



REPUBLIC OF SAN MARINO

We the Captains Regent of the Most Serene Republic of San Marino

Having regard to Article 4 of Constitutional Law no. 185/2005 and to Article 6 of Qualified Law no. 186/2005;

Hereby promulgate and order the publication of the following Ordinary Law, approved by the Great and General Council during its sitting of 18 July 2014:

LAW NO. 125 of 29 July 2014

LAW REFORMING CIVIL AVIATION

TITLE I CIVIL AVIATION AND MARITIME NAVIGATION AUTHORITY CAA MNA SMR

CHAPTER I DEFINITION AND FUNCTIONS

Art. 1 (Name)

1. The Civil Aviation and Maritime Navigation Authority (CAA MNA SMR) is a public body having legal personality, with regulatory, accounting, organisational and administrative autonomy.
2. For the purposes of this Law, the Civil Aviation and Maritime Navigation Authority of the Republic of San Marino (CAA MNA SMR) is also called "Civil Aviation Authority" or "Authority".

CHAPTER II COMPOSITION AND FUNCTIONING

Art. 2 (Management bodies)

1. The management bodies of the Authority shall be the following:
 - a) Executive Board;
 - b) Director General;
 - c) Board of Auditors.

Art. 3
(Executive Board)

1. The Executive Board of the Authority shall be composed as follows:
 - a) Director General, presiding over it;
 - b) Secretary General;
 - c) Delegate of the Ministry of Transport;
 - d) Delegate of the Ministry of Finance and Budget;
 - e) Three members appointed by the Great and General Council (Parliament), at least one of whom is a representative of the minority parties.
2. All members of the Executive Board shall have obtained a degree, according to the former university education system, or a postgraduate degree, or master degree in economic, legal or technical subjects, or shall have a specific and proven technical expertise, or more generally in connection with the functions of the Authority under this Law, of at least five years.
3. The meetings of the Executive Board shall be attended, under penalty of nullity of the meetings, by at least one member of the Board of Auditors, to whom the tasks of monitoring and supervision established by law are assigned, with the obligation to report the activity to the Commission for the Control of Public Finance referred to in Law no. 30 of 18 February 1998.
4. The mandate of the members of the Executive Board, with the exception of the Director General referred to in Article 7, paragraph 4 hereunder, shall last three years and may be renewed only once.
5. The incompatibilities of the members of the Executive Board shall be established through a specific delegated decree.

Art. 4
(Summoning of the Executive Board)

1. The Executive Board of the Authority shall be summoned by the Director General at least once every three months.
2. The letter of summoning shall indicate the date, time and place of the meeting and the issues on the agenda.
3. The letter of summoning may also be sent by electronic mail and shall be received at least five days before the meeting.
4. All documents and requests falling within the competence of the Executive Board shall be transmitted to the Director General, who shall establish the issues to be put on the agenda.
5. The documents to be included on the agenda shall be received by the Director General at least three days before the scheduled meeting.
6. Also the draft minutes of the last meeting, drawn up by the Secretary, shall be attached to the letter of summoning.
7. The documents to be examined shall be available to the members of the Executive Board and of the Board of Auditors at the headquarters of the Authority.

Art. 5
(Validity of the meetings)

1. The meetings of the Executive Board shall be declared valid when the majority of its members is present.
2. The meetings of the Executive Board shall not be declared valid when:
 - a) the Director General or his delegate is not present;

b) the number of members required to make up the quorum is not present.

3. The Secretary General shall perform the duties of secretary drawing up the minutes. In the event of his absence, this function shall be performed by a member appointed by the Executive Board.

4. The functioning mechanisms of the Executive Board shall be thoroughly regulated through a specific Regulation issued by the Authority and published on the website of the latter.

Art. 6

(Voting)

1. For the decisions to be valid, the majority vote of the members of the Executive Board shall be required. In the event of a tie, the vote of the person presiding the Executive Board shall prevail.

2. The meetings of the Executive Board and the decisions adopted therein shall be noted in the minutes drawn up by the Secretary.

3. The decisions of the Executive Board shall be immediately enforceable, except those to be submitted to the preventive control of the Commission for the Control of Public Finance.

4. The Secretary General shall transmit, without delay, to the interested offices the extracts of the minutes of the meetings of the Executive Board.

Art. 7

(Director General)

1. The Director General shall have obtained a degree in Economics, Business Economics, Engineering or Law, and shall have a proven training acquired at qualified facilities in the sector of civil aviation and good knowledge of the English language.

2. The Director General shall be appointed by the Congress of State (Government) and shall perform the following functions:

a) he shall be responsible to the Minister of Transport with regard to the development of aviation activities for the achievement of the objectives set by the Executive Board of the Authority;

b) he shall oversee the entire structure of the Authority and coordinate in the best possible way its productive activity;

c) he shall legally represent the Authority;

d) he shall promote the development of civil aviation in the Republic of San Marino;

e) he shall classify the documents that cannot be disseminated without authorisation;

f) he shall sign or delegate other persons to sign documents and certificates issued by the Authority;

g) he shall identify, from among the officials of the Authority, those delegated to exercise the functions under this Law, whose names shall be communicated to the Minister of Transport;

h) he shall suspend or revoke measures taken by the Authority for the purpose of ensuring safety of flight;

i) he shall have the right to access, also through delegated officials or staff, in a reasonable time, any aircraft, airport or other place or document, for the purpose of ensuring safety of aviation activities.

l) he shall adopt, in case of urgency, non-delayable measures necessary to guarantee the continuation and safety of aviation activities;

m) he shall annually submit to the competent Permanent Parliamentary Commission a report on the activities of the Authority.

3. The Director General, the Secretary General and the officials of the Authority shall have the title of public officials in the performance of their functions.

4. The mandate of the Director General shall last three years and may be renewed for a further two mandates.

5. In order to ensure the standards recommended by International Organisations, early termination of the Director General's employment contract shall be notified six months in advance.
6. The rules in force concerning public sector directors shall apply.

Art. 8
(Auditors)

1. The functions of Auditors of the Authority shall be entrusted to the Board of Auditors referred to in Law no. 88 of 26 November 1980.

Art. 9
(Secretary General)

1. The Secretary General of the Authority shall be appointed for a term of three years by the Great and General Council upon proposal of the Congress of State.
2. The Secretary General shall liaise with International Organisations, represent the Authority within these Organisations and perform the specific functions entrusted to him by the Director General.

Art. 10
(Staff - Transitional provisions)

1. Pending the establishment of staffing levels and of overall staffing needs under Chapter I and Chapter II of Title V of Law no. 188 of 5 December 2011 respectively, the Congress of State shall be authorised to assign, on a transitional basis, the tasks necessary to fulfil the functions of the Authority in accordance with the procedures referred to in Article 4, paragraph 1, letter c) of Law no. 108 of 19 September 1990, for the staff indicated hereunder:
 - a) one Technical Expert - Level 8 with a postgraduate degree in technical subjects or a diploma from a technical high school, with five-year experience in the specific sector. This professional shall have an airline transport pilot licence (ATPL) and good knowledge of English;
 - b) one Administrative Expert - Level 8 with postgraduate degree in law and good knowledge of English;
 - c) one Administrative Operator - Level 5 with high school diploma and good knowledge of English. This function shall be assigned only in case it is not possible to provide the Authority with staff already employed in the Overall Public Sector.
2. The assignment procedures referred to in paragraph 1 describe the functions required for each staff member, by indicating any additional requirements, with particular reference to computer skills, language skills, work experience, qualifications and participation in specific training courses.
3. The functions shall be preferably assigned to staff already employed in the Overall Public Sector in accordance with the procedures of Regulation no. 2 of 23 February 2007, provided that they have the necessary qualifications and requirements; priority shall be given to the staff employed by the Authority or, in the alternative, recourse shall be made to public unemployment lists.
4. The final assignment of the positions referred to in paragraph 1, letters a) and b) shall take place by way of competition, in accordance with Law no. 107 of 31 July 2009 and Delegated Decree no. 106 of 2 August 2012 and following the entry into force of the delegated decrees on staffing levels and needs.
5. For the purposes of performing its functions and in relation to the assessment of particularly complex issues, the Executive Board may rely on professionals, either from the private sector or the Public Administration, who shall be remunerated as established by the Congress of State.

Art. 11
(Financing)

1. In order to achieve its objectives, the Authority shall rely on:
 - a) income deriving from its activities;
 - b) financial contributions according to a specific allocation included in the State Budget.

TITLE II
CIVIL AVIATION

CHAPTER I
GENERAL PROVISIONS

Art. 12
(Scope)

1. The provisions of this Title shall apply to civil aviation activities falling under the jurisdiction of the Republic of San Marino.
2. For the purposes of this Title, jurisdiction of the Republic of San Marino shall mean the jurisdiction exercised over:
 - a) civil aircraft in the territory of San Marino;
 - b) aircraft registered in the Republic of San Marino from the time when external doors are closed following embarkation of passengers up to the time of opening of the same doors for disembarkation of passengers or, in the case of a forced landing, until the competent authorities bear responsibility of the aircraft and of persons and property on board.
3. For the purposes of this Law, territory of San Marino shall mean the land territory of the Republic of San Marino and the airspace above.

Art. 13
(Definitions)

1. For the purposes of this Law:
 - a) Civil aircraft shall mean any aircraft other than State aircraft;
 - b) Annexes to the Chicago Convention of 1944 shall mean the documents issued by the International Civil Aviation Organisation (ICAO) containing the standards and recommended rules for civil aviation;
 - c) Civil aviation shall mean the operation of an aircraft designed for general aviation, flight schools, aerial work or commercial air transport operations;
 - d) Director General shall be the person appointed pursuant to Article 7 of this Law;
 - e) Air navigation infrastructures shall mean any infrastructure used, available or designed for use in support of air navigation, including airports, landing areas, lights, any apparatus or equipment for disseminating weather information, for signalling, for detection of radio signals (direction finding devices) or any other electromagnetic communication, as well as any other structure or mechanism having similar functions and aimed at piloting, flight control, landing and take-off of the aircraft;
 - f) Parts and appliances shall include tools, equipment, mechanisms, parts, devices, components or accessories of any kind that are used, or capable of being used for navigation, operations or control of aircraft in flight, including parachutes, communication equipment and any other mechanism

installed or attached to the aircraft during the flight and those that are not part or parts of the aircraft, of aircraft engines, rotors or propellers;

- g) Aerial piracy shall mean the conduct described in Articles 195-bis and 195-ter of the Criminal Code;
- h) Administrative sanction shall mean a sanction that may result in a fine or administrative measure, or both, with respect to licenses, certificates or permits. The administrative action may result in a letter of warning, reprimand, suspension or revocation of licenses, certificates and permits;
- i) Person shall mean any individual, undertaking, cooperative, association, company, entity or political body including any managing director, administrator, nominee or other similar representative of these persons;
- l) Navigable airspace shall mean the airspace above the minimum altitudes of flight envisaged by regulations issued pursuant to this Law, as well as the airspace necessary to ensure the safety of aircraft take-offs and landings;
- m) Licensee shall mean any person who assumes the role of person in command or pilot, mechanic, crew member or navigator of an aircraft; or who is in charge and responsible for inspection, maintenance, overhaul and repair of aircraft, engines, propellers, parts and appliances; or who performs the functions of inspector of flight operations.

Art. 14

(Tasks in the field of Civil Aviation)

- 1. For the purposes of this Title, the Authority shall perform the following tasks:
 - a) to prepare draft legislation;
 - b) to ensure compliance with international standards by the companies managing airports and airport areas under the control of the Republic of San Marino by carrying out supervisory activities;
 - c) to issue licenses and supervise the activities of enterprises of public air transport, aerial work and aeronautical technical training;
 - d) to issue licenses, certificates and qualifications for aeronautical activities;
 - e) to register aircraft and keep the Register of aircraft;
 - f) to control the way in which aerial activities are carried out;
 - g) to monitor the airworthiness of aircraft entered in the Register;
 - h) to maintain technical operational relations with agencies, companies and national and international organisations involved in civil aviation activities;
 - i) to exercise the technical representation of the Republic of San Marino within international civil aviation Organisations;
 - l) to establish the tariffs for the services provided by the Authority;
 - m) to carry out investigations relating to aircraft accidents;
 - n) to establish the level and modalities of application of sanctions;
 - o) to indicate to the Minister of Transport the necessary infrastructural adjustments to comply with international standards;
 - p) to perform the other functions envisaged by Title II.

Art. 15

(Cooperation with other entities)

- 1. The Authority may request the cooperation of other entities established under San Marino law in order to use their facilities, equipment and infrastructures.
- 2. The costs of these services shall be defined through specific agreements between the parties.

Art. 16

(Authorisation to enter into contracts)

1. The Director General shall be authorised, in accordance with the allocations envisaged and in compliance with the powers and duties conferred on him by this Law and by Decree no. 119 of 8 August 2005, as subsequently amended, to enter into contracts to obtain services from private individuals, private and public organisations for the achievement of the Authority's objectives.

Art. 17

(Exchange of information)

1. The Director General shall have the power to exchange information related to civil aviation with other States, through the competent authorities and offices of the Republic of San Marino.

Art. 18

(Delegation of functions)

1. The Director General may delegate the performance of functions assigned to him to the staff employed by the Authority, provided that they have proven expertise in this sector and the necessary skills.

Art. 19

(Fees relative to the services provided by the Authority)

1. The fees for the services rendered by the Authority shall be established by the Director General.
2. The charges levied shall include all kinds of taxes applied to the documents received or issued by the Authority.
3. The Authority shall be required to issue a specific debit note in relation to all fees and administrative sanctions.

Art. 20

(National Safety Plan)

1. The Authority shall draw up the National Safety Plan in order to define an appropriate level of civil aviation safety as envisaged by ICAO international regulations from time to time in force.

Art. 21

(Quality system)

1. The Authority shall define and adopt a quality system for the procedures and controls established by this Law by conforming to the best international practices.

CHAPTER II
GENERAL POWERS AND DUTIES

Art. 22

(Regulations and directives)

1. The Director General shall issue directives and regulations pursuant to the provisions of this Law.
2. The directives and regulations referred to in paragraph 1 shall comply with the standards laid down in ICAO Annexes.
3. In emergency situations that require immediate action in order to ensure civil aviation safety, the Director General may adopt necessary measures in order to cope with such situations, by establishing their immediate enforceability and possible validity period.
4. The Director General shall order that directives and regulations issued be published on the website of the Authority.

Art. 23

(Airspace)

1. The Authority shall exercise its functions in relation to San Marino airspace or any other airspace where traffic is not controlled by another State, under a specific international agreement.
2. The ways in which the airspace is used shall be established by the Director General by means of directives and regulations.

Art. 24

(Discipline of air traffic)

1. The Director General shall establish, with his own directives and regulations, the discipline necessary for the proper management of air traffic.
2. The discipline of air traffic management referred to in the preceding paragraph should include:
 - a) flight operations of aircraft;
 - b) navigation, protection and identification of aircraft;
 - c) preventive measures for the protection of persons and property on the ground;
 - d) an efficient use of navigable airspace, including rules relating to flight safety altitude for the prevention of collisions between aircraft, aircraft and land or sea vehicles and objects and between aircraft and other flying objects.

Art. 25

(Safety of commercial air transport)

1. The Director General shall impose, with directives and regulations, security checks on passengers and goods carried on board the aircraft in order to prevent acts of violence or aerial piracy.

Art. 26

(Training courses)

1. The Director General shall organise training courses for the staff of the Authority on matters necessary for the proper performance of all authorised functions.
2. The courses referred to in paragraph 1 may be attended, upon invitation of the Director

General, by the staff of San Marino or foreign offices and authorities, as well as by the staff of San Marino or foreign companies operating in the field of aeronautics.

3. Those participating in the courses shall be required to pay a contribution, with the exception of the staff of San Marino public offices and authorities, whose attendance is required for service reasons.

Art. 27

(Internal organisation of the Authority)

1. With reference to licensing, certification and inspection activities, the Authority shall be divided into the following sections:

- a) airworthiness;
- b) flight operations;
- c) staff licenses.

2. The Director General shall assign the functions to the staff employed by the Authority in order to ensure the best organisation of the service and activities covered by this Law.

Art. 28

(Validations)

1. Instead of adopting the documents falling under its competence, the Director General may validate documents issued by the authorities of other ICAO member States.

2. The validation of licenses for flight personnel, airworthiness certificates or other technical certificates shall be subject to the condition that foreign States be members of ICAO and have therefore complied with the requirements envisaged for the issue and validity of such certificates.

3. The validation of authorisations issued by the Authority of a foreign State that is a member of ICAO in relation to aircraft operators shall be subject to the prior submission by the applicant of the appropriate supporting documents.

Art. 29

(Foreign air operators)

1. The Director General shall establish an annual program for the monitoring of operations carried out by foreign operators in the territory of the Republic of San Marino and shall take the necessary measures to maintain safety.

2. No aircraft operator shall perform commercial air transport in the territory of the Republic of San Marino without the required authorisation issued under Chapter VII.

Art. 30

(Environmental standards)

1. The aircraft used in air navigation shall comply with the standards envisaged by ICAO international regulations, from time to time in force.

Art. 31

(Air transport of dangerous goods)

1. The Director General shall promote any action aimed at ensuring compliance with ICAO international regulations, from time to time in force, with respect to safety of air transport of dangerous goods, and he shall be authorised to make amendments to these instructions whenever necessary.

Art. 32

(Right of access for inspection)

1. The Director General or authorised staff shall have the right of access at all times to aircraft, facilities, technical documents and records, without restriction, in order to ensure airworthiness of such aircraft.
2. The Director General or authorised staff shall have the right of access at any time and in any place necessary to perform tests or inspections in order to verify compliance of flight operations.

Art. 33

(Prohibition to use the aircraft)

1. The Director General or authorised staff may prohibit the use of a civil aircraft, including through the assistance of the competent police or airport authorities, where:
 - a) there are reasonable grounds to believe that the aircraft is not airworthy;
 - b) the licensee is not qualified or physically or mentally fit to undertake the flight;
 - c) the use of the aircraft could result in an imminent danger to people or things that are on the ground;
 - d) there are reasons of safety or other public interest requirements.

Art. 34

(Investigation of aircraft accidents)

1. The Director General shall adopt regulations concerning the conduct to be implemented in case of aircraft accidents.
2. The Director General shall investigate, or assign powers of investigation to persons having proven technical expertise, with regard to accidents involving aircraft falling within the jurisdiction of the Republic of San Marino.
3. Taking into account the outcome referred to in paragraph 2, the Director General shall promote any corrective measure to prevent the recurrence of similar accidents.

Art. 35

(International obligations)

1. When exercising the powers and duties under this Law, the Authority shall be required to act in compliance with any obligation assumed by the Republic of San Marino on the basis of international treaties, conventions and agreements in force with foreign States.

Art. 36

(International Cooperation Agreements in the field of air safety)

1. The Director General may enter into cooperation agreements in the field of air safety with other ICAO member States. These agreements shall be ratified by the Executive Board at its earliest possible meeting.
2. The Director General may delegate certain duties, related to air safety and resulting from international agreements, to San Marino or foreign persons operating in States with which the Republic of San Marino has concluded international agreements.

Art. 37

(Transfer of functions on the basis of agreements)

1. The Director General may enter into agreements for the transfer of the functions of monitoring of an aircraft from the State of registry to the State of the operator under Article 83bis of the Chicago Convention, provided that such agreements define the State responsible for the specific functions of monitoring and provided that such agreements are ratified by the Executive Board at its earliest possible meeting.

CHAPTER III

NATIONALITY AND OWNERSHIP OF AIRCRAFT

Art. 38

(Aircraft registration)

1. The Director General shall be responsible for the national aircraft registration system.
2. A civil aircraft shall operate in the territory of San Marino only when it is entered in San Marino aircraft register or in the register of an ICAO member State.
3. The Director General shall enter the aircraft in the register provided that:
 - a) it is declared fit;
 - b) it is not registered in a foreign State;
 - c) it is owned by:
 - 1) San Marino State;
 - 2) a San Marino citizen or a resident in the Republic of San Marino;
 - 3) a foreign citizen or a company of another State that has elected domicile with a representative residing or legally established in the Republic of San Marino, who is responsible for direct communication and notifications with the Authority;
 - 4) a company established under San Marino law.
4. The Director General shall register the aircraft upon request of the aircraft owner, which shall be submitted in the prescribed form and manner. As a result of registration of the aircraft, the latter shall acquire San Marino nationality.
5. The Director General may refuse to register the aircraft or may suspend or revoke the certificates of the aircraft for safety reasons or for other public interest requirements.
6. The certificate of registration of the aircraft shall certify its ownership or availability.

CHAPTER IV

REGISTRATION OF FINANCIAL LEASING CONTRACTS AND SECURITY INTERESTS IN AIRCRAFT

Art. 39

(Financial leasing contracts)

1. The application for registration of a financial leasing contract shall be addressed to the Director General by or on behalf of the lessor. The application shall be accompanied by the original or certified copy of the financial leasing contract.
2. If the application is admissible, the Authority shall proceed to the relevant registration and shall notify the parties thereof.

3. Financial leasing contracts shall be enforceable against third parties from the time of their registration.
4. Where the contract is written in a language other than Italian or English, the application for registration shall be accompanied by a sworn translation into one of the two languages, at the option of the applicant.

Art. 40
(Security interests)

1. The Authority shall have exclusive competence for the entering in San Marino Aircraft Register referred to in Article 38 of the following security interests concerning the aircraft:
 - a) mortgage;
 - b) pledge.
2. The security interests referred to in the preceding paragraph shall be enforceable against third parties from the time of their entering in the Register.
3. The duration of registered security interests, unless otherwise agreed between the parties, shall be determined according to San Marino laws.
4. The requirements to be fulfilled to obtain the registration of a security interest in an aircraft shall be specified through a regulation issued pursuant to this Law.
5. Where the document referred to in letters a) and b) of paragraph 1 above is written in a language other than Italian or English, the application for registration shall be accompanied by a sworn translation into one of the two languages, at the option of the applicant.

Art. 41
(Mortgage)

1. Mortgages as collateral for any credit, including on more than one aircraft, as well as on spare parts of these aircraft, of one or more owners shall be entered in the Register.
2. The applications for registration of a mortgage in the Register shall be addressed to the Director General of the Authority by or on behalf of the mortgagee. The application shall be accompanied by the original or certified copy of the mortgage contract.
3. Where two or more aircraft are the subject of a single mortgage or one aircraft is the subject of two or more mortgages, separate applications shall be submitted for each aircraft or each mortgage.
4. If the application is admissible, the Authority shall proceed to the relevant registration and shall notify the parties thereof.

Art. 42
(Amendment to the registration of a mortgage)

1. Any amendment to the person identified in the Register as a mortgagee or mortgagor, to the name or address of such person or to the mortgaged property shall be notified to the Authority.
2. The Authority shall record the amendment referred to in the preceding paragraph in the Register and shall inform the parties thereof.

Art. 43

(Cancellation of a mortgage)

1. The Authority shall cancel the mortgage following the submission of a request, signed by or on behalf of the mortgagee, and of the original or certified copy of the document that gives rise to the cancellation of the mortgage.
2. The Authority shall cancel the mortgage and shall inform the parties thereof.

Art. 44

(Cancellation from the Register of a mortgaged aircraft)

1. Cancellation of an aircraft from the Register shall be without prejudice to the rights of the mortgagee under the registered mortgage until discharge of credit guarantees. The existence of the mortgage shall be recorded in the certificates issued by the Authority at the time of cancellation of the aircraft.

Art. 45

(Prevalence of mortgages)

1. The mortgage relative to an aircraft entered in the Register shall prevail over any right pertaining thereto, except as provided in Article 17 of the Mortgage Law of 16 March 1854 and other special laws.
2. In case of more than one mortgage on the same aircraft, the degree of prevalence shall be established according to the date of registration in the Register.

Art. 46

(Pledge on aircraft)

1. Rights of pledge securing any credit, including in relation to more than one aircraft of one or more owners, shall be entered in the Register. These registrations shall be made on the basis of a written deed.
2. It shall be possible to register rights of pledge on spare or separate parts as an extension of the same guarantee rights existing on the aircraft, provided that a clear note thereof is made and a fixed deposit is established also abroad.

Art. 47

(Amendment to the registration of a pledge)

1. Any amendment to the person identified in the Register as a pledgee or pledgor, to the name or address of such person or to the pledged property shall be notified to the Authority.
2. The Authority shall record the amendment referred to in the preceding paragraph in the Register and shall inform the parties thereof.

Art. 48

(Cancellation of a pledge)

1. The Authority shall cancel the pledge following the submission of a request, signed by or on behalf of the pledgee, and of the original or certified copy of the document that gives rise to the cancellation of the pledge.
2. The Authority shall cancel the pledge and shall inform the parties thereof.

CHAPTER V
AVIATION SAFETY RULES

Art. 49
(Powers and duties in the field of aviation safety)

1. The Director General shall promote aviation safety through the proposal and the periodic review of:
 - a) regulations and directives implementing the applicable standards of ICAO Annexes;
 - b) any other directive, regulation or standard derived from another practice, method and procedure deemed necessary.

Art. 50
(Licenses of flight personnel)

1. The Director General shall issue the licenses to flight personnel specifying the functions authorised therein.
2. Any person may submit to the Director General an application for the issuance of a license.
3. The Director General shall issue the license pursuant to ICAO standards referred to in ICAO Annex 1 to the applicant who holds the qualifications envisaged and is physically fit to perform the duties relating to the position for which the license is requested.
4. As an alternative to paragraph 2, the Director General may validate a license issued by another ICAO member State.
5. The Director General may prohibit or restrict the issuance of licenses or the validation of a foreign license for security reasons or for other public interest requirements.

Art. 51
(Certificates of airworthiness)

1. An aircraft registered in the Republic of San Marino shall be considered to be airworthy only after the issuance of the certificate of airworthiness, permit to fly or other equivalent document issued or approved by the Authority.
2. The Director General shall issue the certificate referred to in paragraph 1 after having established, as a result of technical inspection, the compliance of the aircraft with ICAO standards.
3. The Director General may indicate in the airworthiness certificate the duration thereof, as well as any other terms, conditions, limitations and information required in the interest of aviation safety.
4. Every certificate of airworthiness issued by the Director General shall be kept in appropriate registers.
5. The Director General may prescribe the terms under which additional airworthiness approvals may be made, which involve changes to the aircraft.

Art. 52
(Aviation insurance)

1. The airworthiness certificate shall not be provided to an aircraft if it is not covered by an adequate insurance according to the provisions of Regulation (EC) no. 785/2004 of the European Parliament and of the Council of 21 April 2004 and subsequent amendments and integrations.

Art. 53

(Facilities for training and for maintenance)

1. The Director General shall be responsible for the preparation of the exams or the issuance of certificates for:
 - a) facilities for flight training and for the repair, modification, maintenance and overhaul of aircraft, engines, propellers, parts and appliances;
 - b) approved facilities for maintenance or repair, modification, overhaul of aircraft, engines, propellers, parts and appliances.
2. The Director General shall issue the certificates to such facilities following the positive outcome of the relevant inspection.

Art. 54

(Security standards for air navigation infrastructures)

1. The Director General shall establish the requirements to be met by air navigation infrastructures located in the Republic of San Marino.
2. The Director General shall issue the certificates and shall establish security standards for aerodromes falling within the jurisdiction of the Republic of San Marino.

Art. 55

(Certificates of airport facilities)

1. Any person interested in the management of an airport facility shall be required to submit to the Director General an application for the issuance of the relevant certificates.
2. The Director General shall issue the certificates referred to in paragraph 1 if, after appropriate verifications, he establishes that the applicant is adequately equipped and has the necessary skills to perform the relevant operations in a safe condition in accordance with ICAO standards.
3. The certificates shall indicate the conditions and restrictions deemed necessary to ensure safety of air transport. These conditions shall include:
 - a) operations and maintenance carried out with adequate safety equipment, including fire-fighting and recovery equipment allowing rapid access to all parts of the airport used by aircraft for landing, taking off or surface manoeuvring;
 - b) status and maintenance of take-off and landing runways.

Art. 56

(Duties of operators and flight personnel)

1. Each commercial aircraft operator shall have the duty to ensure that maintenance and operations of aircraft be carried out in the public interest and in accordance with the requirements laid down by the Authority.
2. Each commercial air operator engaged in the transport of dangerous goods shall observe and comply with the requirements envisaged by international ICAO regulations, from time to time in force.
3. The flight personnel shall observe and comply with the requirements and limitations contained in their licenses.
4. Each person employed in the civil aviation sector shall observe and comply with the requirements laid down by the Authority.

Art. 57
(Inspections)

1. The Director General shall order inspections of aircraft, engines, propellers, rotors, parts and appliances used by civil aircraft operators to determine their safety status in connection with operations for which they are used, ensuring assistance to operators for the purposes of carrying out the interventions required as a result of inspections and maintenance.
2. If, as a result of the actions referred to in paragraph 1, the Director General establishes that aircraft, engines, propellers, rotors, parts and appliances, used or intended to be used by civil aviation operators, are not fit to conduct safe operations, he shall be required to notify operators of these irregularities. These aircraft, engines, propellers, rotors, parts and appliances shall not be used in civil aviation, unless and until the irregularities established have not been removed.

Art. 58
(Amendment, suspension and revocation of certificates)

1. The Director General may periodically inspect or carry out additional verifications of each civil aircraft, engine, propeller, rotor, part and appliance, structure approved for maintenance, flight school and each holder of a license issued pursuant to Article 50.
2. Following inspections and additional verifications, or as a result of any other investigation undertaken by the Director General, the latter may amend, suspend or revoke any certificate issued under this Law.
3. The Director General shall notify the person concerned the objections and the reasons for the measures referred to in paragraph 2 and, except in cases of emergency, he shall grant the holder of such certificate the right to respond to any objection and to be heard on the reasons for the corrective actions taken.
4. The persons whose certificates have been subject to notification by the Director General may file a complaint to the latter within fifteen days of notification.
5. The submission of the complaint shall not suspend the enforceability of the measure adopted by the Director General.

CHAPTER VI
ADMINISTRATIVE AND CRIMINAL SANCTIONS

Art. 59
(Administrative sanctions)

1. Any person violating the provisions of this Law, as well as the directives or regulations issued pursuant to it, shall be subject to the administrative sanctions defined hereunder.
2. The Director General shall have the power to assess and adjust all administrative sanctions. In determining the severity of these sanctions, he shall take into account the nature, circumstances, extent and seriousness of the violation committed and, with respect to the person who committed the violation, any previous violations and all other facts that should be considered for the purposes of a proper assessment.
3. In the case of an aircraft involved in a violation committed by the owner or operator, the Director General may impose restrictions on this aircraft.
4. Unless the fact constitutes an offence, the administrative sanction from 5,000.00 to 15,000.00 euro shall be applied to the pilot-in-command of an aircraft who:

- a) uses an aircraft that is not registered or not provided with the airworthiness certificate;
 - b) uses an aircraft without the necessary licences or qualifications envisaged, either for him or for the crew; the sanction shall apply also to crew members;
 - c) uses the aircraft without the operator's permission;
 - d) uses the aircraft without the necessary registration marks or with non-compliant marks;
 - e) performs flights although the aircraft is not covered by the necessary insurance;
 - f) does not comply with interception procedures in the cases envisaged by a specific regulation of the Authority;
 - g) violates the provisions concerning the keeping and updating of the documents carried in aircraft;
 - h) performs flights in prohibited areas or launches any objects from an aircraft in flight;
 - i) takes off or lands without the necessary authorisations or the relevant permits granted by the competent authorities;
 - l) performs acrobatic flights, parachute jumps or manoeuvres dangerous to public safety without the necessary authorisations;
 - m) performs flights at an altitude lower than what provided for in the relevant regulations;
 - n) performs unnecessary manoeuvres likely to put people or things aboard the aircraft in danger;
 - o) fails to comply with the instructions given by the air traffic control body;
 - p) lands, without a valid reason, in areas not destined to aircraft landing;
 - q) refuses, without justification, to participate in research or rescue operations;
 - r) embarks or disembarks passengers or goods in violation of regulations;
 - s) commences a flight without having aboard the aircraft the documents envisaged by the Authority;
- In the cases referred to in letters a), b), d), e), f) and q), the revocation of flight licences shall also apply. In the cases referred to in letters l) and o), the suspension of the license from one to six months shall apply.

5. Unless the fact constitutes an offence, the administrative sanction from 10,000.00 to 25,000.00 euro shall be applied to the operator who:

- a) assigns a non-airworthy aircraft to the pilot-in-command;
 - b) assigns an aircraft to be operated although it has not been registered;
 - c) registers an aircraft in a foreign register without having it first cancelled from the San Marino register;
 - d) assigns an aircraft to the pilot-in-command although it is not covered by an adequate insurance.
- In the case referred to in letter d), the airworthiness certificate of the aircraft shall be suspended from one to six months.

6. Unless the fact constitutes an offence, the administrative sanction from 500.00 to 2,000.00 euro shall be applied to anyone who:

- a) refuses to show the documents carried in aircraft to the Authority;
- b) organises or participates in air shows involving acrobatics and parachute jumps, without the necessary authorisation;
- c) is on board an aircraft without the authorisation of the pilot-in-command or without a valid reason;
- d) on board an aircraft, is under the effects of alcohol or drugs, except for the pilot-in-command;
- e) fails to comply with the instructions given by the pilot-in-command;
- f) fails to comply with his obligation to report accidents or incidents;
- g) voluntarily projects a bright light source into navigable airspace that presents a risk to aviation safety, could damage aircraft or cause injury to persons on board aircraft.

Unless the fact constitutes an offence, any other violation of the provisions contained in this Law, in regulations or directives shall be punished with the administrative sanction from 500.00 to 1,000.00 euro.

7. Unless the fact constitutes an offence, any operator performing commercial flights in return for payment without the necessary authorisations shall be punished with an administrative sanction from 15,000.00 to 30,000.00 euro.

8. Unless the fact constitutes an offence, the administrative sanction from 5,000.00 to 25,000.00 euro shall be applied to any commercial operator who:

- a) refuses, without justification, access to his services by the public;
- b) fails to comply with the obligations envisaged in the air operator certificate;
- c) fails to comply with maintenance plans or other obligations guaranteeing safety of flight;
- d) performs flights that are different from those envisaged in the air operator certificate.

9. The measure concerning the administrative sanctions referred to in paragraphs 4, 5, 6, 7 and 8 may be subject to revision and in any case it shall be ratified annually through a special delegated decree.

Art. 60 *(Offences)*

1. Alteration of certificates, licenses and registration marks:

- a) anyone counterfeiting or altering the certificates and licenses, the issuance of which is provided for by this Law, or using counterfeit or altered certificates or licenses shall be punished with second degree imprisonment and with a fine;
- b) anyone displaying or inducing others to display on an aircraft false or misleading marks concerning the nationality of the aircraft shall be punished with second degree imprisonment and with a fine.

2. Interference with air navigation:

- a) anyone who, for the purpose of interfering with air navigation within the territory of San Marino, unlawfully installs lights, signals or communication devices in a place or in such a manner as to be mistaken for the lights or signals envisaged by this Law, or for lights or signals of airports or other duly authorised air navigation facilities;
- b) anyone who knowingly removes, disables or interferes with the operation of lights and light signals envisaged;

shall be punished with second degree imprisonment and with a fine.

3. Anyone who, acting as a representative or employee of an air operator, fails or refuses to prepare or keep the reports, records and memories in the manner established by the Director General; or alters or partially cancels reports, records or memories; or deposits false reports, records or memories shall be punished with second degree imprisonment and with a fine.

4. Anyone who fails or refuses to provide the information or documents requested by the Director General shall be punished with second degree imprisonment and with a fine.

5. Any person who, while on board an aircraft, interferes with the performance of the functions by crew members or limits their ability to accomplish these tasks, or anyone who, interfering with the performance of the functions by crew members, assaults, intimidates or threatens them shall be punished with fourth degree imprisonment and with a fine.

6. Any person who, while on board or trying to board an aircraft used or intended to be used in commercial air transport operations, carries weapons, bombs or explosive material shall be punished with fourth degree imprisonment and with a fine. This paragraph shall not apply to officials of San Marino armed forces, who are authorised and required to carry weapons within their official duties.

7. Anyone who, in order to endanger public security, interferes with the safety of operations conducted by San Marino aircraft shall be punished with fourth degree imprisonment and with a fine.

8. Anyone who, without authority, removes, conceals or hides any part of aircraft involved in accidents, or anything on board the aircraft at the time of the accident, shall be punished with second degree imprisonment and with a fine.

9. Anyone who, being aware of the provisions of this Law, carries goods, luggage or other property in violation of the provisions of international ICAO regulations on the transport of dangerous goods, from time to time in force, shall be punished with third degree imprisonment and with a fine.

10. The pilot-in-command who exercises his duties in a state of mental and physical alteration resulting from the use of alcoholic beverages or from taking drugs or psychotropic substances or drug abuse shall be punished with third degree imprisonment and with a fine, or with one or the other of these punishments. Third degree disqualification from pilot's license shall always be applied.

CHAPTER VII REGULATION OF AIR OPERATORS

Art. 61

(Air Operator Certificate - AOC)

1. The Director General shall issue the Air Operator Certificate (AOC) and shall establish the minimum standards of safety for the operations performed by air operators.

2. To obtain the Air Operator Certificate, an application shall be submitted to the Director General in the manner and form established.

3. The Director General may refuse to issue the Air Operator Certificate or may suspend or revoke it for reasons of security or for other public interest requirements.

4. The Director General shall issue the Air Operator Certificate if, after appropriate verifications, he establishes that the applicant is adequately equipped and has the necessary skills to perform the relevant operations in a safe condition in accordance with the requirements laid down by the Authority.

Art. 62

(Operating license)

1. No commercial aircraft operator shall undertake commercial air transport services unless he holds an operating license issued by the Director General.

2. The Director General may modify or suspend any license for failure to comply with any requirements specified therein.

3. No license shall be transferred unless such transfer is approved by the Director General, taking into account public interest.

4. Each license holder shall constantly prove to be fit and able to properly perform the air transport services for which he has been licensed.

Art. 63

(Permits issued to foreign air operators)

1. No foreign air operator shall undertake commercial air transport operations within the territory of the Republic of San Marino unless the relevant authorisation has been issued by the Director General.

2. The Director General shall issue the authorisation referred to in paragraph 1 if he establishes that the applicant is eligible to undertake international commercial air transport.

3. The Director General may modify or suspend any authorisation for failure to comply with any requirements specified therein.

4. The applicant shall meet the requirements envisaged by the international regulations in the field of insurance. The authorisation shall cease to be in force if the foreign air operator does not comply with this paragraph.

CHAPTER VIII TAX REGIME

Art. 64

(Rules pertaining to import)

1. Inclusion in the register shall constitute a prerequisite for the payment of the import tax.
2. The single-stage import tax of aircraft to be used as tangible fixed assets for San Marino or foreign companies, in compliance with Article 38, paragraph 3, letter c 3), is established by Art. 5 of Decree no. 135 of 27 October 2003 and subsequent amendments.

Art. 65

(Replacement of paragraph 2 of Article 5 of Decree no. 135 of 27 October 2003)

1. Paragraph 2 of Article 5 of Decree no. 135 of 27 October 2003, as amended by Article 100 of Law no. 194 of 22 December 2010, shall be replaced as follows:
"The aircraft, to be used as tangible fixed assets for San Marino or foreign companies, registered in the aircraft register under Article 38, paragraph 3, letter c 3) of the Law reforming civil aviation, shall benefit from a reduced rate of 2%."

Art. 66

(Amendment of Article 5 of Decree no. 135 of 27 October 2003)

1. After paragraph 2 of Article 5 of Decree no. 135 of 27 October 2003, as amended by Article 100 of Law no. 194 of 22 December 2010, the following paragraph 3 shall be added:
"The aircraft registered in the registers of the Authority in accordance with Article 38, paragraph 3, letter c 3) of the Law reforming civil aviation shall be exempted from the payment of the single-stage import tax, provided that all the following requirements are met:
 - a) they have a maximum take-off weight (MTOW) exceeding 5,700 kg. Such limitation shall not apply to turbine helicopters;
 - b) they are based outside the territory of the Republic of San Marino and outside States with which the Republic of San Marino has aircraft base agreements;
 - c) a specific collaboration agreement has been concluded between the Civil Aviation and Maritime Navigation Authority and a foreign company concerning the registration and other related operations on aircraft having the characteristics set out in the paragraphs above."

Art. 67

(Amendments to Decree no. 135 of 27 October 2003)

1. After Article 5 of Decree no. 135 of 27 October 2003, the following article shall be added:

"Article 5-bis
(Tax on the import of aircraft for commercial use)

1. Aircraft imported to San Marino for commercial purposes, and resulting from a specific Air Operator Certificate issued by the Civil Aviation and Maritime Navigation Authority of the Republic of San Marino to a San Marino operator, shall be exempted from the single-stage tax throughout their commercial use.
2. Where the aircraft imported under paragraph 1 are cancelled from the Air Operator Certificate issued to San Marino operator, the latter shall be required to pay the single-stage tax on the value at the time of cancellation from the Air Operator Certificate."

TITLE III
FINAL PROVISIONS

CHAPTER I
PROVISIONS APPLYING TO ECONOMIC OPERATORS IN THE AVIATION SECTOR

Art. 68

(Name and distinctive signs of economic operators in the aviation sector)

1. It shall be prohibited to economic operators in the aviation sector to use, in whole or in part, as their name, logo or any other distinctive sign, the elements identifying the Authority.
2. The elements identifying the Authority shall include all symbols and expressions considered as distinctive features that induce a third party to directly and immediately link these elements with the Authority or its public activity.
3. The definition set out in paragraph 2 shall also include the expressions bearing, in any recognised language, San Marino aircraft registration marks (T7 - Tango Seven).
4. The prohibition referred to in paragraph 1 shall not apply in respect of economic operators having concluded specific technical assistance agreements with the Authority, approved through a decision of the Congress of State.
5. Economic operators in the aviation sector shall be required to comply with the provisions of this Article within three months from the date of entry into force of this Law; after the expiry of this time-limit, they shall be subject to the sanctions provided for in Article 70.

Art. 69

(Supervision)

1. The Corps of the Civil Police shall monitor compliance with the provisions of Article 68.
2. If the Civil Police establishes that Article 68 has been violated, it shall draw up a relevant verbatim record and report the violation to the Judicial Authority for the application of the sanction provided for in Article 70.
3. The report shall be drawn up in a single original, held by the Civil Police, a copy of which shall be issued to the person concerned. A certified copy thereof shall be sent to the Judicial Authority and, for information purposes, to the Authority.

Art. 70
(Sanctions)

1. Failure to comply with Article 68 shall be punished with a pecuniary administrative sanction from a minimum of 2,000.00 to a maximum of 10,000.00 euro.
2. Besides the application of the administrative fine, also the change of name of the economic operator and the removal of the marks and all other distinctive signs, which are unlawful under this Law, may be ordered at the expense of the offender.

CHAPTER II
FINAL PROVISIONS

Art. 71
(Amendments to this Law)

1. Amendments to this Law shall be made through a delegated decree within twelve months after the entry into force of this Law.
2. Within six months of the entry into force of this Law, a delegated decree shall be issued containing the provisions necessary to implement the Cape Town Convention of 16 November 2001 on International Interests in Mobile Equipment and its Protocol relating to aircraft equipment.

Art. 72
(Repeal)

1. Any provision contrary to this Law shall be repealed, in particular:
 - Law no. 87 of 30 November 1992;
 - Law no. 9 of 16 January 2001;
 - Delegated Decree n. 96 of 10 August 2007;
 - Articles 1,2,3,4 and 5 of Title I of Annex B to Delegated Decree no. 119 of 8 August 2005;
 - Annex C to Delegated Decree no. 119 of 8 August 2005;
 - Delegated Decree no. 129 of 10 August 2012;
 - Article 60 of Annex A to Law no. 188 of 5 December 2011;
 - Article 99 of Law no. 194 of 22 December 2010;

Art. 73
(Entry into force)

1. This Law shall enter into force on the fifteenth day following that of its legal publication.

Done at Our Residence, on 29 July 2014/1713 since the Foundation of the Republic

THE CAPTAINS REGENT
Valeria Ciavatta – Luca Beccari

THE MINISTER OF
INTERNAL AFFAIRS
Gian Carlo Venturini