



# Financial situation

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Re.: Information on the granting of an operating licence  
Date: 1 January 2024

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File: BAZL-311.150.2-13/1

## Background

An air carrier requires a sound financial position, not least for safety reasons. Only when sufficient liquidity is available – or can be made available at short notice – is it possible to ensure that safety-related operational costs, in particular for maintenance, repairs and flight personnel, can be met.

The financial situation of a new air carrier is particularly critical in the first two years after the start of business operations. Special conditions therefore apply during this period (see assessment criteria).

## Legal basis

On the basis of the bilateral air transport agreement with the European Community, Switzerland has largely adopted European aviation law. In particular, Regulation (EC) 1008/2008, which governs the granting of operating licences, is directly applicable to Switzerland. Among other things, it specifies the documents that must be submitted when an operating licence is applied for, and the assessment criteria the authorities must apply.

The meaning of the European requirements has been adopted in the Federal Act on Aviation (AviA, SR 748.0) and the Ordinance on Aviation (O-AviA, SR 748.01).

## Assessment criteria

An air carrier applying for an operating licence must be able to provide credible evidence

- that current and potential obligations, defined making realistic assumptions, can be met at any time during a period of 24 months after the commencement of business operations;
- and that the fixed and variable costs, determined making realistic assumptions, can be met according to budget for a period of three months after commencement of operations, operating income not being taken into account.



### **Documents to be submitted**

When an application for an operating licence is issued, the following documents are required to assess an air carrier's financial situation:

- The most recent balance sheet and income statement and, if available, the audited financial statements for the previous financial year.
- Base data, expectations and forecasts regarding planned income from business activities.
- Base data for the planned expenses for items such as fuel, leasing, wages and salaries, maintenance and repairs, depreciation, foreign currency fluctuations, airport charges, insurance, etc.
- Details of the start-up costs in the period between the licence application and the start of the activity, with details of the finance concept.
- Details of how the purchase or leasing of aircraft is to be financed, including the terms of any leasing contracts.
- A budget (based on the income statement) for the first three years after the start of business activities, broken down into periods of one month.
- Cash flow forecasts and a liquidity plan for the first three years after the start of operations, broken down into periods of one month.
- Details of existing and planned sources of financing.
- Details of the shareholders, including their nationality and the type of shares to be held; and the articles of association. If the applicant belongs to a group of companies, details of the relationship between the companies must be provided.

### **Small air carriers – applicability**

Small air carriers which, according to their licence application, do not intend to operate aircraft with a maximum take-off mass (MTOM) of more than 10 tonnes or with 20 seats or more, and whose planned annual turnover will not exceed EUR 3 million, need only demonstrate to the FOCA that their net capital is at least EUR 100,000. If they are unable to provide proof of this, or if there are doubts regarding the exclusion criteria named, the FOCA may in all cases request to see all documentation as listed above.

### **Data protection and official secrecy**

The data and information transmitted to the FOCA will only be used for internal evaluations and will not be made available to third parties. The data is processed in an area in which access is restricted to a few specific persons. Data protection and official secrecy requirements are met.

### **Contact**

If you have any questions about the documents to be submitted or the procedure involved, please contact the Economic Affairs Section:

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