client alert

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ahead of the curve

Bharatiya Vayuyan Niyam, 2026 Regulatory Update

The Ministry of Civil Aviation (**MoCA**) has notified the Bharatiya Vayuyan Niyam, 2026 (**BVN**) under the Bharatiya Vayuyan Adhiniyam, 2024 (**Act**), which from 1 January 2027 will repeal the Aircraft Rules, 1937 (**Aircraft Rules**), Part IX of the Aircraft Rules, 1920 and the Radio Telephone Operator (Restricted) Certificate and Licence Rules, 2025. Rule 220 of the BVN saves existing licences, certificates, approvals, permissions and exemptions consistent with the Act.

Many BVN provisions restate requirements that have been stipulated by the Directorate General of Civil Aviation (**DGCA**) over the years through Civil Aviation Requirements (**CARs**), Aeronautical Information Circulars (**AICs**) and other directions to the dated Aircraft Rules. The table below highlights the key changes that the BVN will introduce:

Subject	Aircraft Rules, 1937	Bharatiya Vayuyan Niyam, 2026 (BVN)
Tariff Publication and passenger disclosures	Rule 135 of the Aircraft Rules required scheduled airlines, Indian and foreign, to publish tariffs on their websites or in two daily newspapers and display them at their own and their agents' offices, with tariffs and tickets showing the total payable and its break-up.	Rule 192 of the BVN replaces these with publication on the airline's website or another DGCA-specified digital platform and requires booking websites and tickets to show a complete break-up expressly including cancellation charges and refund conditions. **Note:** DGCA's refund CAR (Section 3, Series M, Part II, Revision 3, dated 24 February 2026) already requires cancellation charges to be indicated prominently at booking, and the refund policy and amount to be displayed on airline websites. It also requires airlines to indicate the refund amount clearly and permits the amount and its break-up to be shown on the ticket or on a separate form. Rule 192 brings these disclosures to rule level and specifies where they must appear, so airlines should review their websites and tickets for completeness and consistency.

Subject	Aircraft Rules, 1937	Bharatiya Vayuyan Niyam, 2026 (BVN)
Tariff setting, filing and intervention	Rule 135(1) of the Aircraft Rules listed operating cost, service characteristics, reasonable profit and prevailing tariffs as relevant factors. Rule 135(3) required tariff records on demand, and Rule 135(4) let DGCA intervene against excessive or predatory tariffs or oligopolistic practices.	Rule 192(1) of the BVN mentions only operating cost, though the factors remain open-ended, and Rules 192(2) and (5) bring tariff submission and DGCA monitoring into the rules, with details to be specified. Submission applies only to Indian scheduled airlines. Rule 192(6) of the BVN empowers the Central Government to issue proportionate, time-limited, written public-interest directions in extraordinary situations, which changes who may intervene and when, without creating a standing fare cap. **Note:** This is not a new filing obligation in substance, since Air Transport Circular 02/2010 of 19 November 2010 already directed scheduled domestic airlines to furnish their route-wise tariffs to DGCA on the first day of every calendar month and to report any significant change within 24 hours.
Tariff transparency and enforcement: Monetary penalties	Schedule VI-B of the Aircraft Rules treated breaches of the tariff publication, disclosure, record-keeping and DGCA-direction requirements as Level 3 contraventions, attracting INR 5 lakh for a large organisation.	The Sixth Schedule to the BVN prescribes INR 50 lakh (Level 7) for publication, disclosure and submission breaches (Rule 192(2) to (4)), INR 70 lakh (Level 8) for tariff establishment (Rule 192(1)) and INR 1 crore (Level 10) for breaching an extraordinary-situation direction (Rule 192(6)). These amounts apply to organisations with over 100 employees and are adjudicated under Rule 215 of the BVN and section 32 of the Act.
Aircraft registration: Categories A and B	Rule 30(2) and registration CAR paragraph 3.1 distinguishes between Category A (Indian citizens: Indian-registered companies/corporations with their principal place of business in India; government entities; and foreign companies leasing to those eligible persons) from Category B (non-citizens resident in or carrying on business in India, and foreign-registered companies carrying on business in India). Both used a 'wholly owned' test, for Indian ownership or foreign ownership in their respective categories.	Rule 39(4) retains the Category A/B distinction and expressly includes qualifying International Financial Services Centre (IFSC) aircraft-leasing entities in Category A.

Subject	Aircraft Rules, 1937	Bharatiya Vayuyan Niyam, 2026 (BVN)
Partial ownership and aircraft management	Rule 30(2) of the Aircraft Rules permitted registration only of wholly owned aircraft and did not permit divided or fractional ownership which is a popular model globally for optimum asset utilization.	Rule 39(4) of the BVN permits registration of partly or wholly owned aircraft. The express recognition of partial ownership must be read with the operational requirements in Rule 188. Under Rule 188 of the BVN, an aircraft with divided ownership may be operated only through an aircraft management service provider authorised by DGCA or under a dry lease to a single entity responsible for operation and maintenance. This framework is not applicable to aircraft used in scheduled operations. Non-scheduled operators holding a valid air operator permit (AOP) under Rule 184(3) need no separate aircraft-management authorisation, subject to additional DGCA requirements to be specified subsequently. The owners and management provider must agree on the transfer of possession and control of the multi-owned aircraft and file an instrument recording that transfer to DGCA in its specified format. The provider is then entered as operator on the Certificate of Registration and is responsible for operational control and regulatory compliance. This allocation does not transfer ownership or extinguish owner liabilities that arise independently under other applicable laws. Fractional ownership now has an express basis, but shared-use and cost-sharing structures must still fit DGCA requirements. We understand that DGCA is expected to publish a draft CAR for industry comments followed by a final amended CAR targeted to be released around the time BVN becomes effective. These are expected to address aircraft-management-provider authorisation, operating procedures and the documentation for transferring possession and operational control. **Note:** The registration CAR (Section 2, Series F, Part I, paragraph 3.1) also required whole ownership, though third-party continuing-airworthiness management was already recognised.
Private aircraft	Rule 155 of the Aircraft Rules required private owners to maintain their aircraft and records in line with the CARs, Rule 140-B applied the operations manual requirement only to “the Corporation” (a definition omitted in 2001), and Rule 155A(2) required operators other than private aircraft owners to operate under an approved maintenance system, supported by appropriate resources and manuals. Rule 155B excluded private owners from the fee schedule for Rule 155A approvals, not from all fees.	Rule 198 of the BVN requires all private owners to operate under an approved maintenance system with an adequate organisation, trained staff and facilities, approved for up to five years and renewable for five more. Rule 195 requires a DGCA-approved operations manual for complex motor-powered aircraft, and Rule 200 sets new fees of INR 2 lakh for approval and INR 1 lakh for renewal or scope extension. **Note:** Private aircraft were already subjected to maintenance obligations under the applicable CARs. CAR-M and CAR-ML already allocate continuing-airworthiness responsibilities, and maintenance-programme. Applicable continuing airworthiness management organisation (CAMO) and combined airworthiness organisation (CAO) arrangements support the express requirement under Rule 198.

Subject	Aircraft Rules, 1937	Bharatiya Vayuyan Niyam, 2026 (BVN)
Foreign scheduled airlines: operating authorisation fees	Rule 134(2) of the Aircraft Rules addressed Central Government permission for grant of operating authorizations to foreign airlines, with DGCA grant process covered under the AIC framework.	Rule 191 of the BVN consolidates the process for grant of operating authorization to foreign airlines into the rules, and Rule 200 sets fees of INR 5 lakh for grant, INR 2.5 lakh for renewal, INR 25,000 for a new station, INR 10,000 for an added aircraft and INR 5,000 for other amendments. **Note:** AIC 03/2026, effective 23 April 2026 and superseding AIC 09/2020, already provides for five-year maximum authorisations, portal registration and representative documentation.
Foreign non-scheduled services	Rule 134-A(1) of the Aircraft Rules required special Central Government permission, on case-specific terms, separate from the Indian operator permit regime.	Rule 184(1) of the BVN moves this permission to DGCA, reserving special Central Government permission under Rule 184(2) for flights selling individual seats, directly or within packages, and clarifies that a foreign permission does not confer an Indian air operator permit.
Enforcement and compounding	Schedules VI-A and VI-B of the Aircraft Rules separated criminal offences from adjudicated penalties, with Table 1 offences carrying up to two years' imprisonment, a fine of up to INR 1 crore, or both; individuals could compound unauthorised scheduled and non-scheduled operations for INR 25 lakh and INR 15 lakh, with higher organisational amounts.	The Fifth and Sixth Schedules to the BVN keep this split and maximum punishment, with Table 1 covering unauthorised operations, unpermitted import or local acquisition, and unauthorised aircraft management. Rule 214(3), which operates subject to section 30 of the Act, allows compounding only of Table 2 offences, so no compounding amount is prescribed for unauthorised operations.
IDERA deregistration and export	Rule 30(7) of the Aircraft Rules required deregistration within five working days of an application by the holder of an Irrevocable De-registration and Export Request Authorisation (IDERA), and Rule 32-A required export facilitation, subject to dues and safety compliance, without a deadline.	Rule 44(2) of the BVN reproduces Rule 30(7), and Rule 45 reproduces Rule 32A. The five-working-day deregistration obligation, the documents and the dues proviso are unchanged; export still has no deadline. Rule 44(4) further provides for an application under sub-rule (2) or (3) to be in the form and manner specified by the Director General, with fee under Rule 68. Rule 68 prescribes Rs 25,000 for issue of a certificate of deregistration the form for which has now been specified. Rule 44 further adds an application and certificate process (fee of INR 25,000 under Rule 68(2)(F)). **Note:** Rule 44 refers to the Cape Town Convention and Protocol but not to the Protection of Interests in Aircraft Objects Act, 2025 (PIAO) or the PIAO Rules, which have been in force since 30 January 2026. While the BVN and PIAO framework are intended to operate together, certain procedural ambiguities remain. In particular, questions persist around the interaction between the BVN, PIAO Rules and existing DGCA guidance in relation to deregistration and export, including dues-clearance requirements. Further, DGCA's AIC 12 of 2018 and the associated SOP under former Rule 32A have not yet been updated to align with the BVN and PIAO regime. It is possible that these issues will be addressed through a revised SOP or a new AIC.

Other points to note

Licence disqualification: Rule 70 of the BVN merges the grounds in Rules 39-A (flight crew) and 109 (air traffic controllers) of the Aircraft Rules, extends them to aircraft maintenance engineers, adds conviction by an Indian court or tribunal for sexual harassment of women at the workplace, applies suppression or misstatement of information from the application stage, and deactivates electronic licences on disqualification or debarment.

Import and local acquisition: Rule 187 of the BVN elevates the DGCA permission requirement in Air Transport Circular 02/2017 (Issue II, 19 September 2022) to rule level, but omits the circular's paragraph 3 exemption, under which IFSCA-approved IFSC leasing entities need no DGCA approval to import aircraft, or acquire Indian-registered aircraft, for leasing (Indian operators leasing from them still do).

Additional provisions

The BVN also make the following changes:

New aircraft category: "Vertical take-off and landing-capable aircraft", absent from the Aircraft Rules, becomes a separate category relevant to eVTOL and advanced air mobility, though operations still depend on DGCA requirements.

Arms and military stores: Permission to carry arms, ammunition, explosives and military stores moves from the Central Government (Rule 8 of the Aircraft Rules) to DGCA (Rule 6 of the BVN), which may act by general or special order.

Photography and videography: Rule 13 of the Aircraft Rules required DGCA permission for photography at licensed aerodromes or from aircraft in flight, whereas Rule 9 of the BVN requires the aerodrome operator's permission for photography and videography at any aerodrome, with three-year records and security clearance for foreign nationals, while in-flight photography and aerial surveys follow DGCA conditions under Rule 10.

Aerial work: Rule 2(2) of the BVN defines aerial work by activity (such as agriculture, construction, photography, surveying, patrol and search and rescue) without the remunerative-purpose requirement in Rule 3(1A) of the Aircraft Rules, so persons doing such work for their own purposes may now need DGCA authorisation under Rule 185.

Aerodrome license: Rule 124 of the BVN offers DGCA authorisation instead of licensing for aerodromes serving aircraft with up to 19 passenger seats, which Rule 78 of the Aircraft Rules exempted only for approved relief flights or joyrides.

Radiotelephony licences: Licensing moves from the 2025 rules into the BVN, and under Rule 219 existing Wireless Planning and Coordination Wing and DGCA licences remain valid until expiry, and on renewal (sought within the year before expiry) DGCA issues corresponding licences valid until age 80 without re-examination.

Route changes: Rule 194 of the BVN retains the prior notice and DGCA concurrence that Rule 140-A of the Aircraft Rules required for new or substantially altered routes and timetables, but drops the seven-day minimum and any reference to discontinuing routes.

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