AIR TRANSPORT AGREEMENT
BETWEEN
THE GOVERNMENTS OF THE MEMBER STATES OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

The Governments of the Member States of the Association of Southeast Asian Nations (hereinafter referred to collectively as "**ASEAN**" or "**ASEAN Member States**", or individually as "**ASEAN Member State**") which comprise the Governments of:

Brunei Darussalam,
the Kingdom of Cambodia,
the Republic of Indonesia,
the Lao People's Democratic Republic,
Malaysia,
the Union of Myanmar,
the Republic of the Philippines,
the Republic of Singapore,
the Kingdom of Thailand,
the Socialist Republic of Viet Nam;

and

the Government of the People's Republic of China (hereinafter referred to as "China");

referred to collectively as "**the Contracting Parties**" or individually as "**a Contracting Party**";

RECALLING the Framework Agreement on Comprehensive Economic Cooperation Between China and ASEAN of 2002;

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT

RECALLING the ASEAN-China Aviation Cooperation Framework endorsed at the 6th ASEAN and China Transport Ministers' Meeting held on 2 November 2007 in Singapore, which aims to facilitate traffic and movement of passengers and cargo to increase the trade and economy of ASEAN and China, in support of the establishment of the ASEAN-China Free Trade Area in 2010;

NOTING the existing bilateral air services agreements between the ASEAN Member States and China;

AFFIRMING that the integrity, solidarity and integration of ASEAN be accorded priority in the realisation of an ASEAN-China Air Transport Agreement;

DESIRING to establish integrated, efficient and competitive international air transportation between ASEAN and China to enhance trade, the welfare of consumers and economic growth;

DESIRING to contribute to the progress of regional and international civil aviation by gradual liberalisation of air transport between ASEAN and China;

REAFFIRMING the principles and provisions of the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944;

DESIRING to conclude an agreement for the purpose of operating air transport between ASEAN and China;

HAVE AGREED AS FOLLOWS:

ARTICLE 1
DEFINITIONS

For the purposes of this Agreement only, unless otherwise stated, the term:

(1) "Air transportation" means the public carriage by aircraft of

CERTIFIED COPY
asean
SECRETARIAT GENERAL. THE ASEAN SECRETARIAT

passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;

(2) "Aeronautical authorities" means, in the case of the ASEAN Member States, the Minister responsible for civil aviation of each ASEAN Member State; in the case of China, the Civil Aviation Administration of China; or in both cases any other authority or person empowered to perform the functions at present exercised by the said authorities;

(3) "Agreement" means this Agreement, its Annexes and Implementing Protocols and any amendments thereto;

(4) "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944, and includes: (i) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by all the Contracting Parties to this Agreement, and (ii) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is, at any given time, effective for all the Contracting Parties to this Agreement;

(5) "Territory" means the land territory, internal waters, archipelagic waters, territorial sea, the seabed and the sub-soil thereof and the airspace over them;

(6) "Designated airline" means an airline which has been designated and authorised in accordance with Article 3 (Designation and Authorisation) of this Agreement;

(7) "Route Schedule" means the Route Schedule annexed to this Agreement or as amended in accordance with the provisions of Article 22 (Amendment and Modification) of this Agreement;

(8) "Specified route" means the route specified in the Route Schedule;

(9) "Tariff" means any fare, rate or charge for the carriage of passengers, baggage and/or cargo (excluding mail) in air

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

transportation (including any other mode of transportation in connection therewith) charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;

(10) "User charges" means a charge made to airlines by the competent authorities, or permitted by them to be made, for the provision of airport property or facilities or of air navigation facilities, or aviation security facilities or services, including related services and facilities, for aircraft, their crew, passengers and cargo;

(11) "Air service", "international air service", "airline", and "stop for non-traffic purposes" have the meanings assigned to them in Article 96 of the Convention;

(12) "Depositary" for ASEAN Member States and China means the Secretary-General of ASEAN;

(13) All references to the singular shall be construed to include the plural and all references to the plural shall be construed to include the singular as the context requires.

ARTICLE 2
GRANT OF RIGHTS

1. Each Contracting Party grants to the other Contracting Parties the rights specified in this Agreement for the purpose of operating international air services on the routes specified in the Route Schedule (hereinafter referred to as "the agreed services").

2. Subject to the provisions of this Agreement, the airline(s) designated by each Contracting Party shall enjoy the following rights:

(a) the right to fly across the territory of the other Contracting Parties without landing, along the air route(s) prescribed by the aeronautical authorities of the other Contracting Parties;

(b) the right to make stops in the territory of the other Contracting Parties for non-traffic purposes;

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

(c) the rights otherwise specified in this Agreement, including those rights stated in Annex I (Scheduled Air Services), Annex II (Non-Scheduled/Charter Air Services), and, where applicable, Annex III (Implementing Protocols) of this Agreement.

3. The airline(s) of each Contracting Party, other than those designated under Article 3 (Designation and Authorisation) of this Agreement, shall also enjoy the rights specified in paragraphs 2(a) and (b) of this Article. These airlines shall be required to meet other conditions prescribed under the laws, regulations and rules normally applied to the operation of international air services by the Contracting Party considering the application.

4. Nothing in this Agreement shall be deemed to confer on the designated airline(s) of one Contracting Party the privilege of taking on board, in the territory of another Contracting Party, passengers, cargo and mail carried for remuneration and destined for another point in the territory of that other Contracting Party.

ARTICLE 3
DESIGNATION AND AUTHORISATION

1. Each Contracting Party shall have the right to designate in writing one or more airlines to operate the agreed services in accordance with this Agreement and to withdraw or alter such designation. Such designation shall be communicated in writing through diplomatic channels to the Depositary, who shall subsequently inform all the Contracting Parties.

2. On receipt of such a designation, and of application from the designated airline, in the form and manner prescribed for operating authorisation and technical permission, each Contracting Party shall grant the appropriate operating authorisation and technical permission with minimum procedural delay, provided that:

(a) (i) substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline, nationals of that Contracting Party, or both; or

CERTIFIED COPY
asean
ASEAN SECRETARIAT
GENERAL, THE

(ii) subject to acceptance by a Contracting Party receiving such application from an ASEAN Member State, the designated airline which is incorporated and has its principal place of business in ASEAN, is and remains substantially owned and effectively controlled by one or more ASEAN Member States and/or its nationals, and the ASEAN Member State designating the airline has and maintains effective regulatory control; and

(b) the Contracting Party designating the airline is in compliance with the provisions set forth in Article 7 (Safety) and Article 8 (Aviation Security) of this Agreement; and

(c) the designated airline is qualified to meet other conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Contracting Party receiving the designation.

3. On receipt of the operating authorisation and technical permission of paragraph 2 of this Article, a designated airline may at any time begin to operate the agreed services for which it is so designated, provided that the airline complies with the applicable provisions of this Agreement.

4. The Contracting Parties granting the operating authorisations and technical permissions in accordance with paragraph 2 of this Article shall notify such action to the Depositary, who shall subsequently inform all Contracting Parties.

ARTICLE 4
WITHHOLDING, REVOCATION, LIMITATION AND SUSPENSION OF AUTHORISATION

1. Each Contracting Party shall have the right to withhold the operating authorisation and technical permissions referred to in Article 3 (Designation and Authorisation) of this Agreement with respect to an airline designated by another Contracting Party, and to revoke, limit, suspend or impose conditions on such operating

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

authorisations and technical permissions, temporarily or permanently in the event:

(a) the airline has failed to prove that it is qualified under Article 3 (Designation and Authorisation) paragraphs 2 (a) (i) or (ii) of this Agreement as applicable; or

(b) the other Contracting Party is not maintaining and administering the standards as set forth in Article 7 (Safety) and Article 8 (Aviation Security) of this Agreement; or

(c) the airline fails to comply with the laws and regulations referred to in Article 5 (Application of Laws and Regulations) of this Agreement.

2. Unless immediate action is essential to prevent non-compliance with paragraphs 1(b) or 1(c) of this Article, the rights established in this Article shall be exercised only after consultations with the Contracting Party designating the airline, in conformity with Article 20 (Consultations) of this Agreement.

3. A Contracting Party that has exercised its right to withhold, revoke, limit, suspend or impose conditions on the operating authorisation or technical permissions of an airline in accordance with paragraph 1 of this Article shall notify the Depositary of its actions and the Depositary shall thereafter promptly inform all the Contracting Parties.

ARTICLE 5
APPLICATION OF LAWS AND REGULATIONS

1. While entering, within, or leaving the territory of one Contracting Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the airlines designated by the other Contracting Parties.

2. While entering, within, or leaving the territory of one Contracting Party, its laws and regulations relating to the admission to or departure from its territory of passengers, crew, baggage or

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
Asean

cargo on aircraft (including regulations relating to entry, clearance, aviation security, immigration, passports, customs and quarantine, or in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew or cargo of the airline(s) of the other Contracting Parties.

3. No Contracting Party shall give preference to its own or any other airline over a designated airline of another Contracting Party engaged in similar international air transportation, in the application of its immigration, customs, quarantine and similar regulations.

ARTICLE 6
DIRECT TRANSIT

Passengers, baggage, cargo and mail in transit through the territory of each Contracting Party and not leaving the area of the airport reserved for such purpose shall be subjected to no more than a simplified control except for reasons of aviation security, narcotics control, prevention of illegal entry or in special circumstances. Baggage, cargo and mail in direct transit shall be exempt from customs duties and other similar taxes.

ARTICLE 7
SAFETY

1. Each Contracting Party shall recognise as valid, for the purpose of operating the air services provided for in this Agreement, certificates of airworthiness, certificates of competency, and licences issued, or validated by the Contracting Party that designates that said airline and still in force, provided that the requirements for such certificates or licences are at least equal to the minimum standards which may be established pursuant to the Convention. Each Contracting Party reserves the right, however, to refuse to recognise as valid for the purpose of flight above its territory, certificates of competency and licences granted to or validated for its own nationals by another Contracting Party.

2. Each Contracting Party may request consultations at any time concerning the safety standards maintained by another Contracting

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within thirty (30) days of that request.

3. If, following such consultations, the first Contracting Party finds that the said other Contracting Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 of this Article that meet the Standards established at that time pursuant to the Convention, that other Contracting Party shall be informed of such findings and of the steps considered necessary to conform with the International Civil Aviation Organisation (ICAO) Standards. That other Contracting Party shall then take appropriate corrective action within an agreed time period.

4. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of a designated airline of one Contracting Party, on service to or from the territory of another Contracting Party, may, while within the territory of that other Contracting Party, be the subject of a search by the authorised representatives of that other Contracting Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the ICAO Standards.

5. When urgent action is essential to ensure the safety of an airline's operation, each Contracting Party reserves the right to immediately suspend or vary the operating authorisation or technical permission of that airline.

6. Any action by one Contracting Party in accordance with paragraph 5 of this Article shall be discontinued once the basis for the taking of that action ceases to exist.

7. With reference to paragraph 3 of this Article, if it is determined that a Contracting Party remains in non-compliance with the ICAO Standards when the agreed time period has lapsed, the Secretary-

CERTIFIED COPY
DEPUTY SECRETARY GENERAL THE ASEAN SECRETARIAT
asean

General of the ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.

ARTICLE 8
AVIATION SECURITY

1. Consistent with their rights and obligations under international law, the Contracting Parties reaffirm their obligation to one another to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall, in particular, act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, as well as with any other convention and protocol relating to the security of civil aviation which all the Contracting Parties adhere to.

2. The Contracting Parties shall provide upon request all practicable assistance to one another to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and to address any other threat to the security of civil aviation.

3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the ICAO and designated as Annexes to the Convention, to the extent that such security provisions are applicable to the Contracting Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL THE ASEAN SECRETARIAT
asean

4. Each Contracting Party agrees that its designated airline(s) shall be required to observe the aviation security provisions referred to in paragraph 3 of this Article required by another Contracting Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding, loading, deplaning or unloading. Each Contracting Party shall also give sympathetic consideration to any request from another Contracting Party for reasonable special security measures to meet a particular threat.

5. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist one another by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

6. When a Contracting Party has reasonable grounds to believe that another Contracting Party has departed from the aviation security provisions of this Article, the aeronautical authorities of the first Contracting Party may request immediate consultation with the aeronautical authorities of that other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of receipt of such request shall constitute grounds for application of Article 4 (Withholding, Revocation, Limitation and Suspension of Authorisation) of this Agreement. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, the first Contracting Party may take interim action prior to the expiry of fifteen (15) days.

7. Each Contracting Party shall require the airline(s) of another Contracting Party providing service to that Contracting Party to submit a written operator security programme which has been approved by the aeronautical authorities of the Contracting Party of that airline for acceptance.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL THE ASEAN SECRETARIAT
asean

ARTICLE 9
TARIFFS

1. The tariffs to be applied by the designated airline(s) of a Contracting Party for air services covered by this Agreement shall be established at reasonable levels, due regard being paid to all relevant factors, including interests of users, cost of operation, characteristics of service, reasonable profit, tariffs of other airlines and other commercial considerations in the market place.

2. Tariffs charged by airlines need not be required to be filed with, or approved, by the Contracting Parties. However, in the event the national law of a Contracting Party requires prior approval of a tariff, the tariff application shall be dealt with accordingly. In such cases, the principle of reciprocity may be applied by the Contracting Parties concerned at their discretion.

3. The Contracting Parties agree to give particular attention to tariffs which may be objectionable because they appear unreasonably discriminatory, unduly high or restrictive because of the abuse of a dominant position or artificially low because of direct or indirect governmental subsidy or support or other anti-competitive practices.

4. The Contracting Parties shall ensure that their designated airline(s) provide the general public with full and comprehensive information on their air fares and rates and the conditions attached in advertisements to the public concerning their fares.

ARTICLE 10
SAFEGUARDS

1. The Contracting Parties agree that the following airline practices may be regarded as possible anti-competitive practices which may merit closer examination:

(a) charging fares and rates on routes at levels which are, in the aggregate, insufficient to cover the costs of providing the air

CERTIFIED COPY
FOR THE SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

services to which they relate;

(b) the addition of excessive frequency of air services;

(c) the practices in question are sustained rather than temporary;

(d) the practices in question have a serious negative economic effect on, or cause significant damage to another airline;

(e) the practices in question reflect an apparent intent or have the probable effect of crippling, excluding or driving another airline from the market; and

(f) behaviour indicating an abuse of dominant position on the route.

2. The grant of state aid and/or subsidy shall be transparent among the Contracting Parties, and shall not distort competition among the designated airlines of the Contracting Parties. The Contracting Parties concerned shall furnish other interested Contracting Parties, upon their requests, with complete information on such grants and any revision to or extension of such grants. Such information shall be treated with the utmost sensitivity and confidentiality.

3. If the aeronautical authorities of one Contracting Party consider that an operation intended or conducted by a designated airline of another Contracting Party may constitute anti-competitive behaviour in accordance with the indicators listed in paragraph 1 of this Article, or any discrimination by means of undue state aid and/or subsidy by that other Contracting Party, they may request consultations in accordance with Article 20 (Consultations) of this Agreement with a view to resolving the problem. Any such request shall be accompanied by notice of the reasons for the request, and the consultations shall begin within fifteen (15) days of the receipt of such request.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

4. If the Contracting Parties concerned fail to reach a resolution of the problem through consultations, they may invoke the dispute resolution mechanism under Article 21 (Settlement of Disputes) of this Agreement to resolve the dispute.

5. Each Contracting Party shall have the right to apply Article 4 (Withholding, Revocation, Limitation and Suspension of Authorisation) of this Agreement to an airline designated by another Contracting Party temporarily, should there be reasonable ground to believe that unfair or anti-competitive practices related to paragraphs 1 and 2 of this Article committed by a Contracting Party or that Contracting Party's designated airline seriously affect the operation of its designated airline.

ARTICLE 11
FAIR COMPETITION

1. Each Contracting Party shall allow a fair and equal opportunity for the designated airline(s) of all the Contracting Parties to compete in providing the international air services governed by this Agreement.

2. Each Contracting Party agrees to take action to eliminate all forms of discrimination and/or anti-competitive practices by a Contracting Party and/or its designated airline(s) that it deems to adversely affect the competitive position of a designated airline(s) of the other Contracting Parties.

ARTICLE 12
COMMERCIAL ACTIVITIES

1. In accordance with the laws and regulations of the other Contracting Parties, the designated airline(s) of a Contracting Party shall have the right:

(a) in relation to entry, residence and employment, to bring in and maintain in the territory of the other Contracting Parties managerial and other specialist staff, office equipment and

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT

other related equipment and promotional materials required for the operation of international air services;

(b) to establish offices in the territory of the other Contracting Parties for the purposes of provision, promotion and sale of air services;

(c) to engage in the sale of air services in the territory of the other Contracting Parties directly and, at its discretion, through its licenced agents; to sell such air services, and any person shall be free to purchase such air services in local currency of that territory or, subject to the national laws and regulations, in freely convertible currencies of other countries;

(d) to convert and remit to the territory of its incorporation, on demand, local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly without restrictions or taxation in respect thereof at the rate of exchange applicable to current transactions and remittance in accordance with the foreign exchange regulations of the Contracting Party concerned; and

(e) to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Parties in local currencies. At their discretion, the designated airline(s) of each Contracting Party may pay for such expenses in the territory of the other Contracting Parties in freely convertible currencies, according to local currency regulations.

ARTICLE 13
COOPERATIVE MARKETING ARRANGEMENTS

1. In operating or holding out the agreed services on the specified routes, the designated airline(s) may, subject to national laws and regulations and policies, enter into cooperative marketing arrangements which may include but are not limited to joint venture, blocked space or code-sharing arrangements, whether as the

CERTIFIED COPY
GENUINE
ASEAN SECRETARIAT
GENERAL THE ASEAN SECRETARIAT

operating or the non-operating airline (hereinafter referred to as the "marketing airline") with:

(a) an airline(s) of the same Contracting Party; and

(b) an airline(s) of the other Contracting Parties;

provided that all participants in such arrangements hold the underlying traffic rights and appropriate authorisation and meet the requirements applied to such arrangements.

2. Before its proposed introduction, the marketing or operating airline may be required to file for approval with the aeronautical authorities of relevant Contracting Parties of any cooperative marketing arrangements entered into, in accordance with paragraph 1 of this Article.

3. When holding out air services for sale, the marketing airline will make it clear to the purchaser of tickets for such services, at the point of sale, which airline(s) will be the operating airline on each sector of the services and with which airline(s) the purchaser is entering into a contractual relationship.

ARTICLE 14
LEASING

1. Each Contracting Party may prevent the use of leased aircraft for air services under this Agreement which does not comply with Article 7 (Safety) and Article 8 (Aviation Security) of this Agreement.

2. Subject to paragraph 1 of this Article, the designated airline(s) of each Contracting Party may use aircraft (or aircraft and crew) leased from any company, including other airlines, provided that:

(a) this would not result in a lessor airline exercising traffic rights it does not have;

CERTIFIED COPY
DEPUTY SECRETARY GENERAL THE ASEAN SECRETARIAT
asean

(b) that the financial benefit to be obtained by the lessor airline will not be dependent on the profit or loss of the operation of the designated airline concerned; and

(c) that the responsibility for the continued airworthiness and the adequacy of operating and maintenance standards of any leased aircraft operated by an airline designated by a Contracting Party will be established in conformity with the Convention.

3. An airline designated by a Contracting Party is not otherwise prohibited from providing air services using leased aircraft (or aircraft and crew) provided that any lease arrangement entered into satisfies the conditions normally applied by the other Contracting Party.

ARTICLE 15
INTERMODAL TRANSPORT

Subject to the national laws and regulations of each Contracting Party, any designated airline and indirect providers of cargo transportation of each Contracting Party shall be permitted without restriction to employ in connection with international air freight services any surface transportation for cargo to or from any points within or outside the territories of the Contracting Parties, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Subject to the national laws and regulations of each Contracting Party, the designated airline may elect to perform their own surface transportation or to provide its through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo transportation. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL THE ASEAN SECRETARIAT
asean

ARTICLE 16
USER CHARGES

1. Each Contracting Party shall not impose or permit to be imposed on the designated airline(s) of another Contracting Party user charges higher than those imposed on the airlines of any other Contracting Party or non-Contracting Party operating similar international services.

2. Each Contracting Party shall encourage consultations on user charges between its competent charging authorities and airlines using the services and facilities provided by those charging authorities, where practicable through those airlines' representative organisations. Reasonable notice of any proposals for changes in user charges should be given to such users to enable them to express their views before changes are made. Each Contracting Party shall further encourage its competent charging authorities and such users to exchange appropriate information concerning user charges.

ARTICLE 17
CUSTOMS DUTIES

1. Each Contracting Party shall on the basis of reciprocity exempt a designated airline(s) of another Contracting Party to the fullest extent possible under its national law from customs duties, excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and other items such as printed ticket stock, air waybills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by those designated airlines, intended for use or used solely in connection with the operation or servicing of aircraft of those designated airlines operating the agreed air services.

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article:

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

(a) introduced into the territory of a Contracting Party by or on behalf of the designated airline(s) of another Contracting Party;

(b) retained on board aircraft of the designated airline(s) of a Contracting Party upon arrival in or departure from the territory of another Contracting Party; or

(c) taken on board aircraft of the designated airline(s) of a Contracting Party in the territory of another Contracting Party and intended for use in operating the agreed air services

whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption, provided the ownership of such items is not transferred in the territory of the said Contracting Party.

3. The regular airborne equipment as well as the materials and supplies normally retained on board the aircraft of a designated airline(s) of a Contracting Party may be unloaded in the territory of another Contracting Party only with the approval of the customs authorities of that Contracting Party. In such case, they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

4. The exemptions provided by this Article shall also be available where the designated airline of a Contracting Party has contracted with another designated airline, which similarly enjoys such exemptions from another Contracting Party or other Contracting Parties, for the loan or transfer in the territory of the other Contracting Party or Contracting Parties, of the items specified in paragraph 1 of this Article.

ARTICLE 18
STATISTICS

The aeronautical authorities of each Contracting Party may provide the aeronautical authorities of another Contracting Party, upon

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

request, with periodic statistics or other similar information relating to the traffic carried on the agreed services.

ARTICLE 19
APPROVAL OF SCHEDULES

1. The designated airline(s) of each Contracting Party may be required to submit its envisaged flight schedules for approval to the aeronautical authorities of another Contracting Party at least sixty (60) days prior to the operation of the agreed services. Any modification thereof shall be submitted for consideration at least thirty (30) days prior to the operation.

2. For supplementary flights which the designated airline(s) of one Contracting Party wishes to operate on the agreed services outside the approved timetable, that airline must request prior permission from the aeronautical authorities of that other Contracting Party. Such requests shall usually be submitted at least four (4) working days prior to the operation of such flights.

ARTICLE 20
CONSULTATIONS

1. In the spirit of close cooperation, the aeronautical authorities of the Contracting Parties shall consult with one another from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of this Agreement. Unless otherwise agreed, such consultations shall begin at the earliest possible date, but not later than sixty (60) days from the date another Contracting Party receives, through diplomatic or other appropriate channels, a written request, including an explanation of the issues to be raised. When the date for consultations has been agreed, the requesting Contracting Party shall also notify all the other Contracting Parties of the consultations and the issues to be raised. Any Contracting Party may attend. Once the consultations have been concluded, all the Contracting Parties as well as the Depositary shall be notified of the results.



2. Any Contracting Party may also request to hold a "Working Group Level" meeting, up to Ministerial level, if and when deemed necessary, to advance the process of consultations.

ARTICLE 21
SETTLEMENT OF DISPUTES

Should any dispute between the Contracting Parties arise, the aeronautical authorities of the Contracting Parties involved shall seek to resolve the dispute through consultation. In the event that no agreement is reached, it shall be settled through diplomatic channels.

ARTICLE 22
AMENDMENT AND MODIFICATION

1. Any Contracting Party may propose an amendment to this Agreement. The text of any such amendment and the reasons shall be transmitted to the Depositary, who shall transmit them to each Contracting Party.

2. The Contracting Parties shall communicate to the Depositary whether or not the proposed amendment is acceptable, and also submit any comments thereon.

3. If all the Contracting Parties agree to the proposed amendment and notify the Depositary accordingly, the amendment shall enter into force on the date of the eleventh notification. Such amendment shall form an integral part of this Agreement.

ARTICLE 23
RELATIONSHIP WITH OTHER AGREEMENTS

1. This Agreement or any actions taken thereto shall not affect the rights and obligations of the Contracting Parties under any existing agreements or international conventions to which they are also party, except as provided in paragraph 3 of this Article.

2. Nothing in this Agreement shall prejudice the rights or the

CERTIFIED COPY
asean
SECRETARY GENERAL THE ASEAN SECRETARIAT

exercise of these rights by any Contracting Party under the provisions of the United Nations Convention on the Law of the Sea of 1982, in particular with regard to freedom of the high seas, rights of innocent passage, archipelagic sea lanes passage or transit passage of ships and aircraft, and consistent with the Charter of the United Nations.

3. In the event of any inconsistency between a provision of this Agreement and a provision of any existing bilateral or multilateral air services agreement(s) (including any amendments thereto), by which two or more of the Contracting Parties are bound or which is not covered by this Agreement, the provision which is less restrictive or more liberal or which is not covered by this Agreement, shall prevail among the Contracting Parties if they are concurrently bound by the aforesaid bilateral or multilateral air services agreement(s) and this Agreement. If the inconsistency concerns provisions relating to safety or aviation security, the provisions prescribing a higher or more stringent standard of safety or aviation security shall prevail to the extent of the inconsistency.

ARTICLE 24
REGISTRATION

Upon entry into force, this Agreement and any amendment thereto shall be registered with the ICAO by the Depositary.

ARTICLE 25
FINAL PROVISIONS

1. This Agreement shall be deposited with the Depositary, who shall promptly furnish a certified true copy thereof to each Contracting Party.

2. Each Contracting Party shall complete its relevant internal legal procedures necessary for the entry into force of this Agreement. After the completion of its internal legal procedures, each Contracting Party shall give written notification to the Depositary, who shall promptly inform each Contracting Party of such deposit.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

3. This Agreement shall enter into force on the date of deposit with the Depositary of:

(a) the written notification from China; and

(b) written notifications from at least two ASEAN Member States;

whichever date is later, and shall enter into force only among the Contracting Parties that have deposited their written notifications. For each of the Contracting Parties depositing their written notifications after the Agreement has entered into force, the Agreement shall enter into force for that Contracting Party on the date of deposit of its written notification.

4. Upon deposit of the relevant written notifications for this Agreement and its Implementing Protocol(s) to the Depositary, a Contracting Party undertakes to accord all the Contracting Parties which have deposited the relevant written notifications no less favourable treatment with respect to the traffic rights laid out in the Implementing Protocol(s) of this Agreement.

5. Subject to paragraphs 3 and 4 of this Article, the Implementing Protocol(s) as listed in Annex III of this Agreement shall enter into force upon deposit of the written notifications as set out in the "Final Provisions" of each of the respective Implementing Protocol(s).

6. The Depositary shall notify the Contracting Parties of the entry into force of this Agreement.

7. The Depositary shall maintain a centralised register of airline designations and operating authorisations or technical permissions in accordance with Article 3 (Designation and Authorisation) of this Agreement.

8. Any Contracting Party may withdraw from this Agreement by giving written notification of withdrawal to the Depositary, who shall, within thirty (30) days of receipt of the notification of withdrawal, notify the other Contracting Parties.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

9. The withdrawal shall be effective twelve (12) months after the date of receipt of the notification by the Depositary, unless the Contracting Party withdraws its written notification by written communication to the Depositary within the twelve (12)-month period.

10. In the event that any obligation of a Contracting Party under this Agreement remains outstanding at the time of withdrawal from this Agreement, all the provisions of this Agreement shall continue to apply until such obligation has been fulfilled by that Contracting Party.

IN WITNESS WHEREOF, the undersigned, duly authorised by their respective Governments, have signed this Air Transport Agreement between the Governments of the Member States of the Association of Southeast Asian Nations and the Government of the People's Republic of China, on the dates herein below indicated, in duplicate in the English and Chinese languages, both texts being equally authentic. In the event of divergence of interpretation, the English text shall prevail.

For the Government of Brunei Darussalam:

.....

PEHIN DATO ABDULLAH BAKAR
Minister of Communications
Date: 12 Nov 2010

For the Government of the People's Republic of China:

.....

LI JIAXIANG
Administrator
Civil Aviation Administration of China
Date: 2010-11-19

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

For the the Government of Kingdom of Cambodia:

.....

MAO HAVANNALL
Secretary of State
State Secretariat of Civil Aviation
Date: 12 November 2010

For the Government of the Republic of Indonesia:

.....

MOH. IKSAN TATANG
Secretary General
Ministry of Transportation
Date: 12 Nov 2010

For the Government of the Lao People's Democratic Republic:

.....

SOMMAD PHOLSENA
Minister of Public Works and Transport
Date: 12 Nov 2010

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

For the Government of Malaysia:

.....
DATO' SERI KONG CHO HA
Minister of Transport
Date: 12 NOV 2010

For the Government of the Union of Myanmar:

.....
U THEIN SWE
Minister for Transport
Date: 12 NOV 2010

For the Government of the Republic of the Philippines:

.....
JOSE P. DE JESUS
Secretary of Transportation and Communications
Date: 12 Nov 2010

For the Government of the Republic of Singapore:

.....
RAYMOND LIM
Minister for Transport
Date: 12 Nov 2010

CERTIFIED COPY
asean
SECRETARY GENERAL, THE ASEAN SECRETARIAT

For the Government of the Kingdom of Thailand:

.....
SOPHON ZARAM
Minister of Transport
Date: 13 Jan 2011

For the Government of the Socialist Republic of Viet Nam:

.....
HO NGHIA DZUNG
Minister of Transport
Date: 12 Nov 2010

CERTIFIED COPY
DEPUTY SECRETARY GENERAL THE ASEAN SECRETARIAT
asean

ANNEX I

Scheduled Air Services

Section 1

Route Schedule

1. The designated airline(s) of the Contracting Parties shall be allowed to operate the agreed services on the following routes:

For the designated airline(s) of each ASEAN Member State:

Points of Origin in ASEAN	Intermediate Points	Points of Destination in China	Beyond Points
Any points in an ASEAN Member State designating the airline	Any points	Any points	Any points

For the designated airline(s) of China:

Points of Origin in China	Intermediate Points	Points of Destination in ASEAN	Beyond Points
Any points	Any points	Any points	Any points

2. Unless otherwise agreed between ASEAN and China, the points in China selected by any Contracting Party shall not be in the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan Province.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean

Section 2

Operational Flexibility

3. Each designated airline may, on any or all flights and at its option:

(a) operate flights in either or both directions;

(b) combine different flight numbers within one aircraft operation;

(c) serve intermediate and beyond points(s) in the territory of the Contracting Parties on the routes in any combination and in any order; and

(d) omit stops at any point(s) provided that the agreed services begin or terminate in the territory of the Contracting Party designating the airline

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement; provided that the service serves a point in the territory of the Contracting Party designating the airline and all the points served are international airports.

CERTIFIED COPY
asean
SECRETARY GENERAL, THE ASEAN SECRETARIAT

ANNEX II

NON-SCHEDULED/CHARTER AIR SERVICES

1. The airline(s) of each Contracting Party designated pursuant to this Agreement to operate under this Annex shall have the right to operate non-scheduled air services between the Contracting Parties. The airlines must request prior permission from the aeronautical authorities of the other Contracting Party. Such requests shall usually be submitted at least fourteen (14) working days prior to the operation of such air services.

2. In accordance with its own laws and regulations, the non-scheduled/charter air services of the designated airline(s) of each Contracting Party shall not unduly affect the operation of the agreed services on the routes.

CERTIFIED COPY
asean
SECRETARY GENERAL, THE ASEAN SECRETARIAT

ANNEX III

IMPLEMENTING PROTOCOLS

The Contracting Parties shall conclude Implementing Protocols which shall form integral parts of this Agreement, including:

- Protocol 1 Unlimited Third and Fourth Freedom Traffic Rights Between Any Points in Contracting Parties.

CERTIFIED COPY
DEPUTY SECRETARY GENERAL, THE ASEAN SECRETARIAT
asean