



ASEAN MULTILATERAL AGREEMENT ON THE FULL LIBERALISATION OF PASSENGER AIR SERVICES

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic (hereinafter referred as "Lao PDR"), Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, Member States of the Association of Southeast Asian Nations (ASEAN) (hereinafter collectively referred to as "Contracting Parties" or individually as "Contracting Party")

RECALLING the earlier ASEAN Leaders' decision to establish by 2020 the ASEAN Community, including the ASEAN Economic Community (AEC) made in the Declaration of ASEAN Concord II in Bali, Indonesia on 7 October 2003;

AFFIRMING the policy agenda for progressive implementation of full liberalisation and integration of air services in ASEAN as laid down in the Action Plan for ASEAN Air Transport Integration and Liberalisation adopted at the Tenth (10th) ASEAN Transport Ministers' (ATM) Meeting on 23 November 2004 in Phnom Penh, Cambodia;

RECALLING the Vientiane Action Programme adopted at the Tenth (10th) ASEAN Summit on 29 November 2004 in Vientiane, Lao PDR, which calls for accelerating open sky arrangements and advancing liberalisation in air transport services;

BEING committed to maintain, further develop and strengthen friendly relations and cooperation between and among their countries;

RECOGNISING that efficient and competitive international air services are important to develop trade, benefit consumers, and promote economic growth;

DESIRING to ensure the highest degree of safety and security in international air transport and reaffirm their grave concern about acts or threats against the security of aircraft, which jeopardise the safety of persons or property, adversely affect the operation of air transportation, and undermine public confidence in the safety of civil aviation;

DESIRING to facilitate and enhance air services and their related activities, to complement the other transport facilitation and liberalisation efforts in ASEAN;

REAFFIRMING our collective commitment to build the ASEAN Single Aviation Market by 2015;

BEING Parties to the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and desiring to adhere to the principles and provisions of the aforesaid Convention; and

DESIRING to conclude an ASEAN Multilateral Agreement on the Full Liberalisation of Passenger Air Services

HAVE AGREED AS FOLLOWS:

ARTICLE 1 DEFINITIONS

For the purpose of this Agreement only, unless the context otherwise requires:

1. The term "the 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 Annexes or amendments

are, at any given time, effective for all the Contracting Parties to this Agreement;

2. The term "aeronautical authorities" means the Minister responsible for Civil Aviation, or any person or body authorised to perform any functions at present exercisable by him or similar functions;

3. The term "designated airline" means an airline which has been designated and authorised in accordance with Article 3 (Designation and Authorisation of Airlines) of this Agreement;

4. The term "territory" means the land territory, internal waters, territorial sea, archipelagic waters, the seabed and the sub-soil thereof and the airspace above them;

5. The terms "air service", "international air service", and "airline" have the meanings respectively assigned to them in Article 96 of the Convention;

6. The term "tariff" means the prices to be paid for the carriage of passengers and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail;

7. The term "specified routes" means the routes specified in the route schedule annexed to this Agreement;

8. The term "agreed services" means scheduled air services performed for the carriage of passengers, cargo and/or mail, separately or in combination, for remuneration or hire on the specified routes;

9. The term "stop for non-traffic purposes" means a landing for any purpose other than taking on or discharging passengers, cargo and/or mail in international air services;

10. The term "user charges" means a charge imposed on airlines by the competent authorities, or permitted by them to be imposed, for the provision of airport property or facilities or of air

navigation facilities, including related services and facilities for aircraft, their crew, passengers and cargo;

11. The term "Agreement" means this Agreement, its Annexes and its Implementing Protocols and any amendments thereto;

12. The term "Depositary" means the Secretary-General of ASEAN; and

13. All references to the singular shall include the plural, and all references to the plural shall include the singular.

ARTICLE 2 GRANT OF RIGHTS

1. Each Contracting Party grants to the other Contracting Parties the following rights for the conduct of international air services by the designated airlines of the other Contracting Parties:

- a) the right to fly across its territory without landing;
- b) the right to make stops in its territory for non-traffic purposes; and
- c) the rights otherwise specified in this Agreement, including those rights stated in the Annex I (Scheduled Air Services) and, where applicable, Annex II (Implementing Protocols).

2. The airline(s) of each Contracting Party, other than those designated under Article 3 (Designation and Authorisation of Airlines) of this Agreement, shall also enjoy the rights specified in paragraphs 1(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 the international air services by the Contracting Party considering the application.

3. Nothing in this Agreement shall be deemed to confer on the airline(s) of one Contracting Party the right to take on board, in the territory of another Contracting Party, passengers, baggage,

cargo, or mail carried for remuneration and destined for another point in the territory of that other Contracting Party.

ARTICLE 3 DESIGNATION AND AUTHORISATION OF AIRLINES

1. Each Contracting Party shall have the right to designate as many airlines as it wishes for the purpose of conducting international air services in accordance with this Agreement and to withdraw or alter such designation. Such designation shall be transmitted in writing through diplomatic channels to the Depository who shall subsequently inform all the Contracting Parties.

2. On receipt of such a designation, and of application from the designated airline(s), in the form and manner prescribed for operating authorisation and technical permission, each Contracting Party shall grant the appropriate 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
- (ii) subject to acceptance by a Contracting Party receiving such application, the designated airline which is incorporated and has its principal place of business in the territory of the Contracting Party that designates the airline, is and remains substantially owned and effectively controlled by one or more ASEAN Member States and/or its nationals, and the Contracting Party designating the airline has and maintains effective regulatory control; or
- (iii) subject to acceptance by a Contracting Party receiving such application, the designated airline is incorporated in and has its principal place of business in the territory of the Contracting Party that designates the airline in which the Contracting Party designating the airline, has and maintains effective regulatory control of that airline,

provided that such arrangements will not be equivalent to allowing that airline or its subsidiaries access to traffic rights not otherwise available to that airline; and

- b) the designated airline is qualified 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; and
- c) the Contracting Party designating the airline is in compliance with the provisions set forth in Article 5 (Safety) and Article 6 (Aviation Security) of this Agreement.

3. The Contracting Parties granting operating authorisations in accordance with paragraph 2 of this Article shall notify such action to the Depository who will subsequently inform all the Contracting Parties.

ARTICLE 4 WITHHOLDING, REVOCATION, SUSPENSION AND LIMITATION OF AUTHORISATION

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

- a) the airline has failed to prove that it is qualified under Article 3 paragraphs 2 (a) (i) or (ii) or (iii) as applicable; or
- b) the airline has failed to comply with laws, regulations, and rules referred to in Article 14 (Application of Laws and Regulations) of this Agreement; or
- c) the other Contracting Party is not maintaining and administering the standards as set forth in Article 5 (Safety) of this Agreement.

2. Unless immediate action is essential to prevent further non-compliance with paragraphs 1(b) or 1(c) of this Article, the rights established by this Article shall be exercised only after consultations with the Contracting Party designating the airline, in accordance with the provisions set forth in Article 16 (Consultations and Amendments).

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

4. This Article does not limit the rights of any Contracting Party to withhold, revoke, suspend, impose conditions on or limit the operating authorisation or technical permission of an airline(s) of the other Contracting Parties in accordance with the provisions of Article 6 (Aviation Security).

ARTICLE 5 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 concerning the aviation safety and security standards maintained by another Contracting Party relating to aeronautical facilities, flight crew, aircraft, and operation of that other Contracting Party's designated airline(s). If, following such consultations, the first Contracting Party finds that the other Contracting Party does not

effectively maintain and administer safety and aviation security standards and requirements in these areas that are at least equal to the minimum standards which may be established pursuant to the Convention, the other Contracting Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards; and the other Contracting Party shall take appropriate corrective action. Each Contracting Party reserves the right to withhold, revoke, suspend, impose conditions on or limit the operating authorisation or technical permissions of an airline or airlines designated by the other Contracting Party in the event the other Contracting Party does not take such appropriate corrective action within a reasonable time.

ARTICLE 6 AVIATION SECURITY

1. In accordance 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, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, as well as any other convention or protocol relating to the security of civil aviation which all the Contracting Parties adhere to.

2. The Contracting Parties shall provide upon request all necessary 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 threats 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 International Civil Aviation Organisation (ICAO) and designated as Annexes to the Convention; they shall require that operators of aircraft of their registry, 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.

4. Each Contracting Party shall observe the aviation security provisions required by the other Contracting Parties for entry into, departure from, and while within their respective territories and to take adequate measures to protect aircraft and to inspect passengers, crew, and their carry-on items, as well as cargo and aircraft stores, prior to and during loading or unloading. Each Contracting Party shall also give positive consideration to any request from another Contracting Party for 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 aircraft, 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.

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 that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of receipt of such request shall constitute grounds to withhold, revoke, suspend, impose conditions on or limit the operating authorisation and technical permission of an airline(s) of that Contracting Party. When required by an emergency, a 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.

ARTICLE 7 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 filed with, or approved, by either Contracting Party. 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 that 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 8 OPERATION OF LEASED AIRCRAFT

1. When a designated airline proposes to use an aircraft other than one owned by it on the air services provided hereunder, this would only be done subject to the following conditions:

- a) that such arrangements will not be equivalent to allowing a lessor airline access to traffic rights not otherwise available to that airline;

- 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 one Contracting Party will be established in conformity with the Convention.

2. A designated airline is not otherwise prohibited from providing services using leased aircraft provided that any lease arrangement entered into satisfies the conditions listed in paragraph 1 of this Article.

ARTICLE 9 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 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 agents; to sell such air services, and any person shall be free to purchase such 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 on the date the airline(s) makes the initial application for remittance. Such conversion and remittance shall be made 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 territories of the other Contracting Parties in local currency. At their discretion, the airlines 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 regulation.

2. In operating or holding out the authorised services on the agreed 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, code-sharing or block-space 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.

3. The marketing airline may be required to file for approval to the aeronautical authorities of each Contracting Party of any cooperative marketing arrangements entered into with an operating airline, in accordance with paragraph 2 of this Article, before its proposed introduction.

4. When holding out air services for sale, the marketing airline(s) 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 10 USER CHARGES

1. No Contracting Party shall impose or permit to be imposed on the designated airline(s) of another Contracting Party user charges higher than those imposed on its own airline(s) operating similar international air services.

2. Each Contracting Party shall encourage consultations on user charges between its competent charging authorities and airline(s) 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 11 CUSTOMS DUTIES

1. Each Contracting Party shall on the basis of reciprocity, exempt a designated airline or designated airlines 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, ground equipment, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and other items, such as printed 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 airline(s) operating the agreed services.

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

- a) introduced into the territory of the Contracting Party by or on behalf of the designated airline(s) of another Contracting Party; or
- b) retained on board aircraft of the designated airline(s) of one Contracting Party upon arrival in or leaving the territory of another Contracting Party; or
- c) taken on board aircraft of the designated airline(s) of one Contracting Party in the territory of another Contracting Party and intended for use in operating the agreed 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 any Contracting Party, may be unloaded in the territory of another Contracting Party only with the approval of the customs authorities of that territory. 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(s) of one Contracting Party has contracted with another designated airline(s), which similarly enjoys such exemptions from other Contracting Parties, for the loan or transfer in the territory of the other Contracting Parties of the items specified in paragraph 1 of this Article.

**ARTICLE 12
FAIR COMPETITION**

Each Contracting Party agrees:

- a) that each designated airline shall have a fair and equal opportunity to compete in providing the international air services governed by this Agreement; and
- b) to take action to eliminate all forms of discrimination and/or anti-competitive practices by that Contracting Party and/or its designated airline(s) that it deems to adversely affect the competitive position of a designated airline of any other Contracting Party.

**ARTICLE 13
SAFEGUARDS**

1. The Contracting Parties agree that the following airline practices may be regarded as possible anti-competitive practices that 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 services to which they relate;
- b) the addition of excessive capacity or 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 unfair 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 16 (Consultations and Amendment) 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.

4. If the Contracting Parties fail to reach a resolution of the problem through consultations, any Contracting Party may invoke the dispute resolution mechanism under Article 17 (Settlement of Disputes) to resolve the dispute.

5. Each Contracting Party shall have the right to withhold, revoke, suspend, impose conditions on or limit the operating authorisations with respect 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 14 APPLICATION OF LAWS AND REGULATIONS

1. While entering, within, or leaving the territory of one Contracting Party, its laws, regulations and rules relating to the operation and navigation of aircraft shall be complied with by the airline(s) designated by any other Contracting Party.

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

3. Passengers, baggage and cargo in transit through the territory of any Contracting Party and not leaving the area of the airport reserved for such purpose shall not undergo any examination except for reasons of aviation security, narcotics control, prevention of illegal entry or in special circumstances.

ARTICLE 15 STATISTICS

The aeronautical authority of each Contracting Party shall provide the aeronautical authorities of the other Contracting Parties, upon request, with periodic statistics or other similar information relating to the traffic carried on the agreed services.

ARTICLE 16 CONSULTATIONS AND AMENDMENT

1. The aeronautical authorities of the Contracting Parties shall consult 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 the other 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. If one third of the Contracting Parties consider it desirable to amend any provision of this Agreement they shall be entitled, by request addressed to the Secretary-General of ASEAN, given not earlier than twelve (12) months after the entry into force of this Agreement, to call a meeting of all the Contracting Parties in order to consider any amendments which they may propose to this Agreement. Such amendment, if agreed among all the Contracting Parties and if necessary after consultations in accordance with paragraph 1 of this Article, shall come into effect when more than half of the Contracting Parties have deposited their Instruments of Ratification or Acceptance of such amendment.

3. In the event of the conclusion of any general multilateral convention concerning international air services by which all the Contracting Parties become bound, this Agreement shall be so modified as to conform with the provisions of such convention.

ARTICLE 17 SETTLEMENT OF DISPUTES

The provisions of the ASEAN Protocol on Enhanced Dispute Settlement Mechanism, done at Vientiane, Lao PDR, on 29 November 2004 and any amendment thereto, shall apply to disputes arising under this Agreement.

ARTICLE 18 RELATIONSHIP TO 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 Contracting Parties, except as provided in paragraph 3 of this Article.

2. Nothing in this Agreement shall prejudice the rights or the 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 ASEAN Member States 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. 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 19 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. This Agreement is subject to ratification or acceptance by the Contracting Parties. The Instruments of Ratification or Acceptance shall be deposited with the Depositary and the Depositary shall promptly inform each Contracting Party of such deposit.

3. This Agreement shall enter into force on the date of the deposit of the third (3rd) Instrument of Ratification or Acceptance with the Depositary and shall become effective only among the Contracting Parties that have ratified, or accepted it.

4. Subject to paragraph 3 of this Article, the Implementing Protocols as listed in Annex II of this Agreement shall enter into force upon ratification or acceptance as set out in the "Final Provisions" of the respective Implementing Protocols. The provisions of this Agreement shall only apply in respect of the Implementing Protocol that has entered into force among the Contracting Parties that have ratified or accepted it.

5. The Depositary shall maintain a centralised register of airline designations and operating authorisation in accordance with Article 3 (Designation and Authorisation of Airlines) of this Agreement.

6. The Depositary shall register this Agreement with the ICAO as soon as it enters into force.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this ASEAN Multilateral Agreement on the Full Liberalisation of Passenger Air Services.

DONE at Bandar Seri Begawan, Brunei Darussalam, this 12th Day of November in the Year Two Thousand and Ten, in a single original copy in the English Language.

ANNEX I

Scheduled Air Services

Section 1

Routing and Traffic Rights

1. Subject to the national laws and regulations of each Contracting Party and in accordance with Article 12 (Fair Competition) of this Agreement, the designated airline(s) of each Contracting Party shall, in accordance with the terms of their designation, be allowed to operate from any points in the territory of the Contracting Party designating the airline(s) via any intermediate points to any points in the territory of any other Contracting Party and to any points beyond in any combination or order, provided that all the points are international airports.

2. Notwithstanding the above provisions, the right to take on board or put down, in the territory of any other Contracting Party, passengers, baggage, cargo, or mail carried for remuneration and destined for or coming from points in the territory of any non-Contracting Party, shall be subject to the agreement between the aeronautical authorities of the Contracting Parties concerned.

3. Each Contracting Party undertakes to accord designated airlines of all Contracting Parties which have ratified this Agreement and corresponding Implementing Protocols thereto no less favourable treatment than that accorded to its own airlines with respect to the access to its cities with international airports as laid out in the Implementing Protocols of this Agreement.

Section 2

Operational Flexibility

1. 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 behind, intermediate, and beyond points and points in the territories of the Contracting Parties on the routes in any combination and in any order;
- d) omit stops at any point or points;
- e) transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and
- f) serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services

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.

2. On any segment(s) of the routes above, any designated airline may perform international air services without any limitation as to change of gauge, at any point on the route, on an one-on-one basis (with the exception of code-sharing) provided that, in the outbound direction, the air services beyond such point is a continuation of the air services from the territory of the Contracting Party that has designated the airline and, in the inbound direction, the air services to the territory of the Contracting Party that has designated the airline is a continuation of the air services from beyond such point.

3. The designated airline(s) of each Contracting Party may be required to submit its envisaged flight schedules for approval to the aeronautical authorities of the other Contracting Party at least thirty (30) days prior to the operation of the agreed services. Any modification thereof shall be submitted for consideration at least fifteen (15) days prior to the operation.

4. 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 the other Contracting Party. Such requests shall usually be submitted at least four (4) working days prior to the operation of such flights.

ANNEX II

IMPLEMENTING PROTOCOLS

The Contracting Parties shall conclude the following Implementing Protocols which shall form integral parts of this Agreement:

- a) Protocol 1 Unlimited Third and Fourth Freedom Traffic Rights Between Any ASEAN Cities; and

- b) Protocol 2 Unlimited Fifth Freedom Traffic Rights Between Any ASEAN Cities.
