

COMPREHENSIVE AGREEMENT IN THE FIELD OF AIR TRANSPORT BETWEEN
THE MEMBER STATES
OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS AND THE
EUROPEAN UNION AND ITS MEMBER STATES

The Governments of the following States:

LE BRUNEI DARUSSALAM,

THE KINGDOM OF CAMBODIA,

THE REPUBLIC OF INDONESIA,

THE LAO PEOPLE'S DEMOCRATIC REPUBLIC,

MALAYSIA

THE REPUBLIC OF THE UNION OF MYANMAR,

THE REPUBLIC OF THE PHILIPPINES,

THE REPUBLIC OF SINGAPORE,

THE KINGDOM OF THAILAND,

and

THE SOCIALIST REPUBLIC OF VIETNAM,

Member States of the Association of Southeast Asian Nations (ASEAN) (hereinafter collectively referred to as "ASEAN Member States" and individually "ASEAN Member State"),

on the one hand,

and

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

IRELAND,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

THE REPUBLIC OF CROATIA,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

HUNGARY,

THE REPUBLIC OF MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

ROMANIA

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

and

THE KINGDOM OF SWEDEN,

parties to the Treaty on European Union and to the Treaty on the Functioning of the European Union (hereinafter-jointly referred to as "the Treaties of the Union") and Member States of the European Union (hereinafter-collectively referred to as "Member States of the Union" and individually " Member State of the Union"),

and

THE EUROPEAN UNION (hereinafter referred to as "the Union"),

on the other hand,

DESIRING to promote their interests in the field of air transport in order to contribute to the establishment of closer political and economic relations between the two regions;

RECOGNISING the importance of efficient air transport connectivity to promote trade, tourism, investment and economic and social development;

DESIRING to improve air services and promote an international aviation system based on an environment of fair competition, non-discrimination and conditions of fair and equitable competition for air carriers;

DESIRING to ensure the highest degree of safety and security in air transport, and affirming their deep concern at acts and threats to aircraft security, which endanger the safety of persons and property, impair the proper functioning of aircraft and undermine passenger confidence in the safety of civil aviation;

NOTING that the Member States of ASEAN and the Member States of the Union are parties to the Convention on International Civil Aviation signed at Chicago on 7 December 1944;

DETERMINED to maximize the potential benefits of regulatory cooperation;

RECOGNISING the significant potential benefits that can result from competitive air services and viable air transport industries;

DESIRING to promote a level playing field for air carriers, recognising the potential benefits of fair competition and the fact that certain subsidies are likely to harm competition and undermine the fundamental objectives of this Agreement;

INTENDING to build on existing agreements and arrangements between the Universities with a view to opening up market access and maximising benefits for passengers, shippers, air carriers and airports and their staff, their populations and other beneficiaries;

AFFIRMING the importance of protecting the environment in the development and implementation of international aviation policy;

AFFIRMING the need to take urgent measures to combat climate change and to continue cooperation with a view to reducing greenhouse gas emissions in the aviation sector, in a manner consistent with relevant multilateral agreements, including the instruments of the International Civil Aviation Organisation (hereinafter referred to as "ICAO"));

STRESSING the importance of protecting the interests of consumers, in particular within the meaning of the Convention for the Unification of Certain Rules on International Air Transport signed in Montreal on 28 May 1999, and of achieving a high level of consumer protection, and recognising the need for mutual cooperation in this field;

RECOGNISING that increased trade opportunities are not intended to undermine the labour or related standards applied by the Parties, and reaffirming the importance of taking into account the effects of this Agreement on labour, employment and working conditions, as well as the benefits arising from a situation in which the significant economic benefits of open and competitive markets are accompanied by high labour standards;

NOTING the desire to explore ways to improve access to capital for the air transport sector, with a view to further developing air transport;

DESIRING to conclude an Agreement on Air Transport supplementing the Convention on International Civil Aviation signed at Chicago on 7 December 1944,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

Scope

1.This Agreement governs the provision of air transport services by Union air carriers to, within or to the territory of the ASEAN Member States, and by air carriers of ASEAN Member States to, within or to the territory of the ASEAN Member States Union, as well as the provision of certain services related to those air transport services, in accordance with this Agreement.

2.For the avoidance of doubt, this Agreement shall in no way be construed as governing the supply of air transport services by an air carrier of an ASEAN Member State to, within or to the territory of another ASEAN Member State, or the provision of certain services related to such air transport services.

ARTICLE 2

Definitions

1.For the purposes of this Agreement:

(a)"Chicago Convention" means the Convention on International Civil Aviation signed at Chicago on 7 December 1944, which includes any Annex adopted under Article 90 of that Convention and any amendment to its Annexes or to the Convention itself under Articles 90 and 94 thereof, in so far as those Annexes and amendments have taken effect for the Parties;

- (b) "Montreal Convention" means the Convention for the Unification of Certain Rules relating to International Carriage by Air signed at Montreal on 28 May 1999;
- (c) "air transport" means the carriage by aircraft of passengers, baggage, cargo and mail, separately or jointly, offered to the public for consideration or under a lease agreement, including scheduled and non-scheduled air services;
- (d) "declaration of citizenship" means the finding that an air carrier offering to operate air services under this Agreement meets the requirements of Article 4 concerning its ownership, effective control and principal place of business;
- (e) "competent authorities" means the public agencies or entities responsible for the regulatory and administrative functions of the Authorities under this Agreement;
- (f) "competition authority" means the competent authority or authorities responsible for enforcing the competition law of a Country, including, in the case of the Union, the European Commission;
- (g) "competition law" means the law which covers, in the jurisdiction of a Person, the following conduct, where it is likely to affect air transport services to, from or within that Article:
 - (i) agreements concluded between air carriers, decisions taken by associations of air carriers and concerted practices the object or effect of which is to prevent, restrict or distort competition;

(ii)abuses of a dominant position by one or more air carriers; or

(iii)concentrations between air carriers which significantly impede competition, in particular by creating or strengthening a dominant position;

(h) "computerised reservation system" (hereinafter referred to as "CRS") means a computerised system containing information (including timetables, available seats and fares) of several air carriers, whether or not including means of making reservations or issue tickets, to the extent that all or part of these services are made available to subscribers, and which includes "global distribution systems", to the extent that they contain air transport products;

(i) "discrimination" means any type of differentiation, without objective justification;

(j)"effective control" means a relationship consisting of rights, contracts or any other means which, either separately or jointly, and having regard to the legal and factual circumstances of the case, confer the possibility of exercising directly or indirectly a decisive influence over an undertaking, in particular through:

(i)a right of use over all or part of the assets of an undertaking;

(ii)rights or contracts conferring a decisive influence on the composition, voting or decisions of the organs of an undertaking or otherwise conferring a decisive influence on the conduct of the undertaking's business;

- (k) "suitability determination" means the finding that an air carrier proposing to operate air services under this Agreement has satisfactory financial capacity and appropriate management skills and is willing to comply with the laws, regulations and requirements governing the operation of such services;
- (l) "full cost" means the cost of the services provided, which may include appropriate amounts for capital costs and depreciation of assets, as well as maintenance, operating, management and administrative costs;
- (m) "international air transport" means an air transport operation that crosses the airspace above the territory of more than one State;
- (n) "significant transactions" means the supply of goods and services of such a size as to affect the conditions of fair and equitable competition of air carriers in France;
- (o) "non-scheduled service" means an air transport service which is not a scheduled service;
- (p) "Article" means the Union and the Member States of the Union, on the one hand, or an ASEAN Member State, on the other;

q) "Parties":

(i) the Union and the Member States of the Union; and

(ii) ASEAN Member States;

(r) "principal place of business" means the head office or registered office of an air carrier situated in the territory of an air carrier where the main financial functions and control of the operation of that air carrier are carried out, including the management of continuing airworthiness;

(s) "scheduled services" means a series of flights which has all of the following characteristics:

(i) the flight crosses the airspace above the territory of more than one State;

(ii) the flight is operated by aircraft for the carriage of passengers, baggage, mail and/or cargo, for consideration or under a lease agreement, so that each flight is open for use by members of the public;

(iii) the flight is organised in such a way as to connect the same two or more points:

(A) according to a published schedule;

(B) with such regularity or frequency that it forms part of an obvious systematic series;

- (t) "groundhandling" means the situation in which an air carrier supplies itself directly with one or more categories of groundhandling services and does not enter into any contract with a third party of any kind for the provision of such services. For the purposes of this definition, air carriers shall not be considered as third parties to each other where:
- (i) one holds a majority stake in the other; or
 - (ii) the same body holds a majority stake in each of them;
- (u) "serious disturbance of the economy of a Country" means an exceptional, temporary and significant crisis which affects the entire economy of an ASEAN Member State or a Member State of the Union rather than a specific region or economic sector;
- (v) "state-owned enterprise" means any undertaking carrying on a commercial activity in which:
- (i) a Party holds more than 50 per cent of the subscribed capital of the enterprise or of the votes attached to the shares issued by the enterprise; or
 - (ii) a Party exercises or has the possibility of exercising, directly or indirectly, a decisive influence by reason of his financial participation in that undertaking, the rules or practices relating to its operation, or any other means enabling him to establish such decisive influence over the undertaking. A person shall be presumed to exercise decisive influence where he or she may, directly or indirectly, appoint more than half of the members of the administrative, management or supervisory organ of the undertaking;

- (w)"non-commercial stopover" means a landing for a purpose other than the embarkation or disembarkation of passengers, baggage, cargo and/or mail during air transport;
- (x) "grant" means any financial contribution granted by public authorities or any other public body at any level, including:
- (i)the direct transfer of funds, for example in the form of grants, loans or equity participations, or potential direct transfers of funds to the undertaking, the assumption of its liabilities, for example in the form of loan guarantees, capital injections, equity participation, bankruptcy protection or insurance;
 - (ii)the waiving of revenue normally due or the non-collection of such revenue;
 - (iii)the supply of goods or services other than general infrastructure, or the purchase of goods or services; or
 - (iv)payments to a financial mechanism or requesting or directing a private body to perform one or more of the functions referred to in points (x)(i), (x)(ii) and (x)(iii) of paragraph 1 of this Article which are normally the responsibility of the public authorities or another public body, the practice followed which does not really differ from the normal practice of public authorities,

limited to an entity, undertaking or group of entities or undertakings under the jurisdiction of the granting authority conferring a benefit on air carriers. No advantage shall be deemed to be conferred by a financial contribution paid by the public authorities or another public body where a private operator solely motivated by prospects of profitability, being in the same situation as the public body in question, would have paid the same financial contribution;

- (y) "tariffs" means the tariffs, prices or charges applied by air carriers, including their agents, for the carriage by air (including any other mode of transport in connection with it) of passengers, baggage and/or goods (excluding mail), as well as the conditions governing the availability of such fares, prices or charges;
- (z) "territory" means, in respect of ASEAN Member States, the land territory, internal waters, archipelagic waters, the territorial sea, the seabed and its subsoil, as well as the airspace above them; and, as regards the Union, the land territory, internal waters and territorial sea to which the Eu Treaties apply, under the conditions laid down therein, as well as the seabed and subsoil thereof, and the airspace above them; and
- (aa) 'user charge' means a charge imposed on air carriers for the provision of airport, air navigation or aviation security facilities or services, including related services and facilities, or a noise-related charge, including charges to address local quality problems of the air in airport areas. For the avoidance of doubt, this definition does not include systems to combat climate-impacting international aviation emissions.

ARTICLE 3

Granting of rights

Table of routes

1. An ASEAN Member State shall allow Union air carriers to operate the following routes:

all points in the Union – all intermediate points – all points in this ASEAN Member State – all points beyond.

For the purposes of the routes described above, intermediate points and points beyond include one or more points in any other ASEAN Member State.

2. The Union and its Member States shall allow air carriers of an ASEAN Member State to operate the following routes:

all points in this ASEAN Member State – all intermediate points – all points in the Union – all points beyond.

For the purposes of the routes described above, points in the Union shall include one or more points in any EU Member State.

Traffic rights

3. The Parties shall grant each other the following rights for the exercise of international air transport activities by their respective air carriers:

- (a) the right to fly over the territory of the State which grants the right without landing there;
- (b) the right to make non-commercial stopovers in the territory of the Article which grants the right;
- (c) the right of air carriers of an ASEAN Member State to engage in international air transport, using scheduled and non-scheduled passenger, cargo and mixed services, between all points in that ASEAN Member State and all points in the Union (third and fourth freedom traffic rights);
- (d) the right of Union air carriers to carry out international air transport, using scheduled and non-scheduled passenger, cargo and mixed services, between all points in the Union and all points in the ASEAN Member States (third and fourth freedom traffic rights);
- (e) the right of air carriers of an ASEAN Member State to engage in international air transport by means of scheduled and non-scheduled passenger, cargo and mixed services, between all points in one Member State of the Union and all points in another Member State of the Union or any points in a third country, in connection with a service having its origin or destination in that ASEAN Member State (fifth freedom traffic rights), subject to paragraph 4 of this Article;

(f) the right of Union air carriers to carry out international air transport by means of scheduled and non-scheduled passenger, cargo and mixed services, between all points in an ASEAN Member State and all points in another ASEAN Member State or all points in a third country, in the context of a service originating or destined for in the Union (fifth-freedom traffic rights), subject to paragraph 5 of this Article; and

(g) the other rights specified in this Agreement.

4. With regard to passenger and mixed services, the rights granted under point (e) of paragraph 3 of this Article shall be subject, for each ASEAN Member State, to the following set of conditions:

(a) a maximum of seven (7) weekly flights departing or arriving in each Member State of the Union may be operated in each direction upon the entry into force of this Agreement;

(b) a maximum of seven (7) additional weekly flights departing or arriving in each EU Member State may be operated in each direction after two (2) years; and

(c) flights operated under point (b) of paragraph 4 of this Article may not serve routes between a EU Member State and a third country which are already served by a Union air carrier. For the purposes of this paragraph, a route shall be deemed to be served by a Union air carrier if that carrier operates that route by means of scheduled services with its own aircraft, with aircraft leased with or without crew or, in the case of non-stop services, by means of code-sharing.

5. As regards passenger and mixed services, the rights granted under paragraph 3(f) of this Article shall be subject, for each Member State of the Union, to all of the following conditions:

- (a) a maximum of seven (7) weekly flights departing or arriving in each ASEAN Member State may be operated in each direction upon the entry into force of this Agreement;
- (b) a maximum of seven (7) additional weekly flights departing or arriving in each ASEAN Member State may be operated in each direction after two (2) years; and
- (c) flights operated under point (b) of paragraph 5 of this Article may not serve routes between an ASEAN Member State and a third country that are already served by an air carrier of that ASEAN Member State. For the purposes of this paragraph, a route shall be deemed to be served by an air carrier of an ASEAN Member State if that carrier operates that route by means of scheduled services with its own aircraft, with aircraft leased with or without crew or, in the case of non-stop services, by means of code-sharing.

Operational flexibility

6. Air carriers of each Article may, on all or part of the flights and at their convenience, on the routes specified in paragraphs 1 and 2 of this Article:

- (a) operate flights in either or both directions;
- (b) combine different flight numbers on the same aircraft operation;

- (c) serve intermediate points, points beyond and points situated in the territory of the Regions, in any combination and in any order in accordance with the provisions of paragraph 3 of this Article;
- (d) omit stopovers at one or more points;
- (e) transfer traffic from any of their aircraft to any of their other aircraft at all points (load break);
- (f) make stopovers at all points situated within or outside the territory of one of the Regions;
- (g) transit traffic through the territory of another country;
- (h) combine traffic on board the same aircraft regardless of the origin of that traffic; and
- (i) serve more than one point, in the same EU Member State or ASEAN Member State, on the same service (co-terminalisation).

7.La flexibility of operation provided for in paragraph 6 of this Article may be exercised without limitation of direction or geographical nature, provided that:

- (a) the services of air carriers of an ASEAN Member State serve a point in that ASEAN Member State; and
- (b) the services of Union air carriers serve a point within the Union.

8. Each Article shall authorise each air carrier to define the frequency and capacity of international air transport which it wishes to offer on the basis of commercial considerations. Under this right, no Article shall unilaterally impose restrictions on the volume of traffic, the frequency or regularity of service, the routing, origin and destination of traffic, or on the type or types of aircraft operated by air carriers of another P. article, except for customs, technical, operational, air traffic management safety, environmental or health protection reasons, in a non-discriminatory manner, or unless otherwise provided for in this Agreement.

9. Nothing in this Agreement shall be deemed to confer any of the following rights:

(a) as regards ASEAN Member States, the right of air carriers to embark on the territory of any MEMBER State of the Union, for consideration or under a rental contract, passengers, baggage, cargo and/or mail to another point in that Member State of the Union; and

(b) as regards the Union, the right of air carriers to embark on the territory of any ASEAN Member State, for consideration or under a rental contract, passengers, baggage, cargo and/or mail to another point in that ASEAN Member State.

ARTICLE 4

Operating authorizations and technical permits

1. Upon receipt of an application for an operating authorisation submitted by an air carrier of another Article, an Article shall grant the appropriate operating authorisations and technical permits with a minimum procedural period, provided that all of the following conditions are met:

(a) in the case of an air carrier of an ASEAN Member State:

(i) the air carrier has its principal place of business in that ASEAN Member State and holds a valid operating licence in accordance with the law of that ASEAN Member State;

(ii) the ASEAN Member State that issued the air operator's certificate exercises and maintains effective regulatory control over the air carrier, and the competent authority is clearly identified; and

(iii) the air carrier is owned, directly or through majority ownership, and is effectively controlled by that ASEAN Member State, by nationals of that ASEAN Member State, or by both;

(b) in the case of a Union air carrier:

(i) the air carrier is established in the territory of the Union and holds a valid operating licence in accordance with Union law;

(ii) the Member State of the Union responsible for issuing the air operator's certificate exercises and maintains effective regulatory control over the air carrier, and the competent authority is clearly identified; and

(iii) the air carrier is owned, directly or through majority ownership, and is effectively controlled by one or more Member States of the Union, by other States party to the Agreement on the European Economic Area, by Switzerland, by nationals of those States or by a combination thereof;

(c) Articles 15 and 16 are complied with; and

(d) the air carrier satisfies the conditions laid down in the laws and regulations normally applied to the exercise of international air transport by the Applicant examining the application.

2. For the purposes of this Article and Article 5, evidence of effective regulatory control of an air carrier shall include the following:

(a) the air carrier concerned holds a valid operating licence or authorisation issued by the competent authority of the Article concerned and meets the criteria of that Article issuing the licence or authorisation to operate international air services; and

(b) this Article has and maintains safety and security supervision programmes for that air carrier in accordance with ICAO standards.

3. When granting operating and technical permits, one Article shall treat all air carriers of another Article in a non-discriminatory manner.

4. Upon receipt of an application for an operating authorization from an air carrier of another Party, a Party shall recognize any determination of fitness and/or declaration of citizenship made by that other Party in respect of that air carrier as if such determination or declaration were made by its own competent authorities, and shall not carry out any further verification on such matters, except as provided for in Article 5(2). For the avoidance of doubt, this paragraph shall not cover the recognition of determinations made in relation to security certificates or licences, safety provisions or insurance cover.

ARTICLE 5

Refusal, revocation, suspension or limitation of operating authorizations or technical permits

1. An Article may refuse, revoke, suspend, subject to conditions or limit the operating authorisations or technical permits of an air carrier of another Article, or refuse, suspend, subject to conditions or otherwise limit the activities of an air carrier of that other Article, where:

(a) in the case of an air carrier of an ASEAN Member State:

- (i) the air carrier does not have its principal place of business in an ASEAN Member State or does not hold a valid operating licence in accordance with the law of that ASEAN Member State; or
- (ii) the ASEAN Member State that issued the air operator's certificate does not exercise or maintain effective regulatory control over the air carrier, or the competent authority is not clearly identified; or

(iii)the air carrier is not owned, directly or through majority ownership, or is not effectively controlled by that ASEAN Member State, by nationals of that ASEAN Member State, or by both;

(b)in the case of a Union air carrier:

(i)the air carrier is not established in the territory of the Union or does not hold a valid operating licence in accordance with Union law; or

(ii)the Member State of the Union responsible for issuing the air operator's certificate does not exercise or maintain effective regulatory control over the air carrier, or the competent authority is not clearly identified; or

(iii)the air carrier is not owned, directly or through majority ownership, or is not effectively controlled by one or more EU Member States, by other States party to the Agreement on the European Economic Area, by Switzerland, by nationals of those States or by a combination thereof; or

(c)the air carrier has failed to comply with the laws and regulations referred to in Article 7.

2. Where a Party has reasonable grounds to believe that an air carrier of another Article is in one of the situations referred to in paragraph 1 of this Article, that Party may request consultations with that other Article.

3. Such consultations shall begin as soon as possible, and no later than thirty (30) days after the date of receipt of the request for consultations. The impossibility of reaching a satisfactory agreement within a period of last(30) days or within an agreed period from the date of commencement of these consultations, or the non-adoption of the agreed remedies, constitute grounds for the Party which requested the consultations to take measures to refuse, revoke, suspend, subject to conditions or limit the operating authorisation or technical permits of the air carrier concerned, or refuse, suspend, subject to conditions or otherwise limit the activities of the air carrier concerned, in order to ensure compliance with the provisions of Articles 4 and 7.

4. Notwithstanding paragraph 3 of this Article, in respect of the case referred to in point (c) of paragraph 1 of this Article, an Article may take immediate or urgent measures where an emergency situation so requires or to prevent a further breach. For the avoidance of doubt, a new failure to fulfil obligations implies that the question of failure to fulfil obligations has already been raised between the competent authorities of the Parties concerned.

5. This Article shall not limit the rights of a Person to refuse, revoke, suspend, subject to conditions or limit the operating authorisation or technical permit of one or more air carriers of another Party, or to refuse, suspend, subject to conditions or otherwise limit the activities of 'one or more air carriers of another Article, in accordance with the provisions of Article 8, 15, 16 or 25.

ARTICLE 6

Liberalization of ownership and control

The Parties recognise the potential benefits of the gradual liberalisation of the ownership and control of their respective air carriers. The Parties may examine, within the Joint Committee referred to in Article 23, at an appropriate time, the reciprocal liberalisation of the ownership and control of air carriers. The Joint Committee may then propose amendments to this Agreement in accordance with Article 23(4)(f) and Article 28.

ARTICLE 7

Compliance with laws and regulations

1. On arrival, departure or during the activity in the territory of another country, air carriers of one country shall comply with the laws and regulations governing entry, exit or exit from that territory. operation of aircraft engaged in international air transport.

2. On arrival, departure or during the activity in the territory of another Party, passengers, crew members, baggage, cargo and mail of air carriers of one Country, or any person acting on their behalf, shall comply with its laws and regulations governing entry, exit or operation with regard to passengers, crew members, baggage, cargo and/or mail on board aircraft (including regulations on entry formalities, leave, immigration, passports, customs and quarantine or, in the case of mail, postal regulations).

3. Each Article shall authorise, in its territory, air carriers of another Article to take measures to ensure that only persons in possession of the travel documents required for entry into or transit through the territory of that other Article are carried.

ARTICLE 8

Fair competition

1. The Parties agree that their common objective is to have an environment of fair competition in which the air carriers of the Region enjoy conditions of fair and equitable competition in the provision of air transport services.

2. In order to achieve the objective referred to in paragraph 1 of this Article, the Parties shall:

(a) adopt or maintain competition law;

(b) establish or maintain a functionally independent competition authority, with all necessary powers and resources, which effectively implements the competition law of The Community. Decisions of the competition authority may be appealed or reviewed by a court of that court;

(c) eliminate, within their respective jurisdictions, all forms of discrimination or unfair practices which would be likely to jeopardise the conditions of fair and equitable competition of air carriers of another Party in the provision of air transport services. For the avoidance of doubt, a provision of point (c) of paragraph 2 of this Article shall include the conduct described in point (g) of Article 2(1); and

(d) grant or maintain subsidies to an air carrier if such subsidies are likely to jeopardise the conditions of fair and equitable competition of air carriers of another party in the provision of air transport services.

3. Notwithstanding point (d) of paragraph 2 of this Article, it shall be permitted to grant:

(a) support to insolvent or troubled air carriers, provided that:

(i) such support is subject to a credible restructuring plan based on realistic assumptions with a view to ensuring the return to the long-term viability of the ailing air carrier within a reasonable period of time; and

(ii) the air carrier concerned, its investors or shareholders themselves contribute significantly to the costs associated with the restructuring;

(b) temporary liquidity support to an air carrier in difficulty, in the form of loans or loan guarantees limited to the amount strictly necessary to keep the air carrier concerned in operation for the time necessary to draw up a restructuring or winding-up plan;

(c) provided that they are limited to the minimum amounts necessary to achieve their objective and that the effects on the provision of air transport services between the Parties are minimised:

(i) subsidies to make good the damage caused by natural disasters or extraordinary events;

(ii) subsidies to remedy a serious disturbance in the economy of one of the Regions;

(iii) subsidies to air carriers entrusted with the performance of clearly defined public service obligations necessary to meet the essential transport needs of the population which cannot be met by market forces alone, provided that such subsidies are limited to reasonable remuneration for the provision of the air services concerned; and

(iv) subsidies available to all carriers, which are not, de jure or de facto, limited to certain air carriers.

4. The Authorities shall ensure that each of their air carriers providing air transport services under this Agreement publishes, or otherwise prepares and provides on request, an annual financial report accompanied by a financial statement, which shall be the subject of independent auditing and comply with internationally recognised accounting and corporate financial reporting standards, such as International Financial Reporting Standards. In any case, subsidies are mentioned separately in the financial report.

5. With regard specifically to air transport, each Article shall ensure that significant transactions between its air carriers and suppliers of goods and services which are state-owned enterprises (in whatever form) of that Article are based on commercial conditions equivalent to those prevailing in transactions carried out under conditions of normal competition.

6. At the request of another Article, each Article shall provide it, within thirty (30) days or within an agreed period, with the relevant information which may reasonably be requested to ensure compliance with the provisions of this Article. This information may include additional information relating to the grants and elements referred to in paragraphs 4 and 5 of this Article. On request, this information shall be treated confidentially by the Person receiving it.

7. Si one or more Parties (hereinafter collectively referred to as the "initiating Party" for the purposes of this Article) consider that the conditions of fair and equitable competition of their air carriers are compromised by:

(a) discrimination or unfair practices prohibited under point (c) of paragraph 2 of this Article;

(b) a subsidy grant granted pursuant to paragraph 2(d) of this Article, other than those listed in paragraph 3 of this Article; or

(c) failure to provide the information requested under paragraph 6 of this Article,

it may be brought in accordance with paragraphs 8 to 10 of this Article.

8. La initiating Party shall submit a written request for consultations to the Party or Parties concerned (hereinafter collectively referred to as "the requested Party" for the purposes of this Article). Consultations shall commence within thirty (30) days of the date of receipt of the request, unless the parties agree otherwise.

9. Si the initiating Party and the requested party fail to reach agreement on the matter within sixty (60) days of the date of receipt of the request for consultations, the initiating Party may take action against some or all of the air carriers of the requested Party that have had the conduct complained of or which has benefited from the discrimination, unfair practices or subsidies in question.

10. Measures taken under paragraph 9 of this Article shall be appropriate, proportionate and limited in scope and duration to what is strictly necessary to mitigate the harm suffered by air carriers of the initiating Party and to eliminate the undue advantage obtained by air carriers of the requested Party.

11. Where matters covered by this Article are subject to the dispute settlement procedure provided for in Article 25:

(a) notwithstanding Article 25(2) and (3), the dispute may be immediately submitted to a person or body for decision, or submitted to arbitration; and

(b) the time limits laid down in Article 25(10), (11) and (12) shall be halved.

12. Nothing in this Agreement shall affect, limit or threaten in any way the authority or powers of the competition authorities of the Parties or of the courts reviewing the decisions of those authorities. Any action taken by an initiating Party pursuant to paragraph 9 of this Article shall be without prejudice to any actions and measures taken by those authorities and courts, including those of the initiating Party. Actions and measures of the competition authorities of the Courts and tribunals which review the decisions of those authorities shall be excluded from the dispute settlement mechanism provided for in Article 25.

ARTICLE 9

Conduct of business

1. The Parties agree that obstacles to the conduct of business encountered by their air carriers would jeopardise the benefits to be provided by this Agreement. The Parties agree to cooperate in the removal of such obstacles where they are likely to impede commercial operations, create distortions of competition or affect the level playing field.

2. The Joint Committee shall monitor the progress made in dealing effectively with matters relating to obstacles to the conduct of business of the air carriers of the Regions.

ARTICLE 10

Commercial exploitation

1. The Parties shall grant each other the rights provided for in paragraphs 2 to 17 of this Article. Parties air carriers are not required to retain a local partner for the purposes of this Article.

Air carrier representatives

2. The air carriers of each Article shall be entitled to freely establish, in the territory of another Article, offices and facilities necessary to provide services under this Agreement, as far as possible and without discrimination.

3. Without prejudice to safety and security rules, where such facilities are located at an airport, they may be subject to limitations for reasons of availability of space.

4. The air carriers of each Article shall be authorised, in accordance with the laws and regulations of another Article on entry, stay and employment, to bring into and stay in the territory of that other Article of commercial, technical, managerial and administrative staff, operation, or any other specialised personnel, necessary to ensure the provision of air transport. The Parties shall deal expeditiously with the granting of work permits, where required, for staff employed in the offices referred to in this paragraph, in particular staff carrying out certain temporary assignments, subject to the laws and regulations in force.

Ground handling

5.(a) Without prejudice to paragraph 5(b) of this Article, air carriers of each Article shall be authorised, in respect of groundhandling in the territory of another Article, to:

(i) provide their own groundhandling services (self-handling); or

(ii) choose from among competing suppliers, where those suppliers provide groundhandling services in whole or in part, in accordance with the laws and regulations of the Article concerned.

(b) Point (a) of paragraph 5 of this Article shall be subject to security and safety considerations, and to material or operational constraints. Where such considerations limit, prevent or impede self-handling, and in the absence of effective competition between providers of groundhandling services, the Party concerned shall ensure that all such services are made available to all air carriers under fair and adequate conditions and that the tariffs for such services are determined according to relevant, objective, transparent and non-discriminatory criteria.

Allocation of slots at airports

6. Each Article shall ensure that its regulations, guidelines and procedures for the allocation of slots at airports within its territory are applied in a transparent, effective, non-discriminatory and timely manner.

Operating plans, programs and schedules

7. A Municipality may require notification to its competent authorities, for information purposes only, of the plans, programmes or schedules for the operation of air services operated under this Agreement. If a Partie requires such notification, it shall minimise the administrative burden related to its notification requirements and procedures which is borne by air transport intermediaries and air carriers of another Article.

Sales, local expenses and remittances

8. The air carriers of each Article shall be authorized to sell air transport and related services, both of their own and those of any other air carrier, in the territory of another Article. An air carrier may, at its convenience, do so directly and/or through its sales agents or other intermediaries of its choice, or via the internet or any other available means. The sale and purchase of such transport and related services shall be permitted in the currency of the territory of sale or purchase, or in freely convertible currencies.

9. Air carriers of each Article shall be entitled to pay local expenses, including purchases of fuel in the territory of another Article, in local currency or, at their convenience, in currencies freely convertible at the market exchange rate.

10.a) Air carriers of each Article shall be authorised, on request, to convert local revenues into a freely convertible currency and to transfer them at any time, in any manner whatsoever, from the territory of another Country to the country of their choice. The conversion and transfer of revenue shall be permitted as soon as possible without restrictions or taxes, on the basis of the market exchange rate applicable to current transactions and transfers on the date on which an air carrier submits its first request for transfer, and shall not be subject to any fees except those normally charged by banks for carrying out such conversion and transfer.

(b) Where, in exceptional circumstances, capital movements and payments, including transfers, cause or threaten to cause serious difficulties for the functioning of an article's economy, that person may take measures which restrict the rights set out in paragraph 10. (a) of this Article, provided that such measures are temporary and strictly necessary to remedy those difficulties. These measures must not constitute a means of arbitrary or unjustified discrimination against air carriers of other countries in comparison with carriers of any other country.

Trade cooperation agreements

11. In connection with the operation or provision of air transport services under this Agreement, air carriers of each Article shall be authorised to conclude commercial cooperation agreements, such as capacity reservation or code-sharing agreements, with:

(a) one or more air carriers of the Arts;

(b) one or more air carriers from a third country; and

(c) any surface carrier (land or sea) of any country;

provided that (i) the operating carrier holds the appropriate traffic rights; (ii) the carrier marketing the service holds the appropriate rights for the underlying routes; and (iii) such agreements comply with the regulatory requirements to which such agreements are generally subject.

12. In connection with the operation or provision of air transport services under this Agreement, subject to Article A, air carriers of each Country shall be authorised to conclude commercial cooperation agreements, such as capacity reservation or code-sharing agreements, with an air carrier operating a domestic route, provided that:

- (a) the national journey is part of an international journey; and
- (b) such agreements comply with the requirements to which such agreements are generally subject.

For the purposes of this paragraph, "national journey" means, where the common carrier providing national transport is a Union carrier, a route within the territory of a Member State of the Union; and, where the operating carrier providing the national transport is a carrier of an ASEAN Member State, a route within the territory of that ASEAN Member State.

S. 13. in the case of the sale of passenger transport on a flight under commercial cooperation agreements, the buyer is informed, at the time of sale of the ticket or, in any case, at the time of check-in, or before boarding in the case of a flight in correspondence carried out without registration, the identity of the service providers who will provide each part of the service.

Services intermodaux

S. 14. with regard to the carriage of passengers, surface carriers are not subject to the laws and regulations governing air transport on the sole ground that surface transport is carried out by an air carrier in its own name.

15. Notwithstanding any other provision of this Agreement, air carriers and indirect suppliers of freight transport services of each Article shall be entitled, without restriction, to use, in connection with international air transport, any surface carriage for cargo to or from any point in the territory of the articles or in third countries, including transport to or from any airport with customs facilities, and have (where appropriate) the right to carry cargo under customs seal, in accordance with the applicable laws and regulations. This cargo, whether transported on the surface or by air, has access to customs procedures and facilities at airports. An air carrier may choose to carry out its own surface transport or to entrust it under agreements to other surface transport providers, including other air carriers or indirect suppliers of air cargo transport services. Such intermodal freight services may be offered at a single flat-rate tariff covering air and surface transport, provided that shippers are not misled as to the nature and manner of such transport.

Location

16. The air carriers of each Article shall be authorised to provide air transport services under this Agreement:

(a) using an aircraft leased without crew from any lessor;

(b) using an aircraft leased with a crew from other air carriers of the same position as the receiving air carrier; or

(c) using aircraft leased with crew from air carriers of a country other than that of the lessee air carrier, provided that the lease is justified by exceptional needs, seasonal capacity needs or operational difficulties of the lessee and that the lease period does not exceed what is strictly necessary to meet those needs or overcome those difficulties.

17. The Parties concerned may require that rental agreements be approved by their competent authorities for the purpose of verifying compliance with the conditions set out in paragraph 16 and the applicable safety and security requirements. However, where a Government requires such approval, it shall endeavour to speed up the approval procedures and to minimise the administrative burden for the air carriers concerned. For the avoidance of doubt, the provisions of this paragraph and paragraph 16 shall be without prejudice to the laws and regulations of an Article as regards the leasing of aircraft by air carriers of that Article.

ARTICLE 11

Customs duties and other taxes

1. On arrival in the territory of another article, aircraft operated for international air transport by air carriers of one article, as well as their usual equipment, fuel, lubricants, consumable technical supplies, ground equipment and spare parts (including engines), ships' stores (including items such as food, beverages, tobacco and any other product intended for sale to passengers or for use in limited quantities during the flight), and other items intended for operation or maintenance of aircraft engaged in international air transport or used solely for such purposes shall be exempted, on a reciprocal basis, as far as possible in accordance with the respective national laws and regulations of the Authorities and provided that such equipment and supplies remain on board the aircraft, from any restriction on the importation, any property or capital tax, any customs and excise duties, any inspection fees, value added tax or any other similar indirect tax, and any fees or charges which:

- (a) are imposed by the competent authorities of that other Article; and
- (b) are not calculated on the basis of the cost of the services provided.

For the avoidance of doubt, aircraft and other property referred to in this paragraph shall be considered as movable property and nothing in this Article shall affect the validity or application of Article 24 of the Chicago Convention.

2. As far as possible in accordance with the respective national laws and regulations of the Municipalities and on the basis of reciprocity, the following shall also be exempt from the taxes, duties, charges, charges and charges referred to in paragraph 1 of this Article, with the exception of fees based on the cost of the services provided:

- (a) ships' stores imported or obtained in the territory of another party and loaded, in reasonable quantities, onto an aeroplane departing from an air carrier of an article operating an international air service, even if such items are intended for consumption on the part of the flight over that territory;
- (b) ground equipment and spare parts (including engines) imported into the territory of another Article and intended for the maintenance, overhaul or repair of the aircraft of an air carrier of one Article engaged in international air transport, even if such equipment and spare parts are intended for use on the part of the flight carried out over that territory;
- (c) fuel, lubricants and consumable technical supplies imported or obtained in the territory of another Article for use in an aircraft of an air carrier of one Article engaged in international air transport, even if those items are intended for use on the part of the flight over that territory; and
- (d) printed matter, in accordance with the customs legislation of another Article, imported or obtained in the territory of that other Article and loaded for use in an aircraft departing from an air carrier of one Article engaged in international air transport, even if such printed matter is intended for use on the part of the flight over that territory.

3. With regard to the exemptions provided for in this Article, the Parties shall accord to air carriers of another Article treatment at least as favourable as that which they accord to their own air carriers or to carriers of any third country, whichever is more favourable.

4. Nothing in this Agreement shall prevent a Company from applying taxes, levies, duties, taxes or charges to fuel supplied in its territory, on a non-discriminatory basis, for use by an aircraft of an air carrier of another Country which operates a route between two points in its territory.

5. Normal on-board equipment, as well as equipment, supplies and spare parts referred to in paragraphs 1 and 2 of this Article, normally kept on board aircraft operated by an air carrier of one Article, may be unloaded in the territory of another Article only with the authorization from the customs authorities of that other Article and it may be required that they be placed under the supervision or control of those authorities until they are re-exported or otherwise disposed of in accordance with customs rules.

6. The exemptions provided for in this Article shall also apply where air carriers of one Article have concluded contracts with another air carrier, which benefits from similar exemptions granted by another Article, for the loan or transfer to the territory of that other Article of the elements described in another Article. paragraphs 1 and 2 of this Article.

7. Nothing in this Agreement shall prevent a Party from applying taxes, levies, duties, taxes or charges to the sale to passengers of items not intended for consumption on board an aircraft on part of the air service between two points in its territory where embarkation and disembarkation are permitted.

8. Baggage and goods in direct transit through the territory of a country shall be exempt from taxes, customs duties, duties and other comparable charges which shall not be calculated on the basis of the cost of the services provided.

9. It may be required that the equipment and equipment referred to in paragraphs 1 and 2 of this Article be placed under the supervision or control of the competent authorities.

10. This Agreement shall not modify the provisions of the respective conventions in force between the Member States of ASEAN and the Member States of the Union for the avoidance of double taxation on income and on capital.

ARTICLE 12

User charges

1. Each Article shall ensure that the user charges imposed by its competent authorities or bodies on air carriers of another Article for the use of air navigation and air traffic control services are cost-based and non-discriminatory and are no less favourable than the most favourable conditions granted to any other air carrier in similar circumstances at the time of their imposition.

2. With the exception of charges levied for the provision of the services described in Article 10(5), each Article shall ensure that user charges imposed by its competent authorities or bodies on air carriers of another Article for the use of airport and aviation security facilities and services and related facilities and services shall not be unfairly discriminatory and shall be equitably distributed among categories of users. Such charges shall not exceed the total cost incurred by the relevant authorities or bodies for the provision of appropriate airport and aviation security facilities and services at the airport(s) applying a common charging system. Such royalties may, however, include a reasonable return on assets after depreciation. Facilities and services that are subject to user charges are provided on an efficient and economical basis. In any event, such charges may not be imposed on air carriers of another Article on terms less favourable than the most favourable conditions granted to another air carrier in similar circumstances at the time of their imposition.

3. Each Article shall require its authorities or bodies competent in relation to charges to consult and exchange with air carriers using the services and facilities the information necessary to enable an accurate assessment of the reasonableness of user charges, in accordance with the principles set out in paragraphs 1 and 2 of this Article. Each Article shall ensure that its authorities or bodies competent in the field of charges inform air carriers, within a reasonable time, of any proposed changes to user charges, in order to enable them to express their opinion and submit their comments before the amendments are implemented.

ARTICLE 13

Rates

- 1.The Parties shall allow their air carriers to set their tariffs freely.
- 2.Any Member may require, in a non-discriminatory manner, that the tariffs offered for services from its territory by air carriers of any Article be notified to its competent authorities in a simplified manner and for information purposes only. Such notification may be requested from air carriers at the earliest in the context of an initial fare offer .

ARTICLE 14

Statistics

- 1.Each Article shall provide the other Countries with available statistics on air transport covered by this Agreement as may reasonably be required, subject to the respective laws and regulations of the Articles and on a non-discriminatory basis.
- 2.The Parties agree to cooperate to facilitate the reciprocal exchange of statistical information for the purpose of monitoring developments in air transport covered by this Agreement.

ARTICLE 15

Air safety

1. The Parties reaffirm the importance of close cooperation in the field of aviation safety. In this context, the Parties agree to intensify their cooperation, where appropriate, in particular by facilitating the exchange of safety information, possible reciprocal participation in surveillance activities or the conduct of joint monitoring activities, as well as the development of joint projects and initiatives, including with countries not party to this Agreement.

2. Certificates of airworthiness, certificates of competence and licences issued or validated by one Party and still valid shall be recognised as valid by another Party and its competent authorities for the purpose of operating air services under this Agreement, provided that such certificates or licences have been issued or validated in accordance with, at a minimum, the relevant international standards established under the Chicago Convention.

3. Each Member may, at any time, request consultations on the safety standards applied and managed by another Member in areas related to aeronautical installations, flight crews, aircraft and the aircraft operations. These consultations shall take place within thirty (30) days from the date of receipt of the request.

4. Si, following the conclusions referred to in paragraph 3 of this Article, the Requesting Article considers that that other Article does not apply or effectively manage, in the areas referred to in paragraph 3 of this Article, safety standards at least equal to the minimum standards established under the Chicago Convention, that other Article shall be informed of those findings and of the measures deemed necessary to comply with those minimum standards. If such other Article fails to take appropriate corrective action within fifteen (15) days of the date of receipt of such notification or within an agreed period, the Applicant referred to in paragraph 3 of this Article shall be entitled to refuse, revoke, suspend, subject to conditions or limit the authorizations of operation or technical permits of an air carrier which is subject to the safety supervision of that other party, or to refuse, revoke, suspend, subject to conditions or otherwise limit the activities of an air carrier which is subject to the safety supervision of that other party.

5. Any aircraft operated by or on behalf of an air carrier of one Article may, when it is in the territory of another Article, be subject to a ramp inspection by the competent authorities of that other Article in order to verify the validity of the relevant documents of the aircraft and those of its crew, as well as the apparent condition of the aircraft and its equipment, provided that such examination does not result in an unreasonable delay in the operation of the aircraft.

6. If a Person finds, after carrying out a ramp inspection, that an aircraft or its operation does not comply with the minimum standards laid down under the Chicago Convention or that the safety standards established under the Chicago Convention are not being applied or effectively managed, or if it is refused access for a ramp inspection, that Article shall inform the competent authorities of that other Article which are responsible for the safety supervision of the air carrier operating the aircraft in question of those findings and of the measures deemed necessary to comply with those minimum standards. If appropriate corrective action is not taken within fifteen (15) days from the date of receipt of such notification or within an agreed period, the first Party is entitled to refuse, revoke, suspend, subject to conditions or limit the operating authorisations or technical permits of the air carrier operating the aircraft in question, or to refuse, revoke, suspend, subject to conditions or otherwise limit the activities of the air carrier operating the aircraft.

7. Each Article shall have the right to take immediate action, including the right to revoke, suspend or limit the operating authorisations or technical permits of an air carrier of another Party, or to suspend or otherwise limit the activities of an air carrier of another Party, if it concludes that a direct threat to aviation safety justifies such measures. The Person who takes these measures shall inform the other Member without delay, giving reasons for her decision.

8. Any measure taken by a Member in accordance with paragraph 4, 6 or 7 of this Article shall be lifted as soon as the cause on which the measure was based ceased to exist.

ARTICLE 16

Aviation Security

1. The Parties reaffirm their reciprocal obligations to ensure the security of civil aviation against acts of unlawful interference, and in particular the obligations arising from the Chicago Convention, the Convention on Offences and Certain Other Acts Committed on Board Aircraft held in 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, the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving the Safety of Civil Aviation, signed at Montreal on 23 September 1971, and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Used for the Suppression of Unlawful Acts of Violence at Airports Serving the Safety of Aviation international civil aviation signed at Montreal on 24 February 1988 and the Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1 March 1991, in so far as the Parties are parties to these Conventions, as well as the other Conventions and Protocols relating to civil aviation security to which the Parties are party.

2. The Parties shall, upon request, provide each other with all necessary assistance to deal with any threat to civil aviation security, and in particular to prevent acts of unlawful seizure of civil aircraft and other unlawful acts directed against the safety of such aircraft, their passengers and crews, airports and air navigation facilities, as well as any other threat to civil aviation security.

3. In their mutual relations, the Parties shall comply with the aviation security standards established by ICAO. They require operators of aircraft registered in their territory, aircraft operators that have their principal establishment or permanent residence in their territory, and operators of airports located in their territory to comply with these aviation security standards.

4. Each Article shall ensure that effective measures are taken in its territory to protect civil aviation against acts of unlawful interference, including screening of passengers and their carry-on baggage, screening of hold baggage, screening and security checks of persons other than passengers (including crew) and the objects they carry, screening and security controls of cargo, mail, on-board supplies and airport supplies, and control of access to the airside and security restricted areas. These measures shall be adapted to deal with the worsening threats to civil aviation security. Each Article agrees that the security provisions required by another Article with regard to the entry, exit or operation of aircraft in its territory shall be complied with.

5. While taking full account of and respecting the sovereignty of other Parties, a Partie may adopt security measures concerning entry into its territory, as well as emergency measures, in order to deal with a specific threat to security, which should be communicated without delay to the Guinea or Parties concerned. Each Member shall give sympathetic consideration to any request made to him by another Article for reasonable special security measures, and that other Article shall take account of the security measures already applied by the First Article and of the view expressed by that First Article. Except where this is not reasonably possible in an emergency, each Article shall inform the Person or Parties concerned in advance of any special security measure which it intends to introduce and which could have a significant financial or operational impact on the air transport services provided for in this Agreement. A Member may request a meeting of the Joint Committee, as provided for in Article 23, to discuss such security measures.

6. However, each Member shall acknowledge that nothing in this Article shall limit the possibility for another Member to refuse entry into its territory of any flight which it considers to present a threat to its security.

7. Without prejudice to the need to take immediate measures to ensure aviation security, the Parties affirm that, when considering proposed security measures, each Article shall assess the possible adverse effects thereof on international air transport and, unless being required to do so by law, takes these factors into account in determining what measures are necessary and appropriate to address safety concerns.

8. In the event of unlawful seizure (or threat of unlawful seizure) of civil aircraft or other unlawful acts directed against the safety of aircraft, passengers, crews, airports or air navigation facilities, the Parties shall assist each other by facilitating communications and other appropriate measures to bring an end, promptly and safely, to that incident or threat.

9. Each Party shall take all measures it deems practicable to ensure that an aircraft which is the subject of an unlawful capture or other acts of unlawful interference and is on the ground in its territory is immobilised unless its departure is made indispensable by the imperative need to protect human life. As far as possible, these measures shall be taken following mutual consultations between the Person or Parties concerned.

10. Where a Party has reasonable grounds to believe that another Party has not complied with the provisions of this article, the first Party may request immediate consultations with that other Party. These consultations begin within thirty (30) days of receipt of this request. The impossibility of reaching a satisfactory agreement within fifteen (15) days or within a period agreed from the date of commencement of such consultations shall constitute a reason for the Party which requested the consultations to take measures to refuse, revoke, suspend, subject to conditions or limit the authorization of operation or technical permits of air carriers of that other Party in order to ensure compliance with the provisions of this Article. Where an emergency so requires or to prevent a further breach of this Article, the first Party may take interim measures to refuse, revoke, suspend, subject to conditions or limit the operating authorisation or technical permits of air carriers of that other State Party in order to ensure compliance with the provisions of this Article.

11. Any measure imposed in accordance with paragraph 10 of this Article by the first Party referred to in that paragraph shall be lifted as soon as the other Party concerned complies with this Article.

ARTICLE 17

Air traffic management

1. The Parties agree to cooperate on matters relating to air navigation services, including their supervision of safety. They agree to examine any policy issues relating to the performance of air traffic management, with a view to optimising the overall efficiency of flights, reducing costs, minimising environmental impacts and improving the safety and capacity of flows of air traffic between the existing air traffic management systems of the Parties.

2. The Parties agree to encourage their competent authorities and air navigation service providers to cooperate to ensure interoperability between the air traffic management systems of the Regions and to study the further integration of the systems of the Regions, to reduce the impact of air transport on the environment and to share information as needed.

3. The Parties agree to promote cooperation between their air navigation service providers for the exchange of flight data and the coordination of traffic flows with a view to optimising flight efficiency and thereby improving predictability, punctuality and continuity of service for air traffic.

4. The Parties agree to cooperate in their air traffic management modernisation programmes, including development and deployment activities, and to encourage cross-participation in validation and demonstration activities.

ARTICLE 18

Environment

1. The Parties shall support the need to protect the environment by promoting the sustainable development of aviation. The Parties intend to cooperate to identify issues related to the impact of international air transport on the environment.

2. The Parties recognise the importance of working together and with the global community to study and minimise the effects of air transport on the environment.

3. The Parties reiterate the importance of the fight against climate change and, to this end, agree to cooperate in combating greenhouse gas emissions associated with air transport, both at national and international level.

4. The Parties agree to exchange information and ensure a regular dialogue between experts, with a view to strengthening cooperation aimed at limiting the environmental impacts of international air transport, in particular in areas such as research and development, sustainable aviation fuels, noise-related issues, as well as on other measures to combat greenhouse gas emissions, taking into account their multilateral environmental rights and obligations.

5. The Parties recognise the need to take appropriate measures to prevent or otherwise act on the effects of air transport on the environment, provided that such measures are fully compatible with their rights and obligations under international law.

ARTICLE 19

Air carrier liability

The Parties who have ratified the Montreal Convention reaffirm their obligations under the Montreal Convention. The other Parties undertake to ratify the Montreal Convention as soon as possible and notify the Joint Committee thereof.

ARTICLE 20

Consumer protection

The Parties agree to cooperate in order to protect the interests of consumers in the field of air transport. The aim of this cooperation is to achieve a high level of consumer protection, taking into account the interests of all actors and the different characteristics of the Arts. To this end, the Parties shall consult each other within the Joint Committee on matters of interest to consumers, including the measures which they intend to adopt, with a view to improving, as far as possible, the compatibility between their respective schemes.

ARTICLE 21

Computerized reservation systems

1. Sellers of CRS operating in the territory of one of the Regions shall be authorised to install their CRSs, to maintain them and to make them freely available to travel agents or tour operators whose main activity is to distribute travel-related products in the territory of another Company. article, provided that these CRS comply with the relevant regulatory requirements of that other article.

2. The Parties shall cancel any existing requirement which may restrict the free access of crSs of one article to the market of another Artieor otherwise limit competition between sellers of CRS. The Parties refrain from adopting such requirements in the future.

3.No Article shall impose or authorise the imposition in its territory on sellers of CRS of another Article of requirements relating to the display of CRS which are different from those imposed on its own SELLERS of CRS or any other CRS operating on its market. Nothing prevents the conclusion of agreements between CRS sellers, their suppliers and subscribers which facilitate the display of complete and objective travel information for consumers, or compliance with regulatory requirements for neutral displays.

4.Owners and operators of CRS in one article, subject to the applicable regulatory requirements of another article, shall have the same possibility to hold or operate CRS in the territory of that other article as the owners and operators of any other CRS operating on the market of that other article.

5.Where CRS are covered by a free trade agreement (under Article V.1(1) of the General Agreement on Trade in Services) signed or under negotiation between the Union and an ASEAN Member State, paragraphs 1 to 4 of this Article shall not apply to that ASEAN Member State.

ARTICLE 22

Social aspects

1.The Parliament recognise the importance of examining the effects of this Agreement on workers, employment and working conditions. The Parties agree to cooperate on employment matters covered by this Agreement, in particular as regards the impact on employment, fundamental rights at work, working conditions, social protection and social dialogue.

2.The Municipalities recognise the right of each Person to establish his or her own level of labour protection at national level as he or she deems appropriate and to adopt or amend his or her laws and policies accordingly, in accordance with the principles of internationally recognised standards in the international conventions to which he or she is a party. The Parties shall ensure that the rights and principles set out in their respective laws and regulations are not undermined and are effectively implemented.

3.Each Country shall continue to improve its laws and policies and shall endeavour to provide and encourage high levels of labour protection in the aviation sector. The Parties recognise that the violation of fundamental principles and rights at work cannot be invoked or used as a legitimate comparative advantage, and that labour standards cannot be used for protectionist purposes.

4.The Parties reaffirm their commitment, in accordance with their obligations arising from their accession to the International Labour Organisation (hereinafter referred to as "the ILO") and the ILO Declaration on Fundamental Principles and Rights at Work, adopted in Geneva on 18 June 1998, to respect, promote and implement that Declaration.

5.The Parties promote the objectives contained in the ILO Decent Work Programme and the ILO Declaration on Social Justice for a Fair Globalization, adopted in Geneva on 10 June 2008.

6.Each Member undertakes to do everything in his power to ratify, in so far as he has not yet done so, the fundamental Conventions of the ILO. The Parties will also consider the ratification and effective implementation of other ILO Conventions and international standards in the social and labour fields of interest to the civil aviation sector, taking into account national circumstances.

7. Any Party may request the convening of a meeting of the Joint Committee to discuss labour-related matters and to exchange relevant information which it considers important.

ARTICLE 23

Joint committee

1. A Joint Committee composed of representatives of the Parties shall be responsible for supervising the management of this Agreement and ensuring its proper implementation.

2. The Joint Committee shall draw up and adopt its rules of procedure.

3. The Joint Committee shall meet as required and at least once a year. Any Member may at any time request the convening of a meeting of the Joint Committee. This meeting shall be held as soon as possible, and no later than two (2) months after the date of receipt of the request, unless the Parties agree otherwise.

4. For the purpose of the proper implementation of this Agreement, the Joint Committee shall:

(a) exchange of information, including on changes in laws, regulations and policies of the

Regions which may affect air services, as well as statistical information for the purpose of monitoring the development of air services covered by this Agreement;

(b) make recommendations and take decisions in the cases expressly provided for in this Agreement;

- (c) develop cooperation, including on regulatory issues;
- (d) consult on any matter relating to the application or interpretation of this Agreement;
- (e) consult, where appropriate, on air transport-related issues dealt with by international organisations, in relations with third countries and in multilateral arrangements or agreements, including the desirability of adopting a common approach;
- (f) consider the areas that may be included in this Agreement, including by recommending possible amendments to this Agreement; and
- (g) decide on any new authentic language version of this Agreement in the event of the accession of new Member States of the Union to this Agreement.

5. Recommendations and decisions shall be adopted by consensus between the Union and its Member States, on the one hand, and all ASEAN Member States acting together, on the other. The decisions of the Joint Committee shall be binding on the Parties.

ARTICLE 24

Implementation

1. Nothing in this Agreement shall be construed as conferring rights or imposing obligations which may be invoked directly by the nationals of an Article before the courts of any Article.

2. The Parties shall take all appropriate measures, whether general or particular, to ensure the fulfilment of the obligations arising from this Agreement.

3. In exercising their rights under this Agreement, the Parties shall take measures appropriate and proportionate to their respective objectives.

4. The Parties shall refrain from any measures likely to jeopardise the achievement of the objectives of this Agreement.

5. Each Party shall be responsible, in its own territory, for the proper application of this Agreement.

6. Subject to the applicable laws and regulations of the respective Parties, each Party shall provide another Party with all necessary information and assistance in the event of investigations into possible infringements which that other Party shall carry out in accordance with this Agreement.

7. This Agreement shall not preclude consultations and discussions between the competent authorities of the Parties outside the Joint Committee, in particular in the fields of air transport development, safety, security, the environment, social policy, air traffic management, aeronautical infrastructure, competition and consumer protection. The Parties shall inform the Joint Committee of the results of such consultations and discussions which may affect the interpretation or application of this Agreement.

8. Where reference is made in this Agreement to cooperation between the Parties, the Parties shall endeavour to find common ground for joint action with a view to deepening this Agreement and/or improving its functioning in the areas concerned, on the basis of mutual consent.

ARTICLE 25

Dispute Resolution and Arbitration

1. Without prejudice to Articles 5 and 8, any dispute concerning the application or interpretation of this Agreement may be submitted by one or more Parties to the dispute settlement mechanism provided for in this Article.

2. Without prejudice to any prior consultations between the Parties under this Agreement, where a Party wishes to have recourse to the dispute settlement mechanism provided for in this Article, it shall inform the Article or Parties concerned in writing and shall request a meeting of the Joint Committee for consultations.

3.a) Yes:

(i) the Joint Committee has not examined the matter within two (2) months of the date of receipt of the request referred to in paragraph 2 of this Article or on the date agreed by the Parties; or

(ii) the dispute is not settled within six (6) months of such request,

the Parties concerned may agree to submit the dispute to a person or body for decision.

(b) If the Parties concerned do not reach a mutual agreement to submit the dispute to a person or body for decision, the dispute shall, at the request of one of them, be submitted to arbitration in accordance with this Article.

4. Notwithstanding paragraphs 2 and 3 of this Article, if a Person has taken measures to refuse, revoke, suspend, subject to conditions or limit the operating authorisation or technical permits of an air carrier of another Article, or to refuse, suspend, make subject to conditions or limit in another way the activities of an air carrier of that other party, the dispute may be immediately submitted to a person or body for decision, or submitted to arbitration. The time limits laid down in paragraphs 10, 11 and 12 of this Article shall be halved.

5. A request for arbitration shall be made in writing by one or more Parties (hereinafter collectively referred to as "the initiating Party" for the purposes of this Article) to the Party or Parties concerned (hereinafter collectively referred to as "the requested Party") for the purposes of this Article). In its request, the initiating Party shall set out the issues to be resolved, describe the measure at issue and explain why it considers the measure to be inconsistent with this Agreement.

6. Unless otherwise agreed between the initiating party and the requested party, arbitration shall be conducted by a tribunal composed of three arbitrators and constituted as follows:

(a) Within twenty (20) days from the date of receipt of a request for arbitration, the initiating party and the requested party shall each appoint an arbitrator. Within thirty (30) days of the appointment of these two arbitrators, the initiating party and the requested party shall appoint by mutual agreement a third arbitrator, who shall assume the functions of president of the tribunal.

(b) If the initiating party or the requested party does not appoint an arbitrator or if the third arbitrator is not appointed in accordance with paragraph 6(a) of this Article, the initiating party or the requested party may request the President of the ICAO Council to appoint the arbitrator or arbitrators necessary within thirty (30) days from the date of receipt of such request. If the President of the ICAO Council is a national of an ASEAN Member State or a Member State of the Union, the most senior Vice-President of that Council who is neither a national of an ASEAN Member State nor a national of a Member State of the Union, proceeds to the appointment.

7. The date of constitution of the tribunal is the date on which the last of the three (3) arbitrators accepts the appointment.

8. The arbitration procedure shall be conducted in accordance with the rules of procedure to be adopted by the Joint Committee at its first meeting, subject to the provisions of this Article and in accordance with Article 23(a) (4)(b) and (5). Until the rules of procedure are adopted by the Joint Committee, the Court shall adopt its own rules of procedure.

9. At the request of the initiating party or the requested party, the court may, pending its final decision, order the adoption of interim measures, including the modification or suspension of measures taken by the initiating Party or by the party requested under this Agreement.

10. Au no later than ninety (90) days after the date of its constitution, the tribunal shall provide the initiating party and the requested party with an interim report setting out the findings of fact, the applicability of the relevant provisions and the fundamental justifications for its findings and recommendations. If he considers that this deadline cannot be respected, the president of the court shall inform the initiating party and the requested party in writing, specifying the reasons for the delay and the date on which the court intends to submit its interim report. The interim report shall in no case be submitted more than one hundred and twenty (120) days after the date of constitution of the tribunal.

S. 11. within fourteen (14) days from the date of delivery of the interim report, the initiating party or the requested party may submit a written request to the court to reconsider specific aspects of the interim report. After considering any written submissions made by the initiating party and the requested party with respect to the interim report, the tribunal may amend its report and conduct any other review it deems appropriate. The findings of the Tribunal's final decision include a sufficient analysis of the arguments put forward during the interim examination phase and clearly answer the questions and observations of the initiating party and the requested party.

S. 12. the court communicates its final decision to the initiating party and to the requested party within one hundred and twenty (120) days from the date of its constitution. If he considers that this deadline cannot be respected, the president of the court shall inform the initiating party and the requested party in writing, specifying the reasons for the delay and the date on which the court intends to render its decision. The final decision shall in no case be rendered more than one hundred and fifty (150) days after the date of constitution of the court.

13. In addition to the circumstances referred to in paragraph 4 of this Article, the time limits laid down in paragraphs 10, 11 and 12 of this Article shall be halved:

(a) at the request of the initiating party or the requested party, if the court finds that the matter is urgent within ten (10) days from the date of its constitution; or

(b) if the initiating party and the requested party so agree.

S. 14. within ten (10) days from the date of delivery of the final decision of the court, the initiating party and the requested party may file requests for clarification of this decision and any clarification by the court must be provided within fifteen (15) days from the date of receipt of this request.

15. Si the Tribunal determines that there has been a breach of this Agreement and that the Party found to be in breach of this Agreement does not comply with the final decision of the Tribunal, or does not reach an agreement with the other Party on a mutually satisfactory solution within forty (40) days from the date of delivery of the Final Decision of the Tribunal, the other Party may suspend the application of comparable benefits under this Agreement until the offending Party complies with the final decision of the Tribunal or the initiating Party and the requested Party have reached agreement on a mutually satisfactory solution.

ARTICLE 26

Relationship with other agreements

1. Subject to paragraphs 2 and 7 of this Article, any previous air services agreement or arrangement between a Member State of the Union and an ASEAN Member State or between the Union and an ASEAN Member State shall be suspended for as long as this Agreement is in force between those Countries.

2. Without prejudice to paragraph 1 of this Article, the provisions of a previous air services agreement or arrangement between a Member State of the Union and an ASEAN Member State on the matters covered by Articles 3, 4, 10 and 13 shall continue to be apply in the light of this Agreement where they are more favourable for the air carriers concerned. All rights and benefits enjoyed by air carriers of the Eu Member State concerned in accordance with those provisions shall accrue to all Union air carriers.

3. For the purposes of paragraph 2 of this Article, any difference of interpretation shall first be settled by consultation between the Parties concerned, before being submitted to the Joint Committee for consultation. If the matter is not settled through the Joint Committee, it may be submitted to the dispute settlement mechanism provided for in Article 25.

4. Any additional traffic rights which may be granted to a Member State of the Union by an ASEAN Member State, or vice versa, after the date of entry into force of this Agreement, shall be subject to this Agreement and shall not discriminate between Union air carriers. Such arrangements shall be notified to the Joint Committee forthwith.

5.The Joint Committee shall draw up and keep up to date an informative list of the provisions and arrangements concerning traffic rights referred to in paragraphs 2 and 4 of this Article.

6.If the Parties become parties to a multilateral agreement or accede to a decision of ICAO or any other international organisation dealing with aspects covered by this Agreement, they shall consult each other within the Joint Committee in accordance with Article 23 to determine whether this Agreement should be revised in the light of that situation.

7.Nothing in this Agreement shall affect the validity and application of existing and future agreements between EU Member States and ASEAN Member States with respect to territories under their respective sovereignty which are not covered by the definition of "territory" in Article 2.

ARTICLE 27

Annex

The Annex to this Agreement shall form an integral part thereof. Any amendment to the Annex shall be made in accordance with Article 28.

ARTICLE 28

Amendments

Any amendment to this Agreement may be agreed by the Parties pursuant to consultations held in accordance with Article 23. Such an amendment shall enter into force in accordance with Article 33.

ARTICLE 29

Termination of the agreement

1. This Agreement may be denounced by the Union and its Member States, or by all ASEAN Member States acting together, by written notification addressed to the Secretary-General of the Council of the European Union or to the Secretary-General of ASEAN, as the case may be. The denunciation shall take effect eighteen (18) months after the date of receipt of the notification by the Secretary General of ASEAN or by the Secretary General of the Council of the European Union, as the case may be.

2. Si a Member State withdraws from the Union or ASEAN, this Agreement shall cease to apply to that State pursuant to Article 32 with effect from the date on which its withdrawal from the Union or ASEAN, as the case may be, takes effect.

ARTICLE 30

Registration of this Agreement

This Agreement and its amendments shall be registered upon their entry into force with ICAO by the Secretary General of ASEAN.

ARTICLE 31

Accession of new EU Member States

1. This Agreement shall be open for accession by States which have become members of the Union after the date of signature of this Agreement.

2. The accession of a Member State of the Union to this Agreement shall be effected by the deposit of an instrument of accession to this Agreement with the Secretary-General of the Council of the European Union, who shall notify the Parties and the Secretary-General of ASEAN of the deposit of the instrument of accession and its date. Accession shall take effect on the fifteenth (15th) day following the date of deposit of the instrument of accession.

3. Paragraphs 1, 2, 3 and 7 of Article 26 shall apply mutatis mutandis to existing agreements and arrangements which are in place at the time of accession of a Member State of the Union to this Agreement.

ARTICLE 32

Territorial application

This Agreement shall apply, on the one hand, to the territory of the Union and, on the other hand, to the territory of the ASEAN Member States, as defined in Article 2(1)(z).

ARTICLE 33

Entry into force

1. This Agreement shall be subject to ratification, acceptance or approval in accordance with the respective procedures of the Parliament.

2. The Secretary General of ASEAN shall address a written notification to the Secretary-General of the Council of the European Union confirming that the respective procedures for ratification, acceptance or approval by the ASEAN Member States have been completed. The Secretary-General of the Council of the European Union shall send a written notification to the Secretary-General of ASEAN confirming that the respective procedures for ratification, acceptance or approval by the Union and its Member States have been completed.

3. Subject to Article N, this Agreement shall enter into force thirty (30) days after the date of receipt of the last written notification provided for in paragraph 2 of this Article.

ARTICLE 34

Authentic texts

1. This Agreement is drawn up in duplicate original in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, all texts being equally authentic.

2. In the event of a discrepancy between the language versions, the Joint Committee shall decide on the language of the text to be used.

3. Any of the original texts of the Agreement, including any amendments thereto, shall be deposited with the Secretary-General of ASEAN, who shall promptly transmit a certified copy to each ASEAN Member State. The other original text of the Agreement, including any amendments thereto, shall be deposited with the Secretary-General of the Council of the European Union.

EN FOI HOW the undersigned, being duly authorized thereto, have signed this Agreement, in duplicate, by [...] the [...] of the year [...].

For the Kingdom of Belgium:
For the Republic of Bulgaria:
For the Czech Republic:
For the Kingdom of Denmark:
For the Federal Republic of Germany:
For the Republic of Estonia:
For Ireland:
For the Hellenic Republic:
For the Kingdom of Spain:
For the French Republic:
For the Republic of Croatia:
For the Italian Republic:
For the Republic of Cyprus:
For the Republic of Latvia:
For the Republic of Lithuania:
For the Grand Duchy of Luxembourg:
For Hungary:
For the Republic of Malta:
For the Kingdom of the Netherlands:
For the Republic of Austria:
For the Republic of Poland:
For the Portuguese Republic:
For Romania:
For the Republic of Slovenia:
For the Slovak Republic:

For the Republic of Finland:

For the Kingdom of Sweden:

For the European Union:

For the Government of Brunei Darussalam:

For the Government of the Kingdom of Cambodia:

For the Government of the Republic of Indonesia:

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

For the Government of Malaysia:

For the Government of the Republic of the Union of Myanmar:

For the Government of the Republic of the Philippines:

For the Government of the Republic of Singapore:

For the Government of the Kingdom of Thailand:

For the Government of the Socialist Republic of Vietnam:

ARTICLE A

Table of routes

1. Notwithstanding Article 3(1) and (2) and subject to the national laws and regulations of Indonesia, for the operation of passenger air services and mixed air services between Indonesia and the Union, the points in Indonesia shall refer to Denpasar, Jakarta, Makassar, Medan and Surabaya.

2. Si:

(a) an air services agreement between ASEAN Member States ; or

(b) an air services agreement between ASEAN Member States collectively and any other country,

allows carriers to operate passenger air services and mixed air services to points in Indonesia other than Denpasar, Jakarta, Makassar, Medan and Surabaya, points in Indonesia also include these points.

3. For the purposes of Article 10(12) as regards Indonesia, national code-sharing rights shall be exercised, through the points referred to in paragraphs 1 and 2 of this Article, to any other points in Indonesia, or vice versa.

ARTICLE B

Traffic rights

Notwithstanding Article 3(2), the following shall apply:

- (a) The granting of fifth-freedom traffic rights under point (f) of Article 3(3) to a Union air carrier for the provision of passenger transport and mixed services between points in Myanmar and points within ASEAN shall take effect on 1 July 2024.
- (b) The granting of fifth-freedom traffic rights under point (e) of Article 3(3) to an air carrier from Myanmar for the provision of passenger and mixed services between points in the Union shall take effect on 1 July 2024.
- (c) The granting of fifth-freedom traffic rights under point (f) of Article 3(3) to a Union air carrier for the provision of passenger transport and mixed services between points in the Union and points in Vietnam to points outside the Union ASEAN may only cover routes not operated by an air carrier from Vietnam.
- (d) The granting of fifth-freedom traffic rights under point (e) of Article 3(3) to a Vietnamese air carrier for the provision of passenger transport services and mixed services between points in Vietnam and points in the Union to points outside the Union may only relate to routes not operated by an air carrier of the Union.

ARTICLE C

Stopover rights

1. Notwithstanding point (f) of Article 3(6), the exercise of own ground handling rights by Union air carriers on operations serving co-terminals in the same ASEAN Member State shall take effect two (2) years after those rights have been exchanged under an air services agreement between the Member States of the ASEAN. The exercise by air carriers of ASEAN Member States of ground handling rights on operations serving co-terminals in the same Member State of the Union shall take effect at the same time.
2. Until that date, each Party shall give favourable consideration to requests from air carriers of another Party to operate their own ground-based traffic on operations serving co-terminals in the same ASEAN Member State or in the same Member State of the Union on an extra-bilateral basis, if such rights are not already available.

ARTICLE D

Designation of air carriers

1. Notwithstanding Article 4(1), Indonesia, Myanmar, the Philippines and Vietnam may maintain the air carrier designation requirement in force in their respective national laws and regulations at the time of signature of this Agreement.

2. For the purposes of paragraph 1 of this Article, the publication by the Union of a "list of EU air carriers holding an active operating licence" shall be deemed to meet those national designator requirements for air carriers included in that list, provided that that list be made available to the competent authorities of those ASEAN Member States in an easily accessible form by electronic means.

3. Indonesia, Myanmar, the Philippines and Vietnam shall endeavour to abolish those designation requirements as soon as possible and shall notify the Joint Committee thereof.

ARTICLE E

Fair competition

1. For the avoidance of doubt, the Parties confirm that Article 8(2)(a) and (b) provides only for the obligation of the Parties to adopt or maintain competition law and to establish an independent competition authority responsible for enforcing that competition law. The Councils also confirm that this Agreement does not impede the independent functioning of the said competition authorities. The decisions of those competition authorities shall not be subject to the dispute settlement mechanism provided for in Article 25.

2. A Partie may therefore seek redress under Article 8(2)(a) and (b) only if another article does not maintain a competition law or a functionally independent competition authority which effectively applies the competition law of that article. Nothing in Article 8(2)(a) and (b) may be interpreted as challenging decisions or judgments adopted by a competition authority or a court of a Court to enforce the competition law of an Article.

3. Notwithstanding Article 25(1), the dispute settlement mechanism provided for in that Article shall not apply to disputes relating to the application or interpretation of Article 8 arising before 1 January 2025.

ARTICLE F

Operating plans, programs and schedules

1. Without prejudice to Article 3 and Article 10(11) and (12), and notwithstanding Article 10(7), Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Thailand and Vietnam may maintain the procedures that exist in their respective national laws and regulations at the time of the signature of this Agreement as regards the approval of operational plans, programmes and schedules, including information on services operated under commercial cooperation agreements, established by Union air carriers for the provision of air services to and from the territories of those States.

2. Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Thailand and Vietnam shall minimise the administrative burden associated with those requirements and procedures. Approval of such plans, programmes and operating hours shall take place within ten (10) working days from the date of receipt of the air carrier's application, provided that the air carrier has obtained the appropriate operating authorisations and technical permits in accordance with Article 4.

3. Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Thailand and Vietnam shall endeavour to abolish those procedures as soon as possible and shall notify the Joint Committee thereof.

ARTICLE G

Local sales and expenses

1. Notwithstanding Article 10(8) and (9), Indonesia, Myanmar and Vietnam may maintain the requirements which exist in their respective national laws and regulations at the time of signature of this Agreement with regard to the use of their national currency in domestic sales of transport and related services and in the payment of local expenditure.

2. Indonesia, Myanmar and Vietnam shall endeavour to abolish those requirements as soon as possible and shall notify the Joint Committee thereof.

ARTICLE H

Transfer of local revenues

1. For the avoidance of doubt, the term "transfer" in point (a) of Article 10(10) refers, in the case of the Philippines, to transfers other than those made by a branch of a foreign company carrying on business or business activities in the Philippines.
2. With respect to profit shifting by a branch of a foreign company engaged in commercial or business activities in the Philippines, the Philippines shall be entitled to levy a tax on the transfer of profits from the branch in accordance with its domestic law, unless a lower rate or exemption is possible under a convention for the prevention of double taxation between the Philippines and the country of residence of the foreign carrier.
3. The Philippines shall endeavour to work with the Union to develop a common framework for the treatment of transfers by Union air carriers operating in the Philippines and shall notify the Joint Committee thereof.

ARTICLE I

Rates

1. Without prejudice to Article 13(1) and notwithstanding Article 13(2), the Philippines may maintain the procedures that exist in its respective national laws and regulations at the time of signature of this Agreement with respect to the approval of tariffs established by air carriers of the Union for the supply of air services to and from the territory of the Philippines. Such tariffs are approved within ten (10) business days of their filing.
2. The Philippines shall endeavour to abolish those procedures as soon as possible and shall notify the Joint Committee thereof.

ARTICLE J

Loan guarantees

The provisions of Article 8(2)(d) shall not apply to grants in the form of loan guarantees granted by Vietnam before the signature of this Agreement and until the expiry of those arrangements. However, if those guarantees give rise to disbursements, those disbursements shall be made in accordance with points (a) and (b) of Article 8(3), as appropriate.

ARTICLE K

Non-discrimination

1. Notwithstanding Article D, the ASEAN Member States referred to in that Article shall accord to Union air carriers treatment at least as favourable as that they accord to air carriers of any other country with regard to the designation of air carriers.

2. Notwithstanding Articles F, G and I, the ASEAN Member States listed therein shall accord to Union air carriers treatment at least as favourable as that which they accord to their own air carriers or to air carriers of any other country, whichever is more favourable, with respect to the approval of operating plans, programs and schedules, local sales and expenses, and tariffs.

ARTICLE L

Computerized reservation systems

At the time of signature of this Agreement, the ASEAN Member States referred to in Article 21(5) shall be Indonesia, Malaysia, Cuba, Thailand and Vietnam.

ARTICLE M

Reciprocity

Where, pursuant to Articles D, F, G and I, an ASEAN Member State requires the designation of Union air carriers, shall apply to Union air carriers national procedures for the prior approval of operating plans, programmes and schedules, agreements or applies national requirements to Union air carriers concerning the currency to be used in certain transactions, the Union shall be allowed to subject air carriers of that ASEAN Member State to identical or equivalent measures.

ARTICLE N

Entry into force for Malaysia

1. Notwithstanding Article 33, if Malaysia is the only ASEAN Member State that has not communicated to the Secretary General of ASEAN its confirmation that its procedures for ratification, acceptance or approval of this Agreement have been completed:

- (a) the Secretary General of ASEAN may send a written notification to the Secretary-General of the Council of the European Union confirming that all ASEAN Member States, with the exception of Malaysia, have completed their respective ratification, acceptance or acceptance procedures. approval of this Agreement;
- (b) this Agreement enters into force in accordance with Article 33(3) for the Union and its Member States, as well as for all ASEAN Member States except Malaysia; and

(c)thereafter , the Agreement shall enter into forcefor Malaysia thirty (30) days after the date of a new written notification from the Secretary-General of ASEAN to the Secretary-General of the Council of the European Union confirming that Malaysia has completed its procedures for ratification, acceptance or approval of this Agreement.

2.After the signature of this Agreement, and pending its entry into force for Malaysia:

(a)any previous air services agreement or arrangement concluded between the Member States of the Union and Malaysia, and between the Union and Malaysia, which was signed or concluded before the signing of the Agreement, shall continue to apply and shall not be amended; and

(b)no new air services agreements or arrangements are concluded between the EU Member States and Malaysia, or between the Union and Malaysia, except to meet limited and urgent needs in exceptional circumstances and without prejudice to their respective national laws and regulations. The Union or the Member State of the Union concerned shall inform the other Parliamentsof any new such agreement or arrangement relating to air services.

ARTICLE O

Assessment of progress

The Joint Committee shall annually review progress in the implementation of the Articles of this Annex on the basis of a report prepared by the ASEAN Member States concerned.

REPORT ON THE STATEMENTS
MADE ON THE OCCASION OF THE SIGNING OF THE ASEAN-EU COMPREHENSIVE AIR
TRANSPORT AGREEMENT

On 2 June 2021, the Delegations of the European Union (hereinafter referred to as "the United Nations") and its Member States as well as the Member States of the Association of Southeast Asian Nations (ASEAN) concluded negotiations on the ASEAN-EU Comprehensive Air Transport Agreement between the governments of the Member States of the Association of Southeast Asian Nations (ASEAN) 'South-East Asia and the European Union and its Member States (hereinafter referred to as "the Agreement"). On the occasion of the signing of the Agreement, the following statements were made:

STATEMENT BY THE STATES MEMBERS OF THE ASSOCIATION OF SOUTHEAST
ASIAN NATIONS AND THE EUROPEAN UNION AND ITS MEMBER STATES

The Member States of ASEAN, the Union and its Member States shall take all necessary measures, in accordance with their respective applicable laws and regulations, to ensure the entry into force of the Agreement as soon as possible, in accordance with Article 33 thereof. As regards Malaysia, Malaysia will take all necessary measures in accordance with its applicable laws and regulations, taking into account Article N of the Agreement.

The ASEAN Member States, the Union and its Member States express their intention to maintain close discussions and coordination, within the framework of the Joint Committee provided for in Article 23 of the Agreement, on responses to unforeseen crisis situations, -such as the COVID-19 pandemic, with a view to mitigate, to the extent possible, any disruptive effects on air services.

STATEMENT BY THE STATES MEMBERS OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS, WITH THE EXCEPTION OF MALAYSIA, AND THE STATES MEMBERS OF THE EUROPEAN UNION

The competent aeronautical authorities of the Member States of ASEAN and the Member States of the Union intend, to the extent permitted by their respective applicable laws and regulations, to give favourable consideration to applications for the provision of air services and authorizations of operations presented by each other's air carriers under conditions equivalent to those of the Agreement, on the basis of courtesy and reciprocity, from the date of signature of the Agreement until the entry into force of the Agreement.

STATEMENT BY MALAYSIA

Malaysia may notify the Parties to the Agreement that its competent aviation authorities intend, to the extent permitted by its applicable laws and regulations, to give favourable consideration to applications for the provision of air services and operating authorisations by Union air carriers on terms equivalent to those of the Agreement, on the basis of comity and reciprocity, from the date indicated in that notification until the entry into force of the Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this record of declarations.

SIGNED at [CITY], [COUNTRY], this [...] of the year [...], in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish.

For the Kingdom of Belgium:

For the Republic of Bulgaria:

For the Czech Republic:

For the Kingdom of Denmark:

For the Federal Republic of Germany:

For the Republic of Estonia:

For Ireland:

For the Hellenic Republic:

For the Kingdom of Spain:

For the French Republic:

For the Republic of Croatia:

For the Italian Republic:

For the Republic of Cyprus:

For the Republic of Latvia:

For the Republic of Lithuania:

For the Grand Duchy of Luxembourg:

For Hungary:

For the Republic of Malta:

For the Kingdom of the Netherlands:

For the Republic of Austria:

For the Republic of Poland:

For the Portuguese Republic:

For Romania:

For the Republic of Slovenia:

For the Slovak Republic:

For the Republic of Finland:

For the Kingdom of Sweden:

For the European Union:

For the Government of Brunei Darussalam:

For the Government of the Kingdom of Cambodia:

For the Government of the Republic of Indonesia:

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

For the Government of Malaysia:

For the Government of the Republic of the Union of Myanmar:

For the Government of the Republic of the Philippines:

For the Government of the Republic of Singapore:

For the Government of the Kingdom of Thailand:

For the Government of the Socialist Republic of Vietnam: