

Interpretation of Principal Place of Business for the UK's CAA Airworthiness Approvals

The UK's Civil Aviation Authority (CAA) is responsible for the oversight of all approvals it issues. If an organisation wishing to hold a CAA approval is based in a third country, obligations are placed on the (CAA) to inform the National Aviation Authority (NAA) of the State that the CAA has issued an approval before performing any on-site audits or inspections at such facilities.

UK Regulations (EU) No 748/2012 and No 1321/2014, covering initial and continuing airworthiness, both make reference to the principal place of business (PPoB).

'Principal place of business' (PPoB) means the head office or the registered office of the undertaking within which the principal financial functions and operational control of the activities referred to in the regulation are exercised.' These are defined by the two Regulations.

Defining the location of the principal place of business of an organisation is essential, as it will influence whether the organisation is:

- a) eligible for the CAA airworthiness approval because it is a business located in the UK, or
- b) located in a state with which the UK has concluded a bilateral agreement or working arrangement (in some cases, it is a provision of such arrangements that the states will not grant airworthiness approvals in each other's territories), or
- c) classified as located a third country for the regulatory purposes of its airworthiness approval.

The meaning of a third country for the purposes of this policy is where an organisation is seeking an airworthiness approval to be issued by the CAA in relation to an organisation based in a state or territory other than the UK.

For an organisation to demonstrate the location of its PPoB, it will need to meet the following criteria:

1. It must be evident that matters affecting operational and financial control and management decision making, relevant to the organisation's airworthiness activities in accordance with the applicable requirements, are controlled, decided and directed by the appointed key post holders, including the accountable manager, as a result of board (or other) meetings held at the PPoB as often as effective relevant decision-making requires.

Note: Solely holding a few meetings a year at the place declared by the organisation as PPOB would not constitute sufficient evidence of such operational and financial control.

2. All records regarding the management, operational and financial decisions affecting the direction, control and coordination of the organisation's activities and operations, within the scope of the applicable regulation, must be capable of physical inspection at the declared PPOB.
3. It should be noted that the PPOB may not necessarily be where the majority of the approved activity takes place, such as where the training, production or maintenance is carried out, however some of the approvable activity, such as determination of conformity to design or performance of line maintenance needs to be carried out in the same State as the PPOB and continue to be demonstrated to the CAA during oversight if an airworthiness approval is granted.
4. Where there is a relationship with an existing UK Part 21 approved Production Organisation, organisations with their PPOB in a third country that has not concluded a bilateral agreement or working arrangement with the UK should give due consideration to using subcontractor control provisions in UK Regulation (EU) No 748/2012 (Part 21) before seeking stand-alone CAA approval.

The above criteria do not address the means by which the regulatory oversight is delivered.

This policy relates only to airworthiness approvals issued by the CAA. Where an organisation holds or wishes to hold an airworthiness approval issued by another NAA, such organisations should refer directly to the relevant NAA for further guidance.