



Guidance on Air Traffic Rights (ATR) Application by A Malaysian Air Service Licence (ASL) Holder

ATR
Civil Aviation Authority of Malaysia

Issue 01
Revision 00 – 4th August 2026

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Introduction

This Civil Aviation Economic Guidance Material (CAEGM) is issued by the Civil Aviation Authority of Malaysia (CAAM) to provide guidance relating to the Air Traffic Rights (ATR) application by a Malaysian Air Service Licence (ASL) holder (Airline).

This CAEGM contains the procedures pertaining to the application for ATR by an ASL holder issued by the Authority to those who intend to undertake to carry by air or use any aircraft for the transport of passenger, mail or cargo for hire and reward upon any scheduled journey between two (2) or more places of which at least one (1) place is in Malaysia.

This CAEGM sets out the procedures relating to an air traffic rights application in accordance with Aviation Business Licensing ("BBL"). It aims to enhance and streamline the process when assessing the application for ATR.

Any failure to comply with the provisions of this CAEGM may be taken into consideration by CAAM, at its discretion, when evaluating an application for ATR.



(Dato' Captain Norazman bin Mahmud)
Chief Executive Officer
Civil Aviation Authority of Malaysia



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Record of Revisions

Revisions to this CAEGM shall be made by authorised personnel only. After inserting the revision, enter the required data in the revision sheet below.

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Summary of Changes

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1 General

1.1 Citation

- 1.1.1 This is the Civil Aviation Economic Guidance Material 103 (CAEGM 103) – Guidance on Air Traffic Rights (ATR) application by a Malaysian Air Services Licence (ASL) Holder. Pursuant to section 36ZG(1) to the Civil Aviation Authority of Malaysia Act 2017 [Act 788], the Civil Aviation Authority of Malaysia (“CAAM/Authority”) is the agency responsible to administer, allocate and manage ATR application by a Malaysia Air Service Licence (ASL) holder.
- 1.1.2 This CAEGM 103 – Guidance on Air Traffic Rights application by a Malaysian Air Services Licence Holder (ATR), Issue 01/Revision 00 shall come into operation on 4 August 2026 and will remain current until withdrawn or superseded.

1.2 Applicability

- 1.2.1 ATR is required by an Air Service Licence (“ASL”) holder who intends to undertake to carry by air or use any aircraft for the transport of passenger, mail or cargo for hire and reward upon any scheduled journey between two (2) or more places of which at least one (1) place is in Malaysia.
- 1.2.2 ATRs are awarded by CAAM, based on available capacity allocation on each route(s) as specified in the Air Services Agreement (ASA), to an ASL holder whose application has been successful.
- 1.2.3 An ATR holder is required to use all of the capacity allocated to it within six (6) months from the approved issuance date of the traffic rights and failure to do so will result in the un-utilised rights being revoked.

1.3 Revocation

- 1.3.1 This CAEGM revokes the guidelines issued pursuant to the Malaysian Aviation Commission Act 2015 [Act 771].

2 Air Traffic Rights Application Process

2.1 Submission Timeliness and Limit per week

- 2.1.1 Qualifying ASL holder for ATRs shall be subject to the following process timelines upon submission of a complete application:

Routes	Timeline (Business Days)
Domestic routes	4 – 7
International routes with unlimited traffic rights	7 - 10
International routes with limited traffic rights	14 - 40

Table 1.0: ATR Processing Timeline

There is no limitation of the number of ATR applications submitted per week to the Authority by an ASL holder. However, the ASL holder shall prioritise the ATR submitted and processed accordingly by the Authority.

2.2 Notification, Objection and Competing Applications

2.2.1 Upon receipt of an application, the Authority shall notify all qualifying ASL holders of such application. For both **domestic and international unlimited** ATR application, relevant feedback received from other ASL holders would be duly considered during the evaluation process. The Authority reserves the discretion to determine whether such feedback is relevant and should be taken into account in its assessment and decision making.

2.2.2 All qualifying ASL holders may submit their competing applications, objections, or representations relating to an **international route with limited traffic rights** to the Authority, if it so chooses. This process must be completed within **the timeframe of the notification as specified in Table 1.2 below**.

ATR Notification	Provided Timeframe (Business Days)
International routes with limited traffic rights	7

Table 1.2: ATR Notification, objection and competing Timeframe

A summary of the process flow is attached in **Appendix 1** for reference

2.3 Evaluation Criteria

2.3.1 The Authority, in exercising its discretion to approve or disapprove the grant of an ATR, shall consider the items specified in Section 36zg (2) of Act 788 and other factors that the Authority deems relevant.

2.4 Re-application After Rejection

2.4.1 In the event an ATR application has been partially or fully **rejected**, the applicant may re-apply for the same ATR again after **three (3) to six (6) months** of its initial application being rejected by the Authority. However, the Authority reserves the rights at its discretion to allow any ASL holders to re-apply for an ATR application in less than the period mentioned above.

2.5 Cooling-off Period for Non-Utilisation of ATR

- 2.5.1 If an ASL holder fails to utilise an ATR granted for a particular route, a cooling-off period of **three (3) months** shall apply from the date the ATR is returned, revoked or deemed unused.
- 2.5.2 During the cooling-off period, the ASL holder shall not be permitted to submit a new application for the same ATR on the same route.
- 2.5.3 Notwithstanding the above, the Authority may reduce or waive the cooling-off period where there is strong market demand, public interest considerations, or changes in the aviation industry landscape that warrant immediate operational adjustments.

2.6 Extra flight operations

- 2.6.1 Extra flight operations shall be subject to the following conditions:
- a) Extra flights on a particular route shall not operate for a period exceeding **three (3) months** within a single International Air Transport Association (IATA) Schedule Season (Summer or Winter Season); and
 - b) The frequency applied for extra flight operations on a particular route **shall not exceed the approved ATR** for that route within the same IATA Schedule Season.

2.7 Reallocation of Returned or Revoked Limited ATR

- 2.7.1 Limited International ATR that has been returned or revoked for a particular route shall not be reallocated to the same ASL holder on the same route, unless no other ASL holder has expressed an interest in applying for the ATR.
- 2.7.2 Notwithstanding the above, the Authority may reserve the rights to waive the condition above, providing clarity and justifications to other ASL holders.

2.8 Flexibility for Destination Substitution for Limited ATR

- 2.8.1 For countries with limited traffic rights under the applicable Air Services Agreement (ASA), an ASL holder that has been allocated ATR may substitute the approved route with another route within the same country as specified in the ASA and subject to the following conditions:
- a) The substitution shall remain within the traffic rights approved to the ASL holder and remains valid;
 - b) The substitution shall be permitted up to a maximum of **three (3) times** within a single International Air Transport Association (IATA) Schedule Season (Summer or Winter Season);

- c) The proposed route(s) shall be in accordance with the provisions of the applicable ASA;
- d) The ASL holder shall notify the Authority beforehand of the proposed route (s) substitution for the purpose of approval letter issuance and record keeping before utilising the rights; and
- e) The route(s) substitution shall not result in the ASL holder exceeding the traffic rights previously allocated and approved by the Authority.

Upon notification and approval by the Authority, the substituted route(s) may be operated without the need for a new ATR application process.

- 2.8.2 This provision applies only to countries where traffic rights are limited and shall not be construed as granting additional traffic rights beyond those already allocated to the ASL holder.

2.9 Conditions Applicable to Granted ATRs

- 2.9.1 ASL holders granted ATRs shall adhere to the following:

- 2.9.1.1 The ATR granted to the ASL holder remains valid until revoked or returned to the Authority.

- 2.9.1.2 The Authority may grant a validity period of up to:

- a) **twelve (12) months for new domestic and international routes with unlimited traffic rights;**
- b) **six (6) months for international routes with limited traffic rights;**
- c) **six (6) months for any additional services** for both domestic and international routes; and

- 2.9.1.3 The allocated ATR shall be fully utilised within the validity period approved by the Authority. Failure to do so may result in the revocation of the ATR by the Authority.

- 2.9.1.4 A surrender of the ATR will take effect **three (3) months** from the date the Authority receives the notice, or any other date as may be specified by the Authority.

- 2.9.2 The Authority will only accept a surrender of an ATR if the notice of such surrender is made in writing not less than **three (3) months** prior to the proposed date of surrender. However, the Authority may at its discretion may allow for a shorter period.

2.9.3 The ATR shall be subjected to a set of conditions and, in the event of a breach of any condition attached to the grant of an ATR to the qualifying ASL holder, the Authority may at its discretion:

- a) Impose financial penalties on the ASL holder up to **one million ringgit**;
- b) Revoke or suspend the grant of the ATR to the ASL holder.

A copy of the standard conditions is attached in **Appendix 2**. Notwithstanding the above, the Authority may at its discretion attach additional conditions to the ATR as it deems necessary.

3 ATR Application Documentation Requirements

When submitting an ATR application, ASL holders shall include the following items. The Authority reserves the right to request additional information as it deems necessary.

3.1 Regulatory Documentation

- a) Cover letter for the application, specifying the details of the application.
- b) A valid Air Operator Certificate (AOC) & Air Service Licence (ASL) (one time, if new applicant).
- c) Status of validity of foreign government approval or an application for it, (if applicable).

3.2 Route Details

- a) Routing (including intermediate or beyond points)
- b) Proposed commencement date of the proposed services
- c) Proposed date on which the ASL holder achieves full utilisation of the rights applied (if applicable)
- d) Frequency, slots and schedule of proposed services
- e) Type of aircraft to be used, along with seat configuration/cargo capacity (for freighter)
- f) Type of services: (passenger / cargo / combination, etc.)
- g) Rate cargo per kg (for freighter)
- h) Details of the targeted market segment (for international routes only)
- i) Proposed airfares to be charged, divided by cabin class (for international routes only)

3.3 Market Analysis (for international routes only)

- a) Estimated annual demand created by the proposed services and how it is constituted
- b) Historical and potential connecting traffic onto the proposed services ranked by importance and throughput

3.4 Financial & Operational Forecasts (for international routes only)

- a) Three (3) years projected route performance (RASK, CASK & Break-even load factor) on an annualised basis in the event the application is awarded. (New & Additional ATR Application)
- b) Current and historical load factors for the past 3 months (Additional ATR application)
- c) Projected load factors (New Route) & Forward booking for the next 3 months (Additional ATR application)

3.5 Other Information (for international routes only)

- a) Charter contract, slots and foreign approval, aircraft rotation details
- b) Codeshare, alliance or joint-marketing arrangements with other ASL holders
- c) Other supporting documents that support new/additional services

For any queries, information or assistance, please contact:

- Air Traffic Rights – E: atr@caam.gov.my
- General hotline: +603-88714000

4 Forms

4.1 ATR Evaluation Forms

The list of forms below is available for download from the CAAM website. Applicants are reminded to always refer to the website for the latest version of each form.

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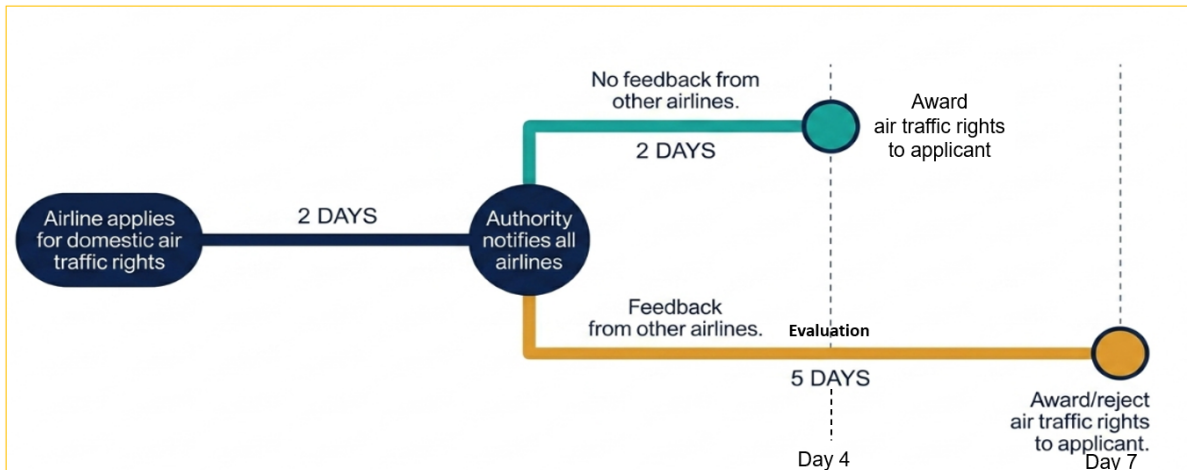
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5 Appendices

5.1 Appendix 1 – Summary of ATR Processing Timeline

Domestic Routes Allocation

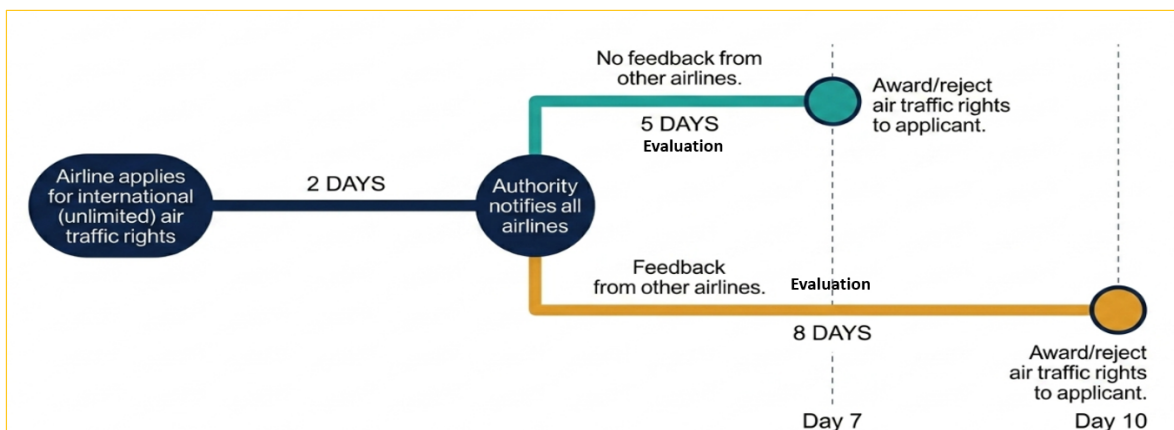
Time Period: 4 to 7 business days



Note: the relevance of the feedback from other airlines as well as the timeline to award/reject the ATR application is at discretion of the Authority

International Routes Allocation (Unlimited Rights)

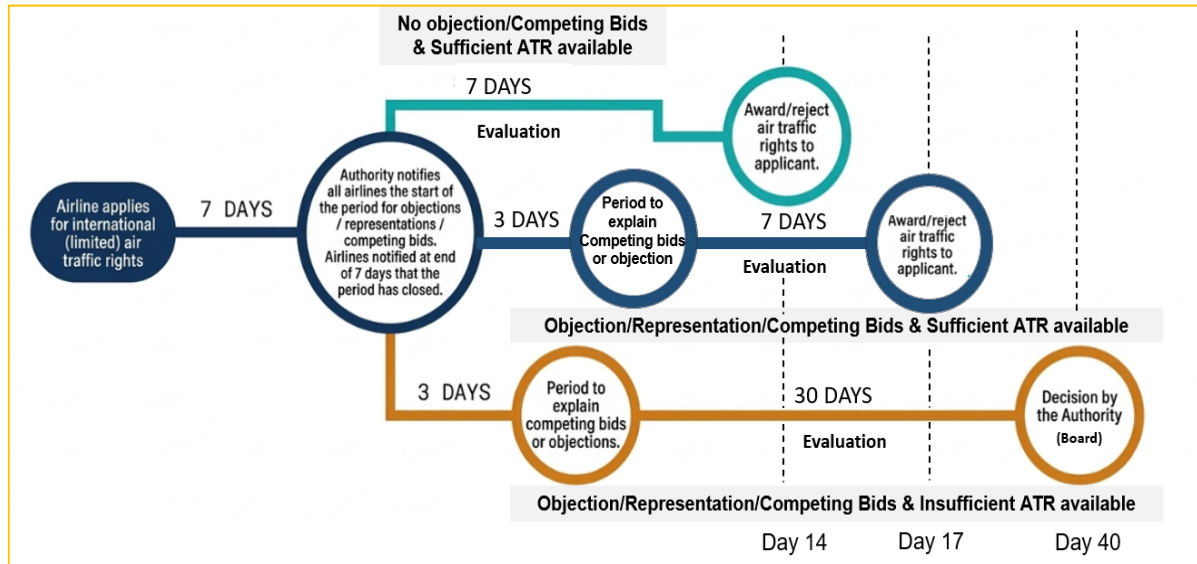
Time Period: 7 to 10 business days



Note: the relevance of the feedback from other airlines as well as the timeline to award/reject the ATR application is at discretion of the Authority

International Routes Allocation (Limited Rights)

Time Period: 14 to 40 business days



5.2 Appendix 2 – ATR General Conditions

Conditions attached to the grant of air traffic right by the Civil Aviation Authority of Malaysia (CAAM).

The airline shall comply with the following conditions:

1. The Authority shall have the right to impose financial penalties up to one million ringgit, vary, suspend or revoke any of the airline's air traffic rights in the event of non-compliance by the airline of any of the conditions as stated herein or any of the conditions attached to its Air Service Licence.
2. The airline shall be a Malaysian entity and under the control of a Malaysian person(s) or continue to remain as a Malaysian designated carrier at all times.
3. The air traffic right issued by the Authority shall be personal to the airline and shall not be transferred or assigned to another party.
4. There shall be no outstanding payments due to the Authority by the airline.
5. The airline shall comply with all the safety and technical requirements as well as conditions on scheduled flight operations as may be imposed by the Authority from time to time.
6. **(a) The airline shall commence its operations and utilise all of the air traffic right issued to it as detailed in this letter within six (6) months from the date of the grant of the approval.**
(b) The air traffic right shall not remain unutilised for a continuous period of six (6) months from the date of its last use.
(c) In the event the airline breaches conditions 6(a) or 6(b), the said air traffic right and/or the capacity of the said air traffic right shall be deemed revoked with immediate effect.
7. Subject to the provisions contained in the relevant bilateral or multilateral air service agreement, the airline may enter into a joint-marketing or code-sharing arrangement with another airline provided the airline has or obtains the appropriate authorisation from the Authority and other relevant authorities and fulfils such requirements as may be applicable to such arrangements.
8. The airline shall submit to the Authority its financial and operational reports at intervals as may be specified by the Authority and such reports shall include but not limited to information pertaining to actual passengers carried, actual revenue, passenger load factor, on-time performance, amount of cargo and/or mail carried, the flight scheduled for the past and the following six months, operational irregularities within the past six months and/or existing and potential underutilisation and rationale for underutilisation of air traffic rights.
9. The airline may surrender any of its air traffic right by giving the Authority prior written notice of not less than three months prior to the proposed date of surrender. The surrender of an air traffic right shall take effect three months from the date of receipt by the Authority of the notice from the airline or on any other date as determined by the Authority.
10. Any decision on air traffic rights by the Authority is without prejudice to the powers of the Authority to enforce Part V_B (Competition) of the Civil Aviation Authority of Malaysia (CAAM) Act 2017 (Act 788). Airlines are advised to carry out self-assessment to ensure their continuous compliance with Part V_B (Competition) of the Act.

Updated 1 August 2026

Aviation Business Licensing Department



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