

FlySafair Sanctions Delayed Over Foreign Ownership Issue

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The announcement of regulatory sanctions against FlySafair for allegedly breaching South Africa's foreign ownership restrictions has been delayed due to the issue being under judicial consideration. The decision, originally expected by November 29, 2024, was withheld by the International Air Services Licensing Council (IASLC) as the matter remains sub judice, awaiting a court decision.

FlySafair's spokesman confirmed that ongoing discussions between the airline and the IASLC will likely offer further clarity after December 6, 2024. The dispute centers around the airline's foreign ownership, specifically the claim that Irish company ASL Aviation Group controls 74.86% of the low-cost carrier. This ownership structure is reportedly in violation of South Africa's International Air Services Act, which mandates that a significant portion of an airline's shareholding must be local, with "active" and "effective control" over international operations.

The investigation into FlySafair's foreign ownership began in October 2022 after formal complaints were filed by Airlink and Global Aviation Operations. These complaints questioned whether FlySafair met the necessary requirements for local shareholding, specifically in light of ASL Aviation Group's alleged majority stake in the airline. In response, FlySafair filed an urgent court interdict against the IASLC's decision on October 31, 2024, challenging the interpretation of the foreign ownership regulations.

The delay in the IASLC's decision does not affect a separate ongoing process before the domestic Air Services Licensing Council (ASLC), which is still in its early stages. The ASLC is investigating a similar complaint filed by Lift Airlines operator, Global Aviation, regarding FlySafair's local shareholding. Under the Air Services Act, domestic carriers are required to have at least 75% local shareholding to comply with regulations.

A spokesman for the ASLC stated, "Matters at the IASLC don't have a bearing on the ASLC legislative mandate. We are still seized with the matter at the ASLC." This parallel investigation into FlySafair's ownership structure is separate from the international licensing concerns addressed by the IASLC.

The delay in the IASLC decision has left the outcome of FlySafair's regulatory status uncertain, with the airline's future operating permits hanging in the balance. The case highlights the ongoing tension between foreign investment and local control in South Africa's aviation sector, particularly as low-cost carriers like FlySafair continue to expand their presence in the domestic and international markets.

As the discussions continue, FlySafair remains in limbo, awaiting further clarification from both regulatory

bodies. The airline's ability to operate in compliance with South Africa's aviation laws is contingent on the resolution of this legal matter, which may have broader implications for foreign investment in the country's aviation sector.

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