC from the Airlines [For issuance and renewal of Permit]	
12	Two copies of Passport size photos of the applicant	
13	Any other document (s) which may give a feasibility study of the prospective business	
14	Office space related documents [Rental agreement or ownership document]	
15	Authorization for the Applicant [Applicant shall be Authorized by the Accountable Manger if applicant is other than the Accountable Manager]	
16	Other Documents (if Any)	

I..... hereby declare that the copies of documents attached herewith authentic and I understand that the application will be summarily rejected if any information/document is found incorrect/fake along with legal consequences.

Date:

Applicant Signature ----------

Name & Designation with Seal----------

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APPENDIX-C

CERTIFICATE OF ACCEPTANCE

I, _____ Chief Executive/ MD/ Owner/ Chairman/ Managing Partner, being the legal and duly authorized representative of M/s _____, hereby state that I have thoroughly read and understood the Requirements and Conditions of Endorsement/ Permit to act as GSA of Foreign Airlines/ Operator/ Employer and acknowledge the acceptance thereof. I hereby undertake that I/we shall intimate and obtain prior permission of the Chairman, CAAB with regard to any changes in the shareholding, transfer of ownership, organizational setup/personnel and principal place of business/abode or any other significant changes.

I further undertake that I/we shall abide by the subsequent changes made in the Conditions of the Endorsement/Permit, Regulations and Directives issued by the Chairman, CAAB and relevant government organizational from time to time.

Signature:.....

(Owner/MD/CEO/Chairman/Managing Partner)

Name:.....

Address:.....

Official Seal:

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