

Translation for Reference Only

CAAC Notice on Issuing the Measures for the Credit

Administration of Civil Aviation Industry

To: Regional Administrations of CAAC, Transport/General Airlines, Service and Support Companies, Airport Companies, Subsidiary Entities of CAAC, Departments of CAAC and Industrial Associations,

In order to put into practice the guiding principles of the *Outline Program for the Building of a Social Credit System (2014-2020)*, the *Guiding Opinions of the State Council on Establishing a Sound Joint System for Encouraging Credibility and Punishing Discredits to Accelerate the Building of a Social Credit System*, the *Guiding Opinions of the General Office of the State Council on Accelerating the Building of a Social Credit System to Develop a New Regulation Mechanism Based on Credit*, and the *Guiding Opinions of the General Office of the State Council on Further Improving the Institution for Restraining Acts Discreditable to Develop a Long-term Mechanism for Credit Building*, facilitate credit culture building of the civil aviation industry, safeguard orderly civil aviation activities, and promote sound civil aviation development, CAAC carried out a thorough review of the *Measures for the Credit Administration of Civil Aviation Industry (Trial)* and developed the *Measures for the Credit Administration of Civil Aviation Industry*. It is hereby issued to you for effective implementation.

Civil Aviation Administration of China

April 12, 2021

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Measures for the Credit Administration of Civil Aviation

Industry

Chapter I General Provisions

Article 1 In order to put into practice the guiding principles of the *Outline Program for the Building of a Social Credit System (2014-2020)*(GF [2014] No. 21, State Council), the *Guiding Opinions of the State Council on Establishing a Sound Joint System for Encouraging Credibility and Punishing Discredits to Accelerate the Building of a Social Credit System* (GF [2016] No. 33, State Council), the *Guiding Opinions of the General Office of the State Council on Accelerating the Building of a Social Credit System to Develop a New Regulation Mechanism Based on Credit* (GBF [2019] No. 35), and the *Guiding Opinions of the General Office of the State Council on Further Improving the Institution for Restraining Acts Discreditable to Develop a Long-term Mechanism for Credit Building* (GBF [2020] No. 49), facilitate credit culture building of the civil aviation industry, safeguard orderly civil aviation activities, and promote sound civil aviation development, the Measures are developed in accordance with relevant laws, and administrative regulations and rules.

Article 2 The Measures shall apply to administration of acts of discredit by legal persons and other organizations (hereinafter referred to as organizations) and individuals (hereinafter referred to as the subjects) who engage in civil aviation activities within the territory of the People's Republic of China or civil aviation activities outside the territory of the People's Republic of China that require China's approval.

Article 3 Civil Aviation Administration of China (hereinafter referred to as CAAC) is in charge of nationwide credit administration of the civil aviation industry, and regional administrations of the CAAC (hereinafter referred to as regional administrations) are in charge of credit administration of the civil aviation industry within their respective jurisdictions.

Legal departments of civil aviation administrative organs are in charge of putting on record and removing records of credit information of civil aviation industry (hereinafter referred to as credit records), and civil aviation service departments are in charge of determining, correcting and utilizing information of serious discredit acts of subjects.

Article 4 CAAC shall establish a national credit record system, to comprehensively record the credit information of subjects, which shall include basic information and information of illegal and discreditable acts.

Basic information refers to organizations' names, unified social credit codes and relative persons' names and identification numbers.

Information of illegal and discreditable acts refers to discreditable acts of the subjects that violate relative laws, administrative regulations, rules and provisions or that shall be entered into the credit records in accordance with law. Information of illegal and discreditable acts is categorized as information of general discreditable acts and information of serious discreditable acts. Serious discreditable acts provided for in the Measures shall be recorded as information of serious discreditable acts, other information of discreditable acts shall be recorded as information of general discreditable acts.

Article 5 In the credit records, organizations shall be identified by unified social credit code, foreign airlines and airlines of Hong Kong, Macao and Taiwan shall be identified by two-letter code, and other foreign licensed organizations, the serial numbers of the licenses. Individuals shall be identified by identification number, and those without an identification number, passport number or number of other identity documents.

Article 6 Civil aviation administrative organs shall use credit information of the civil aviation industry according to law, commend credibility and punish discredit; and allow entities and individuals to use credit information of the civil aviation industry, so as to give full play to the role credit administration in guiding civil aviation development.

Chapter II Administration of Credit Information

Article 7 General discreditable acts of the subjects shall be determined and put on record as discredit information automatically by CAAC Supervision and Enforcement System (SES).

Serious discreditable acts of the subjects shall be determined and put on record by civil aviation administrative organs within 90 days since detection of the acts. For the serious discreditable acts that are determined in conjunction with administrative handling, the time limits shall be those of administrative handling.

Article 8 The following acts constitute serious discreditable acts:

1. acts that cause accidents for which accountability shall be ascertained;

2. acts that intentionally break the law and constitute one of the following circumstances:

- 1) causing serious incidents for which accountability shall be ascertained;
 - 2) resulting in hijacking, airplane explosion and other severe events of unlawful interference, or violent or terrorist events, or events of unlawful incursion into controlled areas at airport and access the aircraft for which security accountability shall be ascertained;
 - 3) acts that violate the *Provisions on the Administration of Flight Regularity*, and severely infringe the interests of consumers and cause significant social effects;
 - 4) constituting serious ones according to civil aviation pricing and charging laws, regulations and rules;
 - 5) leading to major or particularly major cyber security events that directly affect civil aviation transport, operation, service and support;
3. acts that were punished for intentional law-breaking with a single violation act being subject to a fine of no less than 30,000 yuan, revoking of administrative permit, suspension of operation and business, or cancellation of administrative permits by CAAC administrative organs;
4. being capable but refusing or avoiding to implement decisions of civil aviation administrative organs after the decisions are made;
5. refusing to provide materials, intentionally providing false materials, false commitments, false testimony, cheating or assisting cheat by others when applying with CAAC administrative organs for documentation or administrative permits, or accepting inspections, investigations, assessments and tests organized by CAAC administrative organs;
6. acts of forging, altering, selling, leasing, lending or illegally transferring in other forms administrative permits issued by CAAC administrative organs;
7. acts of unlicensed operation;
8. acts that are determined as serious discreditable acts by other laws, administrative regulations or rules during civil aviation activities.

Where a single act of the subject constitutes two or more of the abovementioned circumstances, it shall be entered as one serious discreditable act in credit records for a validity period whichever is longer.

Where an organization is decided as conducting serious discreditable acts due to the abovementioned acts, its legal representative, major person in charge and other persons with direct responsibilities shall all together be determined as with serious discreditable acts.

“Being capable to implement” in subparagraph 4 above refers to circumstance where relevant subjects have the obligations and capabilities to implement and there exists no reasonable force to hinder the implementation.

Article 9 Determination of credit information shall be responsible by the civil aviation administrative organs or designated civil aviation administrative organs located where the discreditable acts occurred. Discreditable acts that occur during flight of a civil aircraft shall be determined by the civil aviation administrative organ located where the aircraft first lands. Where the acts of a subject occur at a place different from the residence place of the subject, the civil aviation administrative organ responsible shall also notify the civil aviation administrative organs of the residence place.

Discreditable acts that occur outside the territory of the People’s Republic of China shall be determined by the civil aviation administrative organ of the residence place of the subject. Where both the place of acts and residence place of the subject are not in the territory of the People’s Republic of China, the discreditable acts shall be determined by the civil aviation administrative organ that approved the subject to conduct the civil aviation activities concerned.

Where a superior civil aviation administrative organ conducts as appropriate determination of discreditable acts, it shall take the initiative to notify the subordinate civil aviation administrative organ that has jurisdiction.

Article 10 Civil aviation administrative organs shall verify and obtain evidences of the subject with serious discreditable acts, collect basic information of the subject and information of the serious discreditable acts, and file relevant evidence materials for record.

Information of serious discreditable acts includes causes and facts, law enforcement entities, administration handling decisions, collecting department and date, among others.

Basic information of other relevant persons shall also be collected if the discreditable acts shall be entered in individual credit records according to paragraph 3 of Article 8.

Article 11 Where serious discreditable acts shall be entered in the credit record, civil aviation administrative organs shall inform the subject concerned, via Decision Letter on Serious Discreditable Acts in the Civil Aviation Industry, of the recorded facts, causes, basis and punishment measures, unless the civil aviation administrative organs have already made clear the issues above in relevant administrative handling notice.

The subject concerned has the right to presentation and defense within the time limit as provided for in the Decision Letter, otherwise the right to presentation and defense shall be deemed given up.

Where the subject requests to make presentation and defense, civil aviation administrative organs shall decide over whether the serious discreditable acts of the subject should be entered in the credit records after hearing the comments from the subject. Facts, causes and evidences submitted by the subject shall be reviewed by the civil aviation administrative organs, and accepted if they are found true.

Article 12 Where a civil aviation administrative organ has made the decision to enter the serious discreditable acts of the subject into the credit records, it shall inform the subject concerned via a Decision Letter on Serious Discreditable Acts in the Civil Aviation Industry of the causes and consequences of the decision, and punishment measures, conditions and procedures to remove the record and remedy measures, unless the civil aviation administrative organ has already made clear the issues above in relevant administrative handling notice.

Civil aviation administrative organs may summon the subject for caution talks to urge the honoring of relevant obligations and mitigation of adverse effects. Credit records shall contain information about such caution talks if the talks are carried out.

Where the subject is a public institution or a state-owned enterprise, civil aviation administrative organs shall notify its superior entities in charge; where the subject is staff of a public institution or a state-owned enterprise, civil aviation administrative organs shall notify his or her affiliated entities; where the subject joins an industry association, civil aviation administrative organs may notify the industry association concerned.

Article 13 Validity of credit records is one year. However, credit record filed in accordance with subparagraph 3 of paragraph 1 of Article 8 of the Measures shall remain valid for three year. Validity of credit records shall start since the date when relevant notices are delivered.

Credit records shall automatically expire and be removed by SES upon the end of validity period.

Article 14 For those with credit records due to acts in subparagraph 3 of paragraph 1 of Article 8 of the Measures for 6 months, or due to other circumstances for 3 months, and have corrected their discreditable acts and eliminated the adverse social impact, the subjects may submit relevant materials to the original determining organ to apply for credit restoration, and early removal of credit record before the validity expires.

Where civil aviation administrative organs agree to have credit restored, they shall remove relevant record, along with others entered according to paragraph 3 of Article 8 of the Measures, from SES within 20 working day upon receiving all application materials. Where civil aviation administrative organs disagree to have credit restored, they shall inform the applicant in written form within 20 working days upon receiving all application materials, and state the reasons.

Individuals with credit records entered together with others and/or organizations in accordance with paragraph 3 of Article 8 of the Measures shall not separately apply for credit restoration.

Article 15 Determination of information of serious discreditable acts or credit restoration shall be reviewed and approved by executive meetings of civil aviation administrative organs or the institutions authorized by the meeting.

Chapter III Utilization of Credit Information

Article 16 CAAC shall publish on its official website information of organizations with serious discreditable acts entered into the credit records, and sort and transferred, according to relevant provisions, the information of the subject with recorded serious discreditable acts in the credit records to www.creditchina.gov.cn and National Credit Information Sharing Platform, and in the National Enterprise Credit Information Publicity System.

Where the abovementioned credit records have been removed, information about the removal shall be sorted and transferred to www.creditchina.gov.cn and National Credit Information Sharing Platform, and in the National Enterprise Credit Information Publicity System, and CAAC shall cease publishing relevant information on its official website.

Article 17 When conducting the following activities, civil aviation administrative organs shall check for information of serious discreditable acts of the subject in SES and impose punishment on the subject who is with information of serious discreditable acts in credit records as appropriate:

1. where a subject applies for administrative permits, the application shall be reviewed against higher standards according to law, and the notification-commitment mechanism shall not be applicable;
2. where imposing an administrative punishment, it shall be done by harsher standards according to law;
3. for handling of violating acts, the fault-tolerance mechanism of statutory

self-inspection shall not be applicable;

4. when developing administrative inspection plan, a higher frequency of inspection shall be applied.

Where it is necessary to adopt other punishment measures in the National Basic List of Punishment Measures for Discredits, those punishment measures shall be imposed according to relevant provisions.

Article 18 Where an organization changes its name, the credit status of the organization decided by civil aviation administrative organs and the way to use the credit information shall remain applicable.

Organizations with the following circumstances are subject to adjustments according to the following principles:

1. in case of split-off, the organization after split-off that operates the business with discreditable acts before shall inherit the credit status determined on the original organization and the ways to use the credit information, while other split-off organizations shall be deemed as newly registered organizations;

2. in case of dissolution and split up, all split organizations shall be considered as newly registered organizations;

3. in case of merger, the organizations after merger shall inherit the credit status decided on the acquiring party and the ways to use the credit information;

4. in case of new establishments and consolidation, the organizations after consolidation shall be considered as newly registered organizations.

Chapter IV Protection and Supervision of Credit Information

Article 19 Civil aviation administrative organs shall ensure data security of credit information, regularly check the information system and protect the lawful rights and interests of relevant subjects.

Relevant entities and individuals shall be held accountable according to the law in case of illegal disclosure of relevant information, or failure to protect, via technical processing, national secrets, commercial secrets and personal privacy contained in the information published.

Article 20 Where there is any mistake detected or change occurred in credit information, civil aviation administrative organs shall adjust credit records within 5

working days. Where such credit information has already been published or circulated in accordance with the Measures, civil aviation administrative organs shall retreat the original published and circulated content within 3 working days since the adjustment of the credit records.

Article 21 Civil aviation administrative organs shall carry out credit administration activities according to the Measures. Those who unjustifiably fail to perform or improperly perform their credit administration duties shall be dealt with according to law enforcement oversight procedures and be subject to administrative disciplinary measures according to law.

Article 22 Credit administration activities by civil aviation administrative organs shall be subject to public scrutiny. Any organization or individual may report information to CAAC via the law enforcement oversight mailbox of zfd@caac.gov.cn.

CAAC legal department shall make a response on whether or not to accept the information reported within 5 working days after its receipt. If accepted, the information shall be processed within 60 days since the date of acceptance, with subsequent results provided to the information provider.

Article 23 Where a subject has objections the administration and use of civil aviation credit information, he or she may apply for administrative reconsideration and administrative proceedings.

Credit information engaged in administrative reconsideration and administrative proceedings shall be marked in SES by the original determining organ, and any new punishment measures based on such credit information by civil aviation administrative organs shall be suspended for the time being.

Chapter V Supplementary Articles

Article 23 Applications for credit restoration to civil aviation administrative organs according to the Measures may be submitted via paper documents or email. A paper document is considered received when it is received by civil aviation administrative organs, while an email is considered received when it enters the mail system.

Civil aviation administrative organs shall publish contact mail addresses for credit administration credit information at their official websites.

Article 24 Credit administration of circumstances other than discreditable acts is regulated separately.

Article 25 The Measures shall become effective on the day of its publication, and the Measures for the Credit Administration of Civil Aviation Industry (Trial) (MHF [2017] No.136) shall be rescinded on the same day.