



83 *bis*

The safer, simpler, smarter way to fly.

A man in a dark suit and patterned tie is seated in an airplane cabin, working on a laptop. He is wearing white earbuds and has a watch on his left wrist. The airplane window is visible behind him, and the blue patterned seat cover is in the foreground. The text "Discover the benefits" is overlaid in white on the left side of the image.

Discover the benefits

Article 83 *bis* of the Convention on International Civil Aviation was introduced in 1997 in response to the explosive growth of the aviation industry and emerging trends such as the use of international leasing and ownership structures. Agreements under Article 83 *bis* offer operators a range of benefits, including enhanced safety, more efficient regulatory processes, and increased international credibility.



Article 83 bis agreements: An overview

What are Article 83 bis agreements?

An Article 83 bis agreement is a bilateral arrangement that enables the transfer of certain regulatory responsibilities and oversight functions related to an aircraft from the state of registry to the state of the operator. Article 83 bis agreements facilitate the operation of aircraft in one state while the airworthiness management of the aircraft remains the responsibility of the state of registry. These agreements support the structuring of cross-border transactions, leasing arrangements, and overall global aviation development.

Benefits of Article 83 bis agreements

Through Article 83 bis agreements, operators can experience a number of advantages:



Regulatory efficiency: Eliminated duplication of regulatory efforts and simplified compliance processes result in reduced administrative burdens and operational delays.



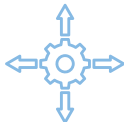
Strengthened international cooperation: Article 83 bis agreements promote stronger international cooperation and harmonization of aviation safety standards between countries.



Cost savings: Streamlined regulatory processes and reduced duplication can translate into cost savings for airlines and regulatory authorities. Some operators have noted that under an Article 83 bis agreement the leasing costs are reduced, leading to a higher residual value during resale.



Legal and operational clarity: Clearly delineated responsibilities between the state of registry and the state of the operator reduce potential legal conflicts and ensure comprehensive oversight.



Operational flexibility: Airlines have the flexibility to register aircraft in jurisdictions that offer financial and operational benefits while maintaining robust safety oversight from their home country.

KEY TERMS

State of registry: The country where an aircraft is registered and which is accountable under the Chicago Convention for the airworthiness and safe operation of the aircraft.

State of the operator: The country where the operator's principal place of business is located. In the context of an 83 bis arrangement, this state is accountable for the safe operation of the aircraft, subject to the defined transfer of responsibilities.

Oversight responsibilities: The duties and functions aviation authorities perform to ensure compliance with safety and regulatory standards, including monitoring and inspecting aviation operations, aircraft airworthiness and personnel qualifications to confirm they meet established safety standards. Oversight responsibilities encompass both proactive measures, such as safety audits and regular inspections, and reactive measures, such as investigations and enforcement actions. The goal is to maintain a high level of safety within the aviation industry by ensuring all stakeholders adhere to regulations and adopt best practices.

The Bermuda Civil Aviation Authority and Article 83 *bis* agreements

What is the Bermuda Civil Aviation Authority?

The Bermuda Civil Aviation Authority (BCAA) is the regulatory body responsible for overseeing aviation safety in Bermuda. The BCAA's primary role is to ensure the safety, security, and environmental performance of civil aviation within its jurisdiction. This involves regulating and supervising all aspects of civil aviation, including airworthiness, flight operations, and personnel licensing.

In particular, the BCAA

- issues and maintains aircraft registrations and certificates of airworthiness
- conducts safety oversight and inspections
- implements international aviation standards as mandated by the International Civil Aviation Organization (ICAO)

The BCAA manages the Bermuda Aircraft Registry, one of the world's largest offshore aircraft registries. The Registry provides services to both commercial and private aircraft owners. It is known for its stringent safety standards, efficient registration process, and high-quality oversight services, making it a credible and internationally recognised platform for aircraft registration.

Benefits of the Bermuda Registry

Key features of the Bermuda Aircraft Registry include that it

- offers a reputable registration option for aircraft worldwide
- provides comprehensive regulatory oversight and airworthiness certification
- ensures compliance with international safety standards
- facilitates aircraft operations globally through recognised certification

The Bermuda Aircraft Registry is favoured by many international aircraft operators due to its robust regulatory framework and commitment to maintaining high standards of aviation safety and operational efficiency.

Article 83 bis in practice in Bermuda

Bermuda established an Article 83 *bis* agreement with the Russian Federation in 2001. This agreement remained in place until 2022 when it was suspended as a consequence of the international sanctions imposed on Russia after its invasion of Ukraine. The 83 *bis* arrangement with Bermuda was the catalyst for Russia's significant commercial aviation growth; the BCAA successfully delivered airworthiness systems and oversight to the fleet of more than 700 commercial aircraft throughout the period of the arrangement.

Bermuda currently has active 83 *bis* agreements established with

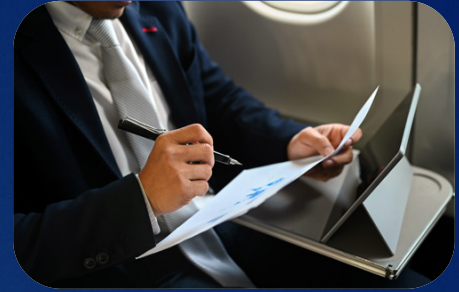
- Azerbaijan
- Kazakhstan
- Tajikistan
- Uzbekistan



Establishing an Article 83 *bis* agreement

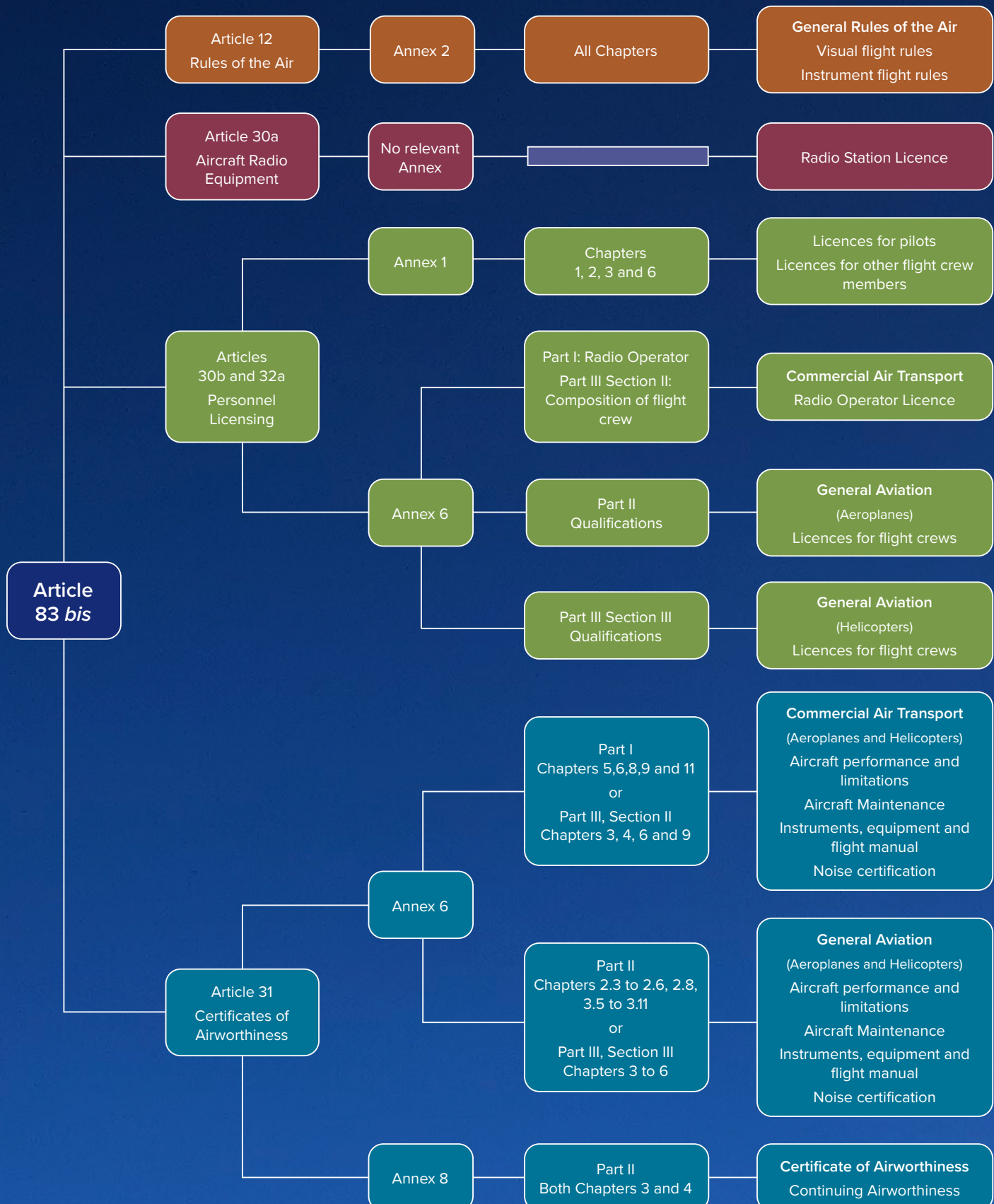
The following steps should be taken when establishing an Article 83 *bis* agreement:

- ✓ Research and conduct a proper analysis of state
- ✓ Identify key stakeholders, including regulatory bodies and potential customers
- ✓ Obtain an entrustment from the UK
- ✓ Develop a comprehensive proposal outlining the benefits of establishing an Article 83 *bis* agreement for both parties
- ✓ Engage in diplomatic outreach to the relevant government authorities in both countries, expressing interest in exploring the possibility of establishing an Article 83 *bis* agreement.
- ✓ Work collaboratively to address any concerns or questions raised by the government authorities, stakeholders, or other parties involved
- ✓ Negotiate the terms and conditions of the Article 83 *bis* agreement
- ✓ Finalise the agreement with relevant signatories
- ✓ Establish mechanisms for monitoring compliance, conducting regular reviews, and addressing any issues or challenges that may arise



Article 83 bis transfer of responsibilities

As illustrated in the graphic below, Article 83 bis permits bilateral agreements between two countries whereby certain functions are transferred from the state of registry to the state of the operator, assuring regulatory effectiveness and efficiency.



Who benefits from an Article 83 *bis* agreement?

An established Article 83 *bis* agreement benefits a variety of stakeholders across the aviation industry:

- **Aircraft operators (airlines and private operators) gain**
 - operational efficiency through streamlined regulatory oversight, as they can work directly with their own national aviation authority rather than complying with the regulations of a foreign state of registry
 - simplified compliance and reduced administrative burdens since the state of the operator assumes responsibilities and operators can more easily comply with local regulations
 - improved safety oversight that is closely aligned with their specific operational environment, enhancing overall safety
- **Aircraft lessors and leasing companies can take advantage of**
 - easier leasing arrangements that feature more flexible leasing options, as the Article 83 *bis* agreement allows for the transfer of regulatory responsibilities to the state where the aircraft is operated, making leases more attractive and easier to manage
 - reduced compliance costs as the need to manage dual oversight requirements from both the state of registry and the state of the operator is eliminated
- **State of registry benefits from**
 - the efficient allocation of regulatory resources when it transfers specific oversight responsibilities to the state of the operator
 - reduced liability by transferring responsibilities for operational control and airworthiness to the state of the operator, which is more directly involved in the day-to-day management of the aircraft
- **State of the operator achieves**
 - enhanced control over the safety and operational oversight of aircraft operating under its jurisdiction, leading to improved compliance with local standards
 - improved safety as it can ensure that the aircraft meets its own safety regulations, which may be better suited to the local environment
- **Aviation authorities (regulatory bodies) enjoy**
 - collaboration and knowledge sharing between the state of registry and the state of the operator, which can lead to improved regulatory practices
 - strengthened safety oversight because they can focus on areas where they have the most expertise and capacity, leading to stronger and more effective safety oversight
- **Passengers and cargo customers experience**
 - increased safety thanks to the more effective regulatory control and compliance with local safety standards
 - better operational reliability and maintenance practices through improved regulatory oversight, reducing the likelihood of delays or incidents
- **Aircraft manufacturers can leverage**
 - streamlined certification processes and clearer regulatory pathways, especially in international markets where Article 83 *bis* agreements are in place
- **Insurance companies benefit from**
 - reduced risk because of the clearer allocation of responsibilities and improved safety oversight, potentially leading to lower insurance premiums

Partnership with Bureau Veritas



The partnership between Bureau Veritas Aeronautics Division and the BCAA exemplifies our robust commitment to aviation safety and regulatory compliance.

Shaping a World of Trust Bureau Veritas, a global leader in testing, inspection, and certification services, brings its extensive expertise to support the BCAA in maintaining the highest standards for Bermuda registered aircraft.

Since its establishment in 1922, Bureau Veritas Aeronautical has been at the forefront of ensuring safety, quality, and efficiency within the aerospace industry. By providing comprehensive airworthiness oversight services, Bureau Veritas assists the BCAA in overseeing aircraft operations across various international locations that utilise an Article 83 *bis* agreement. This collaboration ensures that aircraft registered in Bermuda meet safety and regulatory standards, fostering a safe and reliable aviation environment.

Bureau Veritas' role encompasses a wide range of services, from conducting detailed inspections to offering technical assistance and regulatory compliance support. Their collaboration with the BCAA underscores a shared dedication to excellence and safety in aviation, providing peace of mind lessors, operators & passengers alike.



Frequently Asked Questions

What are the eligibility requirements for establishing an Article 83 *bis* agreement?

Both the state of registry and the state of the operator must be contracting states to the Chicago Convention and must have ratified Article 83 *bis*.

What are the legal Implications of an Article 83 *bis* agreement?

An Article 83 *bis* agreement involves significant legal implications that require careful consideration and detailed provisions to ensure effective transfer and management of regulatory responsibilities. The state of registry and the state of the operator must work closely together to maintain compliance with international standards, manage liability, and ensure the continuous safety and efficiency of each aircraft's operations.

What is the duration of an Article 83 *bis* agreement?

Article 83 *bis* agreements are not of a fixed duration; their length can vary depending on the terms agreed upon by the relevant contracting states. Each agreement can be tailored to meet the specific needs and circumstances of the states and the aircraft operations.

Who do I contact about establishing an Article 83 *bis* agreement?

For more information on how an Article 83 *bis* agreement works or how establishing one can assist you, please contact airworthiness@bcaa.bm.

Learn more about Bureau Veritas
aero.bureauveritas.com

Is there a cost associated with the establishment of an Article 83 *bis* agreement?

There is no cost to any person or organization. The respective governments and regulatory authorities will invest their time to provide a strengthened environment for local aviation growth.