



Economic viability

Re.: Information on ongoing monitoring
Date: 1 January 2026

File: BAZL-311.150.2-14/3

Background

Although the FOCA conducts checks on the financial situation of an air carrier when an operating licence is issued, in order to retain this licence, the air carrier must also be able to show that its financial situation is secure after the start of operations.

Air carriers are required to report periodically to the FOCA for monitoring purposes. Standardised templates are available for this purpose. In the event of emerging or current financial difficulties, the FOCA may take steps to impose more extensive monitoring of flight operations. In extreme cases, the operating licence may be temporarily or permanently withdrawn (see assessment criteria).

Legal basis

On the basis of the bilateral air transport agreement with the European Community, Switzerland has largely adopted European aviation law. In particular, Regulation (EC) 1008/2008, which governs the granting of operating licences, is directly applicable to Switzerland. This Regulation also sets out rules for the ongoing monitoring of operators' financial situation and for the temporary or permanent withdrawal of an operating licence if the legal requirements are not met.

The meaning of the European requirements has been adopted in the Federal Act on Aviation (AviA, SR 748.0) and the Ordinance on Aviation (O-AviA, SR 748.01). In addition, Art. 27 AviA requires air carriers to have a reliable financial and accounting system and Art. 107 O-AviA establishes the FOCA's right to inspect business documents and the obligation to report flight operations in the event of special incidents.

Categorisation

In the ongoing assessment of their financial situation, the FOCA applies the same standards to all air carriers with a commercial operating licence. However, as excessively strict reporting requirements can lead to disproportionate costs, particularly for smaller air carriers, and are also not expedient, the FOCA categorises air carriers by size, based on the criteria in Regulation (EC) 1008/2008, and the reporting requirements for smaller air carriers are somewhat simpler. An air carrier may apply to change category, and must provide good grounds for the change.

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Large air carriers – Category A

Air carriers that operate at least one aircraft with a maximum take-off mass of more than 10 tonnes and with at least 20 seats are deemed to be large undertakings. If an air carrier operates an aircraft with an MTOM of more than 10 tonnes but with fewer than 20 seats, or an aircraft with an MTOM of less than 10 tonnes but with at least 20 seats, the total number of seats in the fleet is taken into account as an additional criterion. If the total number of seats exceeds 100, the undertaking is considered to be a large air carrier.

Medium-sized air carriers – Category B

All undertakings that are not assigned to category A but which operate at least one aircraft with an MTOM of more than 10 tonnes or with at least 20 seats are considered medium-sized air carriers.

Small air carriers – Categories C1 and C2

Undertakings that do not operate aircraft with an MTOM of more than 10 tonnes and/or with at least 20 seats and whose annual turnover is more than EUR 3 million (basis: previous year's financial statements) (converted to CHF at the Federal Tax Administration rate on the balance sheet date), are classed as small air carriers in category C1. Small air carriers with an annual turnover of less than EUR 3 million are placed in category C2.

Assessment criteria

If there are clear indications of financial difficulties or if insolvency proceedings or similar proceedings are opened against an air carrier, the FOCA must immediately assess the financial situation. Based on the results, the FOCA must suspend or revoke the operating licence if it is no longer satisfied that the air carrier concerned can meet its actual and potential obligations for a period of 12 months.

Reporting: content and dates

Air carriers in categories A, B and C1 submit their financial reports to the FOCA using standardised templates (MS Excel). Air carriers in category C1 may also submit financial information to the FOCA using their own internal formats providing the content required in the FOCA template is also provided. However, use of the FOCA template is encouraged. The FOCA reserves the right to issue a formal order to use the FOCA templates if the internal company documents submitted are of insufficient quality, or if they are incomplete. Air carriers in all categories must also submit the auditors' report to the FOCA every year together with the audited annual financial statements and the Board of Directors annual report. The dates and intervals for submitting these documents depends on the category:

- Large air carriers – Category A: Quarterly reporting within 20 working days of the reporting date.
- Medium-sized air carriers – Category B: Half-yearly reporting within 25 working days of the reporting date.
- Small air carriers in Category C1: Annual reporting as soon as they are available, but no later than six months after the reporting date.
- Air carriers in categories A, B, C1: The budget and liquidity plan for the following financial year must be submitted to the FOCA in the last month of the expiring financial year.
- Air carriers in categories A, B, C1 and C2: The auditors' report and the audited annual financial statements must be submitted to the FOCA as soon as they are available, but no later than six months after closure of the annual accounts.

These requirements are summarised in the table below. If the assessment of the information submitted to the FOCA suggests there is a downward trend, the FOCA may impose stricter monitoring of an air carrier's financial situation.

Contents	Deadline			
	Last month of the financial year	Quarterly financial statements	Half-year financial statements	Annual financial statements
FOCA Financial Reporting Template Budget for the following financial year Liquidity planning for the following financial year	A, B A, B			
FOCA Financial Reporting Template Balance sheet Income and expenditure statement Liquidity planing (rolling for 12 months)		A +20 A +20 A +20	B +25 B +25 B +25	
FOCA Financial Reporting Template Budget for the following financial year Liquidity planning for the following financial year Balance sheet Income and expenditure statement	C1 C1			C1 +6months C1 +6months
Audited financial statements/auditors' report				A, B, C1, C2
Board of Directors' annual report				A, B, C1, C2
<i>NB: The figures refer to the number of working days after the deadline by which the individual reports must be submitted to the FOCA. The auditors' report with audited annual financial statements and the Board of Directors' annual report must be submitted to the FOCA no later than six months after the balance sheet date of the annual financial statements.</i>				

The FOCA financial reporting templates are available on the FOCA website (www.bazl.admin.ch/en/financialreporting) or can be requested from the contacts given below. Further explanations on the reporting templates can be found in the separate information sheet 'Use of standard forms'.

For the reporting process to run efficiently, it is absolutely essential that documents are sent to the FOCA in the proscribed form and via email. The auditors' report, audited annual financial statements and annual report of the Board of Directors can alternatively be sent by post. Documents should be sent to financialreporting@bazl.admin.ch. This email account is accessible to the Head of the Economic Affairs Section and the auditor of the Economic Affairs Section only.

Obligation to report special incidents

If events arise that could have a significant impact on an air carrier's business, these must be reported to the FOCA immediately. In the event of a situation which could have a potentially significant impact on the financial situation of a company, the Economic Affairs Section must be notified. Significant events include, for example (non-exhaustive list):

- Plans to operate a new scheduled or non-scheduled service to a continent or area of the world not previously served.
- Changes in the type or number of aircraft used or a significant change in the scale of their activities.

- Intended mergers or acquisitions with or of other companies and significant changes in the ownership of individual shareholdings.
- Significant one-off business events such as bad debt losses from major debtors, unexpectedly negative outcomes of court cases, etc.
- Significant changes in the staff positions entrusted with the management and financial management of the company.

Data protection and official secrecy

The data and information transmitted to the FOCA will only be used for internal evaluations and will not be made available to third parties. The data is processed in an area in the Federal Office in which access is restricted to a few specific persons. Data protection and official secrecy requirements are met.

Contact

If you have any questions about the documents to be submitted or the procedure, please contact the Economic Affairs Section:

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