



Brussels, 18.5.2018  
COM(2018) 309 final

ANNEX

**ANNEX**

**to the**

**Proposal for a Council Decision**

**on the signature of an Agreement between the European Union and the Government of  
the People's Republic of China on civil aviation safety**

**AGREEMENT**  
**ON CIVIL AVIATION SAFETY**  
**BETWEEN THE EUROPEAN UNION AND THE GOVERNEMENT OF THE**  
**PEOPLE'S REPUBLIC OF CHINA**

The EUROPEAN UNION and the GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA (hereinafter referred to individually as a "Party" and collectively as "the Parties"),

RECOGNISING the continuous trend toward multinational design, production and circulation of Civil Aeronautical Products;

DESIRING to promote civil aviation safety and environmental quality and compatibility and to facilitate the free circulation of Civil Aeronautical Products;

DESIRING to enhance co-operation and increase efficiency in matters relating to civil aviation safety;

CONSIDERING that their co-operation can positively contribute in encouraging greater international harmonisation of standards and processes;

CONSIDERING the possible reduction of the economic burden imposed on the aviation industry by redundant technical inspections, evaluations, and testing;

RECOGNISING that any reciprocal acceptance of findings of compliance and certificates needs to offer an assurance of compliance with applicable technical regulations or standards equivalent to the assurance offered by a Party's own procedures;

RECOGNISING that any such reciprocal acceptance also requires continued confidence by each Party in the reliability of the other Party's compliance finding processes in all domains covered by this Agreement;

RECOGNISING the desire of the Parties for regulatory cooperation in civil aviation safety and environmental testing and certificates based on continuous communication and mutual confidence;

RECOGNISING the respective commitments of the Parties under bilateral, regional and multilateral agreements dealing with civil aviation safety and environmental compatibility,

HAVE AGREED AS FOLLOWS:

*Article 1*

**Objectives**

The objectives of this Agreement are to:

- (a) enable the reciprocal acceptance, as provided in the Annexes to this Agreement, of findings of compliance and certificates issued by either Party's Competent Authorities.
- (b) facilitate the multinational dimension of the civil aviation industry.
- (c) facilitate and promote the free circulation of civil aeronautical products and services.

- (d) promote cooperation toward a high level of civil aviation safety and environmental compatibility.

## *Article 2*

### **Definitions**

For the purposes of this Agreement, the following definitions apply:

- (a) “Approved organisations” means any legal person certified by the Competent Authority of either Party to exercise privileges related to a subject matter within the scope of this Agreement.
- (b) “Certificate” means any approval, licence or other document issued as a form of recognition of compliance that a civil aeronautical product, organisation or person complies with the applicable requirements stemming from the respective Parties' relevant legislation.
- (c) “Civil Aeronautical Product” means any civil aircraft, aircraft engine, or aircraft propeller or sub-assembly, appliance, or part, installed or to be installed thereon.
- (d) “Competent Authority” means a government agency or entity that is designated by a Party for the purposes of this Agreement to exercise a legal right to assess the compliance and to monitor the use of Civil Aeronautical Products, services, operations or certificates within a Party’s jurisdiction, and that may take enforcement action to ensure they comply with applicable legal requirements within that Party’s jurisdiction.
- (e) “Designated representatives” means any legal or natural person mandated by law to carry out compliance assessment and raise findings on behalf of the Civil Aviation Administration of China.
- (f) “Monitoring” means the periodic surveillance by a Competent Authority to determine continuing compliance with the appropriate applicable legal requirements.
- (g) “Technical Agent” means, for the Government of the People's Republic of China, the Civil Aviation Administration of China – CAAC, and for the European Union, the European Aviation Safety Agency – EASA.

## *Article 3*

### **Scope**

- 1. The scope of cooperation under this Agreement includes the following areas:
  - (a) The airworthiness Certificates and Monitoring of Civil Aeronautical Products;
  - (b) Environmental testing and Certificates of Civil Aeronautical Products;
  - (c) The certification and Monitoring of design and production organisations;
  - (d) The certification and Monitoring of maintenance organisations;
  - (e) Personnel licensing and training;
  - (f) Operation of aircraft;
  - (g) Air traffic services and air traffic management; and

- (h) Other areas subject to Annexes to the Convention on International Civil Aviation, signed in Chicago on 7 December 1944 (hereinafter referred to as 'the Convention').
- 2. For matters within the scope of this Agreement, the Parties shall develop Annexes and associated Implementing Procedures describing the terms, conditions and methods for reciprocal acceptance of findings of compliance and Certificates, including transitional arrangements where necessary, when they agree that their respective civil aviation standards, rules, practices, procedures and systems are sufficiently equivalent or compatible to permit acceptance of Certificates and findings of compliance with agreed upon standards made by one Party on behalf of the other. Technical differences between the Parties' civil aviation systems shall be addressed in the Annexes.

#### *Article 4*

##### **General Obligations**

- 1. Each Party shall accept findings of compliance and Certificates made by the other Party's Competent Authorities, in accordance with the terms and conditions set forth in the Annexes to this Agreement, including transitional arrangements where necessary, which form an integral part thereof.
- 2. Except as specified in the Annexes to this Agreement, this Agreement shall not be construed to entail reciprocal acceptance or recognition of standards or technical regulations of the Parties.
- 3. The findings made by Designated representatives or Approved organisations, authorised by the applicable legislation of either Party to make the same findings as a Competent Authority, shall be given the same validity as those made by a Competent Authority itself for the purposes of this Agreement.
- 4. The Parties shall ensure that their Competent Authorities remain capable and fulfil their responsibilities under this Agreement, including its Annexes.
- 5. To ensure the continued confidence by each Party in the reliability of the other Party's compliance finding processes, each Technical Agent may participate in the other's internal quality assurance activities, in accordance with procedures defined in the Annexes to this Agreement.

#### *Article 5*

##### **Preservation of Regulatory Authority and Safeguard Measures**

- 1. Nothing in this Agreement shall be construed to limit the authority of a Party to:
  - A. Determine, through its legislative, regulatory and administrative measures, the level of protection it considers appropriate for safety, for the environment, and otherwise with regard to risks within the scope of this Agreement.
  - B. Take all appropriate and immediate measures whenever there is a reasonable risk that a product, a service or any activity within the scope of this Agreement, may:
    - (a) compromise the health or safety of persons or the environment;

- (b) not comply with the applicable legislative, regulatory, or administrative measures of that Party; or
  - (c) otherwise fail to satisfy a requirement within the scope of the applicable Annex to this Agreement.
- 2. Where either Party takes measures pursuant to Paragraph 1 of this Article, it shall inform the other Party in writing within 15 working days of taking such measures, providing reasons for it.
- 3. Measures taken under this Article shall not be construed or interpreted by either Party as an infringement of the provisions of this Agreement.

#### *Article 6*

##### **Communication**

- 1. Upon signature of this Agreement the Parties will communicate to each other the relevant contact points for the implementation of this Agreement.
- 2. All communications related to the implementation of this Agreement between the Parties and / or the Competent Authorities shall be in the English language.
- 3. Each Party shall notify the other Party of the identity of its Competent Authority or Authorities.

#### *Article 7*

##### **Regulatory cooperation, mutual assistance and transparency**

- 1. Each Party shall ensure that the other Party is kept informed of all its relevant laws, regulations, standards, and requirements, and of its system for issuing Certificates.
- 2. The Parties shall notify each other of their proposed significant revisions to their relevant laws, regulations, standards, and requirements, and to their systems for issuing Certificates, insofar as these revisions may have an impact on this Agreement. To the extent practicable, they shall offer each other an opportunity to comment on such revisions and give due consideration to such comments.
- 3. The Technical Agents may develop procedures on regulatory co-operation within the scope of this Agreement.
- 4. For the purpose of investigating and resolving safety issues, the Parties may allow each other to participate as observers in each other's oversight activities as specified in the appropriate Annex.
- 5. For purposes of surveillance and inspections, each Party's Competent Authorities shall assist the other Party's Competent Authorities with the objective of gaining unimpeded access to regulated entities subject to its jurisdiction.

#### *Article 8*

##### **Exchange of safety information**

The Parties agree, without prejudice to the provisions of Article 10 and subject to their applicable legislation:

- (a) to provide each other, on request and in a timely manner, information available to their Technical Agents related to accidents or serious incidents or occurrences in relation to products, services or activities covered by the Annexes to this Agreement, and
- (b) to exchange other safety information in accordance with procedures developed by the Technical Agents.

#### *Article 9*

#### **Cooperation in Enforcement Activities**

The Parties agree, subject to applicable laws and regulations, to provide, when requested and subject to the availability of required resources, through their Technical Agents or Competent Authorities, mutual cooperation and assistance in investigations or enforcement proceedings under the scope of this Agreement. In addition, each Party shall notify the other promptly of any investigation when mutual interests are involved.

#### *Article 10*

#### **Confidentiality and Protection of Proprietary Data and Information**

1. Each Party agrees to maintain, subject to any limitations imposed under its legislation, the confidentiality of data and information received from the other Party under this Agreement.
2. In particular, subject to their respective legislation, the Parties shall neither disclose to a third party, including public, nor permit a Competent Authority to disclose to a third party, including public, any data and information received from each other under this Agreement that constitutes trade secrets, intellectual property, confidential commercial or financial information, proprietary data, or information that relates to an ongoing investigation. To this end, such data and information shall be considered as confidential, proprietary or a trade secret, and shall be clearly marked as such, as appropriate.
3. A Party or a Competent Authority may, upon providing data and information to the other Party or a Competent Authority of the other Party, designate the portions of the data and information that it considers to be exempt from disclosure.
4. If a Party disagrees with the designation by the other Party of provided data and information as confidential, proprietary, or a trade secret, then the Party disagreeing with the designation shall request consultations with the other Party pursuant to the provisions of Article 15 to address the issue.
5. Each Party shall take all reasonable precautions necessary to protect data and information received under this Agreement from unauthorized disclosure.
6. The Party receiving data and information from the other Party under this Agreement shall not acquire any proprietary rights in intellectual or industrial property by reason of its receipt from the other Party.

## *Article 11*

### **Joint Committee of the Parties**

1. A Joint Committee is established, consisting of representatives from each Party. The Joint Committee shall be responsible for the effective functioning of this Agreement and shall meet at regular intervals to evaluate the effectiveness of its implementation.
2. The Joint Committee may consider any matter related to the functioning and implementation of this Agreement. In particular it shall be responsible for:
  - (a) resolving any question relating to the application and implementation of this Agreement including its Annexes,
  - (b) considering ways to enhance the operation of this Agreement and make as appropriate recommendations to the Parties for the amendment of this Agreement pursuant to Article 17,
  - (c) adopting amendments to the Annexes,
  - (d) coordinating the development of and adopting new Annexes pursuant to Article 17; and
  - (e) adopting, as appropriate, working procedures on regulatory cooperation and transparency for all activities referred to in Article 3.
3. The Joint Committee shall draw up and adopt its rules of procedure.

## *Article 12*

### **Cost recovery**

Each Party shall endeavour to ensure that any fees or charges imposed by its Technical Agent on a legal or natural person whose activities are regulated under this Agreement shall be just, reasonable and commensurate with the services provided, and shall not create a barrier to trade.

## *Article 13*

### **Other Agreements**

1. Except where otherwise specified in the Annexes, obligations contained in agreements concluded by either Party with a third country not party to this Agreement shall have neither force nor effect with regard to the other Party under the Agreement.
2. Upon entry into force, this Agreement shall supersede any bilateral aviation safety agreements or arrangements between the Government of the People's Republic of China and the Member States of the European Union with respect to any matter covered by this Agreement that has been actioned in accordance with the provisions of Article 3.
3. Upon entry into force of this Agreement, the Technical Agents shall take necessary measures to amend or terminate, as appropriate, prior arrangements between them.

4. Subject to Paragraph 2 of this Article, this Agreement shall not affect the rights and obligations of the Parties under any other international agreement.

#### *Article 14*

##### **Application**

1. This Agreement shall apply, on the one hand, to the civil aviation regulatory system of the People's Republic of China and, on the other hand, to the civil aviation regulatory system of the European Union.
2. The Parties share the goal of maximizing the benefits of this Agreement by its possible extension to include third countries. To this end the Joint Committee, established pursuant to Article 11, shall consider, as appropriate, the conditions and procedures, including any necessary amendments to this Agreement that would be required for third countries to accede to this Agreement.

#### *Article 15*

##### **Consultations and Settlement of Disagreements**

1. The Parties shall make every effort to resolve any disagreement between them regarding their cooperation under this Agreement at the lowest possible technical level by consultation in accordance with provisions contained in the Annexes to this Agreement.
2. In the event that any disagreement is not resolved as provided for in Paragraph 1 of this Article, either Technical Agent may refer the disagreement to the Joint Committee established pursuant to Article 11, which shall consult on the matter.
3. Notwithstanding the provisions of Paragraphs 1 and 2 of this Article, either Party may request consultations with the other Party on any matter related to this Agreement. The other Party shall enter into consultations at a time agreed by the Parties within 45 days.

#### *Article 16*

##### **Suspension of Reciprocal Acceptance Obligations**

1. A Party may suspend, in whole or in part, its acceptance obligations specified under an Annex to this Agreement, when the other Party fails to fulfil its obligations specified under the Agreement, including its Annexes.
2. Before suspending its acceptance obligations, a Party shall request consultations under Article 15. Should consultations not resolve a disagreement that relates to any of the Annexes, either Party may notify the other Party of its intention to suspend the acceptance of findings of compliance and Certificates under the Annex, over which there is disagreement. Such notification shall be in writing and detail the reasons for suspension.
3. Such suspension shall take effect 30 days after the date of the notification, unless, prior to the end of this period, the Party, which initiated the suspension, notifies the other Party in writing that it withdraws its notification. Such suspension shall not affect the validity of findings of compliance and Certificates made by the Party's Competent Authority in question prior to the



date the suspension took effect. Any such suspension that has become effective may be rescinded immediately upon an exchange of written correspondence to that effect by the Parties.

#### *Article 17*

##### **Entry into Force, Termination and Amendment**

1. This Agreement, including its Annexes, shall enter into force on the first day of the second month following the date on which the Parties have exchanged diplomatic notes confirming the completion of their respective procedures for entry into force of this Agreement.
2. The Agreement, including its Annexes, is binding on both Parties and shall remain in force until terminated by either Party.
3. A Party may terminate this Agreement at any time upon six months written notification to the other Party, unless the said notice of termination has been withdrawn by mutual consent of the Parties before the expiry of this period.
4. Following notice of termination of this Agreement in its entirety or of any Annexes thereto, the Parties shall continue to meet their obligations under the Agreement or any Annexes thereto until the effective date of termination.
5. Termination of this Agreement shall not affect the validity of any certificates granted by the Parties under the terms of this Agreement, including its Annexes.
6. The Parties may amend this Agreement by mutual written consent. An amendment to this Agreement shall enter into force on the date of the latest written notification by one Party to the other Party that its internal procedures for entry into force have been completed. Amendments of the Annexes shall be effected by a decision of the Joint Committee established pursuant to Article 11.
7. Where a Party seeks to amend the Agreement by removing or adding one or more Annexes and preserving the other Annexes, the Parties shall seek to amend this Agreement by consensus, in accordance with the procedures in this Article. Failing consensus to preserve the other Annexes, the Agreement shall terminate at the end of six months from the date of notice unless otherwise agreed by the Parties.
8. Any individual Annex developed after the date of entry into force of this Agreement in accordance with the provisions of Article 3, shall enter into force upon a decision of the Joint Committee established pursuant to Article 11.

IN WITNESS WHEREOF, the undersigned duly authorized to that effect, have signed this Agreement Done, in duplicate, in XX, this XX day of XXX 201X, in the Bulgarian, Czech, Croatian, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovakian, Slovenian, Spanish, Swedish and Chinese languages, each version being equally authentic. In case of divergence of interpretation, the English version shall prevail.

FOR THE EUROPEAN UNION / FOR THE GOVERNMENT OF THE PEOPLE'S  
REPUBLIC OF CHINA

**AIRWORTHINESS AND ENVIRONMENTAL CERTIFICATION****1. SCOPE**

- 1.1. This Annex covers 1) the reciprocal acceptance of findings of compliance, certificates, and documentation, and 2) technical support regarding:
- (a) airworthiness and continued airworthiness of civil aeronautical products (hereinafter referred to as "products");
  - (b) design and production organisations; and
  - (c) noise, fuel venting, and exhaust emissions, including carbon dioxide emissions when applicable.
- 1.2. Used or rebuilt engines, propellers, parts and appliances are not within the scope of this Annex when considered individually. Used aircraft are within the scope of this Annex.
- 1.3. The Parts Manufacturer Approvals issued under the airworthiness oversight system of China are not within the scope of this Annex.

**2. DEFINITIONS**

- 2.1. For the purposes of this Annex, the following definitions apply:
- (a) ‘Aircraft Evaluation Report’ means the report developed by Aircraft Evaluation Group under Chapter 15 of CCAR-21-R4. Aircraft Evaluation Report is not directly covered by the CAAC type certificate or validation of type certificate, but is assessed under an Aircraft Evaluation Group in the CAAC system to support type specific operational aspects for which the type certificate holder is responsible.
  - (b) ‘Airworthiness Approval Tag’ means a declaration by a person or organisation under the regulatory oversight of the Exporting Party that a new Civil Aeronautical Product, other than a complete aircraft, conforms to an approved design and is in a condition for safe operation. CAAC Form AAC-038 and EASA Form 1 are Airworthiness Approval Tags.
  - (c) ‘Certificating Authority’ means the Authority that issued a Design Certificate in its capacity as Authority discharging the State of Design responsibilities for a Product.
  - (d) Changes in type design are classified as minor and major. A ‘minor change’ is one that has no appreciable effect on the mass, balance, structural strength, reliability, operational characteristics, noise, fuel venting, exhaust emission, or other characteristics affecting the airworthiness of the product. All other changes are ‘major changes’.
  - (e) ‘Design Certificate’ means a form of recognition by a Party that the design or change to a design of a civil aeronautical product meets airworthiness standards and, as applicable, environmental protection requirements in particular concerning noise, fuel venting or exhaust emissions, established by the legislation in force in that Party.

- (f) 'Design-related Operational Requirements' means the operational, including environmental, requirements affecting either the design features of the product or data on the design relating to the operations or maintenance of the product that make it eligible for a particular kind of operation.
- (g) 'Export' means the process by which a Civil Aeronautical Product is released from one regulatory system to another.
- (h) 'Export Certificate of Airworthiness' means an export declaration by the Exporting Party – or, for used aircraft, by the Competent Authority of the State of Registry from which the product is exported – that a complete aircraft conforms to the airworthiness and environmental requirements notified by the Importing Party.
- (i) 'Exporting Party' means the Party from whose production oversight system a Civil Aeronautical Product is exported.
- (j) 'Import' means the process by which an exported civil aeronautical product is introduced into a regulatory system.
- (k) 'Importing Party' means the Party in which a Civil Aeronautical Product is imported.
- (l) 'Modification design approval' means a design certificate issued by the Civil Aviation Administration of China to approve minor changes made by an organisation or person other than the type design approval holder, to an approved type design.
- (m) 'Operational Suitability Data' means the set of data required to be established by aircraft manufacturers and approved under EASA Part 21.A.15 d) of Regulation (EU) No 748/2012. Operational Suitability Data is approved as part of the type certificate issued by the European Union Technical Agent to support type specific operational aspects for which the type certificate holder is responsible.
- (n) 'Production Certificate' means a certificate issued by one Party to an organisation compliant with applicable production regulation in force in that Party.
- (o) 'Validating Authority' means the Technical Agent that automatically accepts or validates, as specified in this Annex, a Certificate issued by the Certifying Authority.

### **3. CERTIFICATION OVERSIGHT BOARD**

#### **3.1. Establishment and Composition of the Certification Oversight Board**

- 3.1.1. A technical coordination body called the Certification Oversight Board, accountable to the Joint Committee of the Parties, is hereby established under the joint leadership of the Technical Agents. It shall include representatives from each Technical Agent.
- 3.1.2. The Certification Oversight Board shall establish its own rules of procedure.
- 3.1.3. The joint leadership may invite additional participants to facilitate the fulfilment of the mandate of the Certification Oversight Board.

#### **3.2. Mandate**

- 3.2.1. The Certification Oversight Board shall meet at regular intervals to ensure the effective functioning and implementation of this Annex. Its functions shall include in particular:
  - (a) Contributing to minimise the differences in the regulatory systems, standards and certification processes of the Parties;
  - (b) Developing, approving, and revising the Technical Implementation Procedures referred to in paragraph 4.2;
  - (c) Sharing information on major safety concerns and, where appropriate, developing action plans to address them;
  - (d) Resolving technical issues falling within the responsibilities of the Competent Authorities affecting the implementation of this Annex;
  - (e) Where appropriate, developing effective means for cooperation, technical support and exchange of information regarding safety and environmental requirements, certification systems, and quality management and standardisation systems;
  - (f) Proposing amendments regarding this Annex to the Joint Committee of the Parties.
  - (g) In accordance with the provisions of paragraph 5.2.2, defining procedures to ensure the continued confidence by each Party in the reliability of the other Party's compliance finding processes;
  - (h) Analysing, and taking action on, the implementation of the procedures referred to in (g).

- 3.2.2. The Certification Oversight Board shall report unresolved issues to the Joint Committee of the Parties and ensure the implementation of decisions reached by the Joint Committee of the Parties regarding this Annex.

## **4. IMPLEMENTATION**

### **4.1. Competent authorities**

- 4.1.1. Competent authorities as regards Design Certification are:

- (a) for the Government of the People's Republic of China: the Civil Aviation Administration of China (CAAC); and
- (b) for the European Union: the European Aviation Safety Agency (EASA).

- 4.1.2. Competent authorities as regards Production Certification are:

- (a) for the Government of the People's Republic of China: the Civil Aviation Administration of China (CAAC); and
- (b) for the European Union: the European Aviation Safety Agency (EASA) and the Competent Authorities of the Member States of the European Union.

## **4.2. Technical Implementation Procedures**

- 4.2.1. The Certification Oversight Board shall develop working procedures called 'Technical Implementation Procedures' to facilitate the implementation of this Annex, notably by defining the interface requirements and activities between the Competent Authorities.
- 4.2.2. These Technical Implementation Procedures will address the differences between the Parties' airworthiness and environmental certification systems.

## **4.3. Exchange and protection of confidential and proprietary data and information**

- 4.3.1. Data and information exchanged in the framework of activities within the scope of this Annex are subject to the provisions of Article 10 of the Agreement.
- 4.3.2. Data and information exchanged during validation activities shall be limited in nature and content to that which is necessary for the purpose of compliance demonstration with applicable technical requirements, as detailed in the Technical Implementation Procedures.
- 4.3.3. Any disagreement with regard to a data and information request by a Competent Authority or Technical Agent should be handled through a gradual escalation process, as detailed in the Technical Implementation Procedures. Any Party retains the right to refer the disagreement to the Certification Oversight Board for resolution.

## **4.4. Design**

### **4.4.1. General Provisions**

- 4.4.1.1. This Annex addresses all Design Certificates and changes thereof within the scope defined in paragraph 1 of this annex, and in particular:
  - (a) Type certificates, including, as applicable, operational suitability data;
  - (b) Supplemental type certificates, including, as applicable, operational suitability data;
  - (c) Modification Design Approvals;
  - (d) Repair design approvals;
  - (e) Parts and appliances approvals.
- 4.4.1.2. Restricted type certificates issued by the European Technical Agent and type certificates for the restricted category aircraft issued by the Chinese Technical Agent will be addressed on a case-by-case basis by the Technical Agents as detailed in the Technical Implementation Procedures.
- 4.4.1.3. For the implementation of this Annex, the Parties agree that, subject to the continued qualification requirements defined in paragraph 5 of this Annex:
  - (a) In the European regulatory system, the demonstration of capability of any design organisation to assume its responsibilities is sufficiently controlled through a system of design organisation certification.
  - (b) In the Chinese regulatory system, the demonstration of capability of a design organisation is ensured through a design assurance system and direct controls

performed by the Technical Agent. This system provides for an equivalent independent level of checking of compliance.

4.4.1.4. An application for a Design Certificate shall be made to the Validating Authority through the Certifying Authority, where appropriate and as detailed in the Technical Implementation Procedures.

#### 4.4.2. Level of involvement of the Validating Authority

4.4.2.1. The level of involvement of the Validating Authority during validation processes defined in paragraph 4.4.5 of this Annex and detailed in the Technical Implementation Procedures shall be mainly determined by:

- (a) the experience and records of the Competent Authority of the other Party as Certifying Authority;
- (b) the experience already gained by this Validating Authority during previous validation exercises with the Competent Authority of the other Party;
- (c) the nature of the validated design, the performance and experience of the applicant with the Validating Authority; and
- (d) the outcome of initial and continued qualification requirements assessments, defined in paragraph 5.2.

4.4.2.2. The Validating Authority will exercise special procedures and scrutiny, in particular on the Certifying Authority's processes and methods, during the first validation of a given product category, as detailed in Technical Implementation Procedures. For any additional application in a given product category, which is received before the first validation has been completed, the Validating Authority will determine on a case-by-case basis whether the special procedures and scrutiny will be exercised and to what extent.

4.4.2.3. The effective implementation of the above principles will be regularly measured, monitored and reviewed by the Certification Oversight Board, using metrics defined in the Technical Implementation Procedures.

#### 4.4.3. Certification Basis

4.4.3.1. For the purpose of issuing a type certificate, the Validating Authority shall refer to the airworthiness standards for a similar product of its own that were in effect on the effective certification application date established by the Certifying Authority, complemented when applicable by additional technical conditions, as defined in the Technical Implementation Procedures.

4.4.3.2. The environmental protection requirements used during the validation process of a type certificate shall be the applicable requirements in effect in the Party of the Validating Authority on the date of application for validation to the Validating Authority.

4.4.3.3. The Validating Authority shall specify, when applicable, any:

- (a) exemption to the applicable standards;
- (b) deviation from the applicable standards;
- (c) compensating factors that provide an equivalent level of safety when applicable standards are not complied with.

- 4.4.3.4. The Validating Authority shall specify any special condition applied or intended to be applied if the related airworthiness code does not contain adequate or appropriate safety standards for the product, because:
- (a) the product has novel or unusual design features relative to the design practices on which the applicable airworthiness code is based; or
  - (b) the intended use of the product is unconventional; or
  - (c) experience from other similar products in service or products having similar design features, has shown that unsafe conditions may develop.
- 4.4.3.5. When specifying exemptions, deviations, compensating factors or special conditions, the Validating Authority shall give due consideration to those of the Certifying Authority and shall not be more demanding for the products to be validated than it would be for similar products of its own. The Validating Authority shall notify the Certifying Authority of any such exemptions, deviations or special conditions.
- 4.4.4. Design Certification Process
- 4.4.4.1. The Certifying Authority shall ensure that the Validating Authority receives all the relevant data and information, as defined in the Technical Implementation Procedures, necessary for the Validating Authority to become and remain familiar with the design and certification of the Civil Aeronautical Products that are subject to validation.
- 4.4.4.2. The Validating Authority shall issue its type certificate for an aircraft, engine or propeller when:
- (a) the Certifying Authority has issued its own certificate;
  - (b) the Certifying Authority certifies to the Validating Authority that the product complies with the certification basis as set out in paragraph 4.4.3;
  - (c) all issues raised during the validation process conducted by the Validating Authority have been resolved; and
  - (d) additional administrative requirements, as defined in the Technical Implementation Procedures, have been met by the applicant.
- 4.4.4.3. In order to obtain and maintain a Validated Design Certificate as per the provisions of this Annex, the applicant shall hold and retain at the disposal of the Certifying Authority all relevant design information, drawings and test reports, including inspection records for the certified product, in order to provide the information necessary to ensure the continued airworthiness and compliance with applicable environmental protection requirements of the product.
- 4.4.5. Validation and automatic acceptance processes
- 4.4.5.1. Design Certificates that have been, or are in the process of being, issued by the Certifying Authority, are either automatically accepted or validated by the Validating Authority:
- (a) For certificates subject to validation, the Validating Authority issues its own Certificate through a validation process implying a commensurate level of involvement, defined in accordance with the principles of paragraph 4.4.2 and as detailed in the Technical Implementation Procedures.
  - (b) For certificates subject to automatic acceptance, the Validating Authority recognises and accepts the Certifying Authority's certificates without any



technical investigation or validation exercise. In this case, the certificate issued by the Certifying Authority is recognised by the Validating Authority as equivalent to its own certificate issued in accordance with its legislation and procedures. The validating Authority does not issue its own corresponding certificate.

- 4.4.5.2. Subject to the provisions of paragraph 4.4.2, the validation process, as detailed in the Technical Implementation Procedures, shall be based to the maximum extent practicable on the technical evaluations, tests, inspections, and compliance certifications made by the other Technical Agent.
- 4.4.5.3. The modalities of acceptance and validation of certificates are presented in paragraph 9 of this Annex (Appendix 1 – Modalities of acceptance and validation of certificates).
- 4.4.6. Transfer of Certificate
- 4.4.6.1. In the event that a Design Certificate holder transfers its Certificate to another entity, the Technical Agent responsible for the Design Certificate shall promptly notify the other Technical Agent of the transfer and apply the agreed procedure related to the transfer of certificates as defined in the Technical Implementation Procedures.
- 4.4.7. Design-related operational requirements
- 4.4.7.1. The Technical Agents shall ensure that, where necessary, data and information related to design-related operational requirements is exchanged during the validation process.
- 4.4.7.2. Subject to agreement between the Technical Agents, for some design-related operational requirements the Validating Authority may accept the compliance statement of the Certifying Authority.
- 4.4.8. Operational documents and data related to the Type
- 4.4.8.1. Some Type-specific sets of operational documents and data, including Operational Suitability Data in the European Union system and the Aircraft Evaluation Reports in the Chinese system, and provided by the type certificate holder, are approved or accepted by the Certifying Authority.
- 4.4.8.2. These operational documents and data may be either automatically accepted or validated by the Validating Authority as detailed in the Technical Implementation Procedures.
- 4.4.9. Concurrent certification
- 4.4.9.1. When mutually agreed by the applicant and both Technical Agents, a concurrent certification process may be used, where appropriate and as detailed in the Technical Implementation Procedures. Both Technical Agents recognise the possible benefits of such a process.

## **4.5. Production**

- 4.5.1. As the Parties' systems for production of civil aeronautical products are considered sufficiently comparable, the Importing Party shall accept the other Party's production certification and oversight system within the scope of this Annex, subject to the provisions of paragraphs 4.5.2 to 4.5.10.
- 4.5.2. Subject to the provisions of paragraph 4.5.4 and 4.5.5 and unless otherwise agreed between the Technical Agents, the Technical Agent of the Importing Party shall not issue a production approval for a manufacturer primarily located in the Exporting party.
- 4.5.3. The provisions of paragraph 4.5.1 also apply:

- (a) if the State of Design responsibilities are exercised by a third country, provided that the Competent Authority of the Exporting Party has established and implemented procedures with the Authority of the State of Design to control the interface between the Design Certificate holder and the Production Certificate holder;
  - (b) to the production of parts and appliances by a holder of a stand-alone Production Certificate, primarily located outside of the territories of the Parties;
  - (c) subject to a review between the Technical Agents on a case-by-case basis, to the production of engines and propellers by a holder of a stand-alone Production Certificate, primarily located outside of the territories of the Parties.
- 4.5.4. The Parties agree that a Production Certificate issued by the Competent Authority of the Exporting Party to organisations primarily located in the territory of that Party and accepted under the provisions of paragraph 4.5.1 can be extended to include manufacturing sites and facilities located in the territory of the other Party or in the territory of a third country, irrespective of the legal status of these manufacturing sites and facilities, and irrespective of the type of aeronautical product manufactured in these sites. In this case, the Competent Authority of the Exporting Party shall remain responsible for the oversight of these manufacturing sites and facilities and the importing Party shall not issue its own certificate for the same product.
- 4.5.5. The arrangements between the Technical Agents covering production oversight of manufacturing sites and facilities located in the territory of the other Party at the time of entry into force of the Agreement shall not be modified without the consent of both Technical Agents.
- 4.5.6. The stand-alone Production Certificates issued by the Technical Agent of one Party to Production Organisations located in the territory of the other Party, still in force at the time of entry into force of the Agreement, shall be reviewed on a case-by-case basis by the Technical Agents. In consultation with the Production Certificate holders, some Production Certificates may be terminated within a reasonable timeframe.
- 4.5.7. In cases where the Production Certificate holder is regulated by a Competent Authority of one Party, and the Design Certificate holder is regulated by a Competent Authority of the other Party, the Technical Agents shall establish procedures to define the responsibilities of each Party to control the interface between the Design Certificate holder and the Production Certificate holder.
- 4.5.8. For the purpose of export of Civil Aeronautical Products in the framework of this Annex, when the Design Certificate holder and the Production Organisation are not the same legal entity, the Design Certificate holder shall establish proper arrangements with the Production Organisation to ensure satisfactory coordination between production and design and the proper support of the continued airworthiness of the Civil Aeronautical Product.
- 4.5.9. A list of Chinese Production Certificate holders, including holders of Chinese Technical Standard Order Approvals, whose production is accepted by the European Union, will be published and regularly updated on the Official Publication of the Technical Agent of the European Union.
- 4.5.10. Products manufactured in accordance with the “production under type certificate” requirements in the Chinese aviation regulatory system, or in accordance with the “production without Production Organisation Approval” procedure in the European

Union aviation regulatory system, will be considered on a case-by-case basis by the Technical Agents.

#### **4.6. Export certificates and forms**

##### **4.6.1. Forms**

###### **4.6.1.1. The Exporting Party's forms are:**

- (a) When the Exporting Party is China: CAAC Form AAC-157 for new and used aircraft, and Form AAC-038 for other new products.
- (b) When the Exporting Party is the European Union: EASA Form 27 for new and used aircraft, and EASA Form 1 for other new products.

##### **4.6.2. New aircraft**

###### **4.6.2.1. As detailed in the Technical Implementation Procedures, the Competent Authority of the Exporting Party, or the approved production organisation, as applicable, shall issue an Export Certificate of Airworthiness (CAAC Form-157 or EASA Form 27), certifying that such aircraft:**

- (a) conforms to a type design approved by the Importing Party in accordance with this Annex;
- (b) is in a condition for safe operation, including compliance with the applicable airworthiness directives of the Importing Party, as notified by that Party; and
- (c) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

###### **4.6.2.2. Subject to the provisions of paragraph 4.5 of this Annex, the Importing Party shall accept, for new aircraft, the Exporting Party's Export Certificates of Airworthiness.**

##### **4.6.3. Used aircraft**

###### **4.6.3.1. For a used aircraft for which a Design Certificate was granted by the Importing Party, the Competent Authority of the State of Registry from which the product is exported shall issue an Export Certificate of Airworthiness certifying that the aircraft:**

- (a) conforms to a type design approved by the Importing Party in accordance with this Annex;
- (b) is in a condition for safe operation, including compliance with all applicable airworthiness directives of the Importing Party, as notified by that Party;
- (c) has been properly maintained using approved procedures and methods during its service life, as evidenced by logbooks and maintenance records; and
- (d) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

- 4.6.3.2. Used aircraft may be exported only if a holder of either a type certificate or a restricted type certificate/type certificate for restricted category exists to support continued airworthiness of that aircraft.
- 4.6.3.3. For used aircraft manufactured under its production oversight system, each Party agrees to assist, upon request, the other Party in obtaining data and information regarding:
- (a) the configuration of the aircraft at the time it left the manufacturer; and
  - (b) subsequent changes and repairs applied to the aircraft, that it has approved.
- 4.6.3.4. The Importing Party may request inspection and maintenance records as detailed in the Technical Implementation Procedures.
- 4.6.3.5. If, in the process of assessing the airworthiness status of a used aircraft considered for export, the Competent Authority of the Exporting Party is unable to satisfy all of the requirements specified in paragraph 4.6.3.1 or 4.6.3.3, it shall:
- (a) Notify the Competent Authority of the Importing Party;
  - (b) Coordinate, with the Competent Authority of the Importing Party as specified in the Technical Implementation Procedures, their acceptance or rejection of the exceptions to the applicable requirements; and
  - (c) Document any accepted exceptions when exporting the product.
- 4.6.4. New Civil Aeronautical Product excluding complete aircraft
- 4.6.4.1. As detailed in the Technical Implementation Procedures, the Competent Authority of the Exporting Party, or the approved production organisation, as applicable, shall issue an Airworthiness Approval Tag (CAAC Form AAC-038 or EASA Form 1), certifying that a new Civil Aeronautical Product (excluding complete aircraft):
- (a) conforms to design data approved by the Importing Party;
  - (b) is in a condition for safe operation; and
  - (c) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

- 4.6.4.2. Subject to the provisions of paragraph 4.5 of this Annex, the Importing Party shall accept the exporting Party's Airworthiness Approval Tag.

#### **4.7. Continuing Airworthiness**

- 4.7.1. The Technical Agents are committed to take action to address unsafe conditions in products for which they are the Certifying Authority.
- 4.7.2. Upon request, a Competent Authority from one Party shall, in respect of civil aeronautical products designed or manufactured under its design or production system, assist the Competent Authority of the other Party, in determining any action considered to be necessary for the continued airworthiness of the products.
- 4.7.3. When service difficulties or other potential safety issues affecting a product within the scope of this Annex lead to an investigation conducted by the Certifying Authority, the Technical Agent of the other Party shall, upon request, support this investigation and exchange relevant information reported by its respective regulated entities on failures, malfunctions, defects or other occurrences affecting this product.
- 4.7.4. The reporting obligations from the certificate holder to the Certifying Authority and the information exchange mechanism established by this Annex shall be considered to fulfil the obligation of each certificate holder to report failures, malfunctions, defects or other occurrences to the Validating Authority.
- 4.7.5. Actions to address unsafe conditions and exchange of safety information referred to in paragraph 4.7.1 to 4.7.4 shall be defined in the Technical Implementation Procedures.
- 4.7.6. The Technical Agent of one Party shall keep the Technical Agent of the other Party informed of all mandatory continuing airworthiness information in relation to civil aeronautical products designed or manufactured under the oversight system of one Party, and which are within the scope of this Annex.
- 4.7.7. Any changes to the airworthiness status of a certificate issued by either Party's Technical Agent shall be timely communicated to the other Party's Technical Agent.

### **5. QUALIFICATION OF COMPETENT AUTHORITIES**

#### **5.1. Qualification requirements for the acceptance of findings and certificates**

- 5.1.1. Each Party shall maintain a structured and effective certification and oversight system for the various activities within the scope of this Annex, including:
- (a) A legal and regulatory structure, ensuring in particular regulatory powers over regulated entities;
  - (b) An organisational structure, including a clear description of responsibilities;
  - (c) Sufficient resources, including appropriately qualified staff with sufficient knowledge, experience and training;
  - (d) Adequate processes documented in policies and procedures;

- (e) Documentation and records;
- (f) An established inspection programme ensuring uniform level of implementation of the regulatory framework among the various components of the oversight system.

## **5.2. Initial and continued qualifications of the Competent Authorities**

### **5.2.1. Initial qualification of the Competent Authorities**

- 5.2.1.1. Subject to the provisions of paragraph 5.2.1.3, the Competent Authorities listed in paragraph 4.1 are deemed to meet the requirements specified in paragraph 5.1, as a result of a confidence building process initiated before the signature of the Agreement.
- 5.2.1.2. In particular, initial mutual assessments allowed both Parties to conclude that at the time of signature of the Agreement, the safety oversight systems of both Parties were sufficiently compatible to allow the conclusion of this Annex.
- 5.2.1.3. The Parties agreed that in the design and production domains, the levels of reliance on certificates, approvals and findings of compliance, during the respective acceptance and validation processes of the Competent Authorities under this Annex, will be different during a transitional period.
- 5.2.1.4. Recurrent mutual assessments shall continue between the Parties as detailed in the Technical Implementation Procedures.

### **5.2.2. Continued qualification of the Competent Authorities**

- 5.2.2.1. In order to maintain mutual confidence in each other's systems, the Technical Agents shall regularly assess the other Party's Competent Authorities' compliance with the qualification requirements set forth in paragraph 5.1.
- 5.2.2.2. The modalities of such continued mutual assessments shall be defined in the Technical Implementation Procedures.
- 5.2.2.3. The Competent Authorities shall submit to such assessments and ensure that regulated entities provide access to both Technical Agents.
- 5.2.2.4. If one Technical Agent believes that a Competent Authority's technical competency is no longer adequate, or that the acceptance of findings or certificates issued by a Competent Authority should be suspended, the Technical Agents shall consult in order to identify remedial actions.
- 5.2.2.5. If confidence is not restored through mutually acceptable means, either Technical Agent may refer the matter to the Certification Oversight Board.
- 5.2.2.6. If the matter is not resolved at the level of the Certification Oversight Board, either Party may refer the matter to the Joint Committee in accordance with Article 15 of the Agreement, and paragraph 3.2.2 of this Annex.

## **6. COMMUNICATIONS**

- 6.1. All communications between the Competent Authorities, including documentation as detailed in the Technical Implementation Procedures, shall be made in the English language.
- 6.2. The Technical Agents may agree to exceptions on a case-by-case basis.



## **7. TECHNICAL CONSULTATIONS**

- 7.1. In accordance with Article 15 of the Agreement, the Technical Agents shall address issues associated with implementation of this Annex through consultation.
- 7.2. The Technical Agents shall make every effort to resolve issues at the lowest possible technical level using the process outlined in the Technical Implementation Procedures before elevating the issue to the Joint Committee.

## **8. SUPPORT FOR CERTIFICATION ACTIVITIES**

- 8.1. Upon request, after mutual agreement, and as resources permit, the Competent Authorities may provide technical support, data and information to each other in certification and continued airworthiness oversight activities related to design, production and environmental certification. The process for providing such support shall be described in the Technical Implementation Procedures.
- 8.2. Support requested and provided under paragraph 8.1 does not affect other data and information exchange obligations set forth in this Annex.
- 8.3. As detailed in the Technical Implementation Procedures, support may include, but is not limited to, the following:
  - (a) Determination of compliance;
  - (b) Monitoring and oversight.
- 8.4. Support may also be requested in relation to the import of used aircraft that were previously exported from either Party. Each Party's Competent Authority may assist the other Party's Competent Authority, in obtaining information regarding the configuration of the aircraft at the time it was exported.

## 9. APPENDIX 1 – MODALITIES OF ACCEPTANCE AND VALIDATION OF CERTIFICATES

### 9.1. Certificates issued within the European Union regulatory system

Certificate	Acceptance / Validation	Comment
Type certificate issued by the European Union Competent Authority	Validation	<p>Validation in accordance with Level of Involvement principles documented in paragraph 4.4.2 of this Annex and in the Technical Implementation Procedures; some data will be automatically accepted as specified in the Technical Implementation Procedures, which will include in particular, the following:</p> <ul style="list-style-type: none"> <li>a) Aircraft flight manual;</li> <li>b) Engine installation manual (for engine type certificate);</li> <li>c) Airworthiness limitation requirement (including airworthiness limitation instructions and certification maintenance requirements);</li> <li>d) Structural repair manual;</li> <li>e) Instruction for continued airworthiness of electrical wiring interconnection systems;</li> <li>f) Weight balance manual.</li> </ul>
Supplemental type certificate issued by the EU Competent Authority, Significant Major changes approved by the EU Competent Authority	Validation	<p><b>Significant Supplemental type certificate, significant major change:</b> validation in accordance with Level of Involvement principles documented in paragraph 4.4.2 of this Annex and in the Technical Implementation Procedures. Some significant Supplemental type certificates or significant major changes, as detailed in the Technical Implementation Procedures, will be validated under a streamlined validation process limited to technical familiarisation without involvement of the Validating Authority in the showing of compliance activities.</p> <p><b>Non-significant Supplemental type certificate:</b> validation through an administrative process detailed in the Technical Implementation Procedures.</p>
Non-significant major changes and major repairs	Automatic acceptance	
Technical Standard Order	Validation	Validation through an administrative process detailed in

<b>Certificate</b>	<b>Acceptance / Validation</b>	<b>Comment</b>
Approval issued by the EU Competent Authority		the Technical Implementation Procedures.
Minor changes and repairs approved by the EU Competent Authority or by an approved organisation under EU law	Automatic acceptance	

## 9.2. Certificates issued within the Chinese regulatory system

<b>Certificate</b>	<b>Acceptance</b>	<b>Comment</b>
Type certificate issued by the Chinese Technical Agent	Validation	Validation process, in accordance with Level of Involvement principles documented in paragraph 4.4.2 of the Annex and in the Technical Implementation Procedures
Supplemental type certificate issued by the Chinese Technical Agent; Major changes and repairs approved by the Chinese Competent Authority	Validation	Validation process, in accordance with Level of Involvement principles documented in paragraph 4.4.2 of the Annex and in the Technical Implementation Procedures
Technical Standard Order Approval issued by the Chinese Competent Authority	Validation	Validation process, in accordance with Level of Involvement principles documented in paragraph 4.4.2 of the Annex and in the Technical Implementation Procedures. Some Technical Standard Order Approvals, as detailed in the Technical Implementation Procedures, will be validated under a streamlined validation process limited to technical familiarisation without involvement of the Validating Authority in the showing of compliance activities.
Minor changes and repairs approved by the Chinese Competent Authority	Automatic acceptance	

### **9.3. Implementation provisions**

- 9.3.1. The administrative process referred to in the above tables entails no technical investigation: when the complete application package, as detailed in the Technical Implementation Procedures, has been received by the Validating Authority, the validated Certificate is issued by the Validating Authority within a maximum of three (3) to five (5) weeks, depending on the complexity of the product.
- 9.3.2. The minor / major and significant / non-significant classifications are made by the Certifying Authority in accordance with the criteria and definitions defined in this Annex and interpreted in accordance with the applicable rules and procedures of the Certifying Authority.
- 9.3.3. In determining whether a specific Supplemental type certificate or major change is significant or non-significant, the Certifying Authority shall consider the change in context with all previous relevant design changes and all related revisions to the applicable certification specifications incorporated in the type certificate for the product. Changes that meet one of the following criteria are automatically considered significant:
  - (a) the general configuration or the principles of construction are not retained;
  - (b) the assumptions used for certification of the product to be changed do not remain valid.