EXPLANATORY MEMORANDUM TO

THE AIR NAVIGATION (AMENDMENT) ORDER 2025

2025 No. 850

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of His Majesty.

1.2 This Explanatory Memorandum contains information for the Secondary Legislation Scrutiny Committee.

2. Declaration

2.1 Mike Kane MP, Parliamentary Under Secretary of State and Minister for Aviation, Maritime and Security at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

2.2 Jenny Ward, Deputy Director for Aviation Safety, Innovation and Skills at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Emily Lee at the Department for Transport Telephone: 07977284994 or email: aviationsafety@dft.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This Order amends the Air Navigation Order 2016 (S.I. 2016/765) ("ANO"). It updates the ANO as part of a wider project led by the Civil Aviation Authority ("CAA") aiming to simplify the regulations governing licensing and training for general aviation pilots. It also updates the ANO to strengthen the regulations for cost sharing flights following a review of the cost sharing regulations by the CAA.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, Scotland, and Northern Ireland.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales, Scotland, and Northern Ireland.

5. Policy Context

What is being done and why?

General Aviation Licensing and Training Simplification

5.1 This Order amends the ANO to streamline flight crew licensing for general aviation pilots as part of a wide-ranging package of reform to the flight crew licensing regime for general aviation pilots, as set out in paragraphs (a) to (e) below. Flight crew licensing for general aviation pilots operates on a mixed legal basis across the ANO, UK Regulation (EU) 1178/2011 ("the Aircrew Regulation"), UK Regulation (EU) 2018/395 ("the Balloon Regulation") and UK Regulation (EU) 2018/1976 ("the

Sailplanes Regulation"). This Order only makes amendments to flight crew licensing regulations contained in the ANO. Amendments to flight crew licensing regulations contained in the Aircrew Regulation, the Balloon Regulation and the Sailplanes Regulation will be made by the Aviation Safety (Amendment) (No 2) Regulations 2025. Key changes include:

a) Gyroplane Licensing: requires additional training for gyroplane pilots flying different types of aircraft with a Maximum Take-off Mass (maximum weight at which a pilot may attempt to take-off) under 600 kgs. A gyroplane under 600 kgs does not differ significantly from a gyroplane over 600 kgs, however, experience has shown that larger gyroplanes bring additional complexity which poses certification, production and commercial challenges. Gyroplanes under 600 kgs are regulated under the ANO, whereas gyroplanes over 600 kgs are regulated under UK Regulation (EU) 2018/1139 ("the Basic Regulation"). This is a distinction inherited from membership of the European Union – gyroplanes up to 600 kgs were still subject to national law. This was for a mixture of reasons, principally because gyroplanes are rarely used and it was deemed inappropriate to subject gyroplanes under 600 kgs to common rules – it made more sense for them to remain under the regulatory control of EU Member States. These amendments are being made to address concerns that pilots are not always undertaking appropriate training to account for the fact that gyroplane types are significantly different from each other.

b) National Private Pilot License for Aeroplanes (NPPL(A)): simplifies the rating structure for the NPPL(A) to align with the rating structure for Private Pilot Licence for Aeroplanes (PPL(A)). The National Private Pilot Licence (NPPL) is an entry-level licence available for aeroplanes (NPPL(A)), motor gliders and microlights, up to a maximum take-off weight of 2000 kgs. The NPPL can only be used on private UK-registered aircraft inside UK airspace, unless the pilot has an agreement with the aviation authorities in another country which allows them to fly in that country's airspace. The Private Pilot Licence (PPL) is an internationally recognised qualification that allows pilots to fly privately (non-commercial operations) on any aircraft that the holder has permission to fly. A rating is an official authorisation a pilot can add to their licence which gives extra privileges or allows the pilot to do something they couldn't do without the rating, such as flying at night or flying a different class of aircraft. Aligning the rating structure for the NPPL(A) and the PPL(A) will make it easier for users to follow the regulation correctly as there will be consistency across the two.

c) Aerobatic Rating: introduces an aerobatic rating (which allows the pilot to make aerobatic flights once sufficiently trained) for aeroplanes within scope of the ANO, effective for those licensed after 30th September 2025. This will align the ANO with the process used to endorse aerobatic ratings under the Aircrew Regulation, which comes into effect on the 1st October 2025. This will make it easier for pilots to follow the regulation correctly as there will be consistency across the two.

d) NPPL for Helicopters (NPPL(H)): renames the NPPL(H) to the Light Aircraft Pilot Licence for helicopters (LAPL(H)) for simplicity.

e) Balloon Licensing Changes and Updating References: ceases new PPLs for Balloons and Airships (PPL(BA)) and Commercial Pilot Licences for Balloons (CPL(B)) after 30th September 2025, transitioning to a more robust UK Balloon Regulation framework while maintaining current PPL(BA) privileges under the new regulations. The new UK balloon framework refers to Annex III of the Balloon Regulation, which lays down operational and licensing requirements for balloon operations within the UK. It was originally implemented in European law shortly before EU Exit and has been subject to a transition period for several years

in which pilot licensing and training was also permitted to continue under the ANO.

f) From 1st October 2025, all new licensing and training for ballooning must be conducted in accordance with the new balloon framework, which is an adapted version of the former European regulation, appropriate to the UK ballooning community. The UK balloon framework will have some key differences compared to Europe, for example a clearer distinction between qualifications required to carry passengers commercially, and allowing trainee pilots to build some of their required flight time accompanying a qualified balloon pilot, rather than an instructor.

g) These amendments will reduce the complexity of the licensing system, making it easier to understand and more accessible to new pilots. This change will mean there will only be one balloon licence issued going forward, the Balloon Pilot Licence ("the BPL"). The PPL(BA) was for non-commercial flying, the CPL(B) was for commercial flying – the BPL combines both aspects in a single licence.

Cost Sharing Regulation

5.2 This Order amends the cost sharing regulations to strengthen the regulations and remove areas that are currently open to interpretation with the potential for abuse. Cost sharing regulations are contained both in Article 13 of the ANO and in Article 6 of UK Regulation (EU) No. 965/2012 ("the Air Operations Regulation"). This Order only makes amendments to the cost sharing regulations contained in the ANO. Amendments to the cost sharing regulations contained in the Air Operations Regulation will be made by the Aviation Safety (Amendment) (No 2) Regulations 2025. Key changes include:

a) Direct Costs – defines clearly what expenses (e.g. fuel, airfield charges) may be shared by the pilot and private individuals, eliminating ambiguity.

b) Equal Shares – provides clarity and requires pilots to contribute at least the same proportion of costs as each passenger, preventing profit.

c) Occupant Limit - allows for a maximum of 6 occupants (including the pilot) to be carried on a cost sharing flight.

d) Passenger Awareness and Declarations – requires the pilot/operator provides clear identification that a flight is cost-sharing, not commercial, in all promotional material and requires passengers to confirm that they understand this.

e) Advertising Rules – allows advertising only by the pilot, with strict limits to prevent passengers from influencing flight details e.g. advertising will not be allowed where it results in passengers dictating the destination and/or date/time of the flight, in the manner of someone chartering an aircraft.

f) Age Restrictions - removes the outdated age limit of 18 years from the ANO. This age limit does not currently align with the age limits for passengers of cost shared flights in the Air Operations Regulations. This change means that the age limits for passengers of cost shared flights are the same between both pieces of legislation, reducing the risk of confusion and making it easier to follow the regulations.

What was the previous policy, how is this different?

5.3 The current cost sharing and general aviation flight crew licensing regulations are overly complex, leading to confusion and safety concerns. Industry feedback has highlighted the need for simpler, clearer rules to improve compliance and safety. The proposed changes stem from extensive industry consultations aimed at addressing these issues. These amendments will reduce complexity, easing the burden on the CAA's administrative processes by minimising queries and incorrect applications for

licences. They will also enhance safety, such as by requiring differences training for gyroplane pilots flying different types of aircraft (differences training is given to pilots to prepare them for flying aircraft which differ from the aircraft they are used to. It is used to highlight the differences between types of aircraft). Additionally, the CAA Cost Sharing working group identified confusion between legal cost sharing flights and illegal commercial transport. The changes will clarify these distinctions and ensure passengers are informed and formally acknowledge the flight's nature.

6. Legislative and Legal Context

How has the law changed?

6.1 The ANO is an Order in Council which was made using powers in the Civil Aviation Act 1982. This Order amends the ANO using powers under that Act.

6.2 Article 3 amends the ANO to simplify the cost sharing regulations in a number of ways to improve safety by clarifying the difference between a cost sharing flight and commercial flight or public transport flight, namely by providing clarity on 'equal shares' and 'direct costs', changing the maximum number of occupants to 6, and requiring that passengers are made aware they are travelling on a cost shared flight, amongst other things.

6.3 Articles 4-16 amend the ANO to streamline flight crew licensing for general aviation pilots:

a) Amends articles 136, 142, 162, 172 to prohibit the CAA from issuing new PPL(BA) or CPL(B) licences after the coming into force date of this Order and reflect that certain licences are no longer issued under the Aircrew Regulation and are instead under the Sailplane and Balloon Regulations.

b) Amends article 156 and various Parts of Schedule 8 to simplify general aviation flight crew licensing regulations by updating types of ratings, training requirements, revalidation requirements, and definitions of different aircraft types.

c) Amends articles 155 and 157 and inserts article 153A to simplify and update some requirements regarding ratings, such as requiring that holders of licences granted under the ANO after 30th September 2025 possess an aerobatic rating prior to conducting aerobatic manoeuvres.

d) Amends article 154 and inserts a new article 168A to introduce new requirements regarding training, mainly to require that gyroplane licence holders complete differences training before flying a different type of gyroplane.

e) Amends article 150 to address ambiguity around valid licences.

Why was this approach taken to change the law?

6.4 This is the only possible approach to make the necessary changes to the ANO. The regulations are currently complicated and inefficient, and legislative change is required to simplify them and make them easier and safer for use by industry.

7. Consultation

Summary of consultation outcome and methodology

7.1 The CAA conducted two consultations on the general aviation Pilot Licensing and Training Simplification project: a thematic consultation in November 2020 and a second with detailed proposals in March 2024. After leaving the European Union Aviation Safety Agency (EASA), the CAA launched a six-week consultation in November 2020, reaching approximately 22,000 stakeholders, and received 952 online responses. This feedback highlighted the need to simplify the licensing system, leading to the start of the Licensing and Training Simplification project. The

consultation[1] and consultation response document[2] were both published on the CAA website.

7.2 In March 2024, the CAA launched a 10-week public consultation on proposed changes to licences and ratings across general aviation aircraft categories, receiving 1,411 responses. Most respondents supported flexible experience requirements for the PPL(A) and the introduction of differences training for gyroplanes. Proposals for private ballooning were also well received, while only minor feedback was given on maintaining aircraft rating privileges. The consultations and consultation response documents for each category have been published on the CAA website[3].

7.3 The CAA also consulted industry in November 2021 on proposed changes to the ANO, receiving responses from 1,260 commentators. The consultation revealed strong support for reviewing and amending the cost sharing regulations. Both the consultation[4] and consultation response document[5] have been published on the CAA website.

7.4 One proposal, introducing a 'common purpose' or 'common destination' requirement, caused confusion and was widely opposed. After reviewing the feedback, the CAA removed the proposal as it could negative affect cost sharing flights and restrict legitimate arrangements within the general aviation community without providing a safety benefit. The CAA also addressed concerns about advertising cost sharing flights, leading to a second consultation focused solely on this issue. The second consultation[6] was published in November 2023 and the consultation response document was published in February 2024[7].`

8. Applicable Guidance

8.1 To help and guide industry with changes to aviation safety legislation, the CAA is required to publish Acceptable Means of Compliance (AMC), Guidance Material (GM) and, where appropriate, Certification Standards. These flow from, and are consistent with, the language and requirements of the aviation safety regulations they accompany. AMC also refers closely to the regulations, and the numbering reflects that of the amended requirements. The CAA can therefore only finalise the AMC shortly before the instrument is made, despite preparations beginning far in advance, and therefore aim to publish guidance as close to the laying date of this instrument as possible and before the coming into force date of 1st October. All approved and published UK civil aviation safety regulations, alongside GM and AMC, are stored on the CAA website[8].

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because there is no, or no significant, impact anticipated on businesses.

9.2 Instead, a De Minimis Assessment (DMA) has been prepared to measure the impact of the changes made to general aviation flight crew licensing. The amendments are expected to lead to annual net direct costs of £1.1m. This consists of familiarisation costs, the impact on pilots of having to undertake differences training when flying a different type of gyroplane, the impact on business of PPL changes, and the impact on

[1] https://www.caa.co.uk/our-work/publications/documents/content/cap1985/
[2] https://www.caa.co.uk/our-work/publications/documents/content/cap2146/
[3] https://www.caa.co.uk/general-aviation/pilot-licences/licensing-training-simplification/
[4] https://www.caa.co.uk/our-work/publications/documents/content/cap2270/
[5] https://www.caa.co.uk/our-work/publications/documents/content/cap-2391/
[6] https://www.caa.co.uk/our-work/publications/documents/content/cap2601/
[7] https://consultations.caa.co.uk/ga/proposed-change-advertising-cost-share-regulations/
[8] https://www.caa.co.uk/uk-regulations/

pilots of adding an aerobatic rating requirement to a licence issued under the ANO. This also includes time and cost saving benefits to general aviation pilots and the CAA in terms of reduced processing effort.

9.3 A second DMA has been prepared alongside this instrument to measure the impact of the changes made to the cost sharing regulations. The amendments are expected to lead to annual net direct costs of £0.1m. This consists of the costs associated with familiarisation, updating documentation, communicating these changes to pilots and ensuring compliance. There are no monetised benefits of the policy, but it is highly likely to reduce the number of flights operated without suitable consideration for safety, thereby improving the safety profile of cost sharing flights. In addition, the amendments made by this instrument will provide greater clarity to general aviation pilots regarding the regulations, leading to greater confidence in undertaking cost sharing flights. In turn, this will enable general aviation pilots to gain experience at lower cost, leading to an overall improvement in general aviation safety.

Impact on businesses, charities and voluntary bodies

9.4 The impact on business is £1.1 million for amendments to general aviation flight crew licensing and £0.1 million for amendments to the cost sharing regulations.

9.5 The legislation does impact small or micro businesses.

9.6 The CAA understands that one small business dominates the cost sharing market, operating a platform with around 20 employees. Several smaller, micro businesses (with fewer than 10 employees) also run similar platforms. While all may be affected by the regulations, the impact will be proportional to their size and activity levels. There is no evidence of a disproportionate burden on smaller business, so mitigation measures are not considered necessary.

9.7 There is no, or no significant, impact on the public sector because there are no public sector financial costs associated with either of the changes to the regulations.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring of this legislation is that aviation safety legislation is subject to regular review. The regular review takes place on a much more frequent basis than the five-year interval required under the Post Implementation Review clause. Necessary and appropriate amendments are identified through a process of ongoing review of aviation safety legislation necessitated by being part of an international system and being required to regularly consider, update and align with international standards and developments in aviation safety.

10.2 This instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Mike Kane MP, Parliamentary Under Secretary of State and Minister for Aviation, Maritime and Security, has made the following statement:

"In my view, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, the provisions of the Air Navigation (Amendment) Order 2025 are such that a statutory review clause would be inappropriate, for proportionality reasons, given the costs associated with such a review and the limited scope for change."

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This Explanatory Memorandum has been revised at the request of the Secondary Legislation Scrutiny Committee.

11.2 Paragraphs 5.1 and 5.2 have been amended to include an explanation of the link between this Order and the Aviation Safety (Amendment) (No 2) Regulations 2025.

11.3 Paragraphs 5.1(a)-(c), 5.1 (e)-(g), 5.2(f) and 5.3 have also been amended to provide further clarification as to why some of the changes to the flight crew licensing regime for general aviation pilots are being made.

12. European Convention on Human Rights

12.1 Mike Kane MP, Parliamentary Under Secretary of State and Minster for Aviation, Maritime and Security at the Department for Transport has made the following statement regarding Human Rights:

"In my view the provisions of the Air Navigation (Amendment) Order 2025 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").