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**Air Services Agreement Between
the Government of the People's Republic of China and
the Government of the Union of Myanmar**

Preamble

The Government of the People's Republic of China and the Government of the Union of Myanmar, hereinafter referred to as the "Parties";

Being parties to the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944;

Desiring to contribute to the progress of regional and international civil aviation;

Desiring to conclude an agreement for the purpose of establishing and operating air services between and beyond their respective territories;

Have agreed as follows:

Article 1

Definitions

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

- a) "air transportation" means the public carriage by aircraft of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;
- b) "aeronautical authorities" means, in the case of the People's Republic of China, the General Administration of Civil Aviation of China; in the case of the Union of Myanmar, the Department of Civil Aviation of the Ministry of Transport; or in both cases any other authority or person empowered to perform the functions now exercised by the said authorities;
- c) "Agreement" means this Agreement, its Annex, and any amendments thereto;

d) "capacity" (i) in relation to an aircraft, means the payload of that aircraft available on a route or section of a route;

(ii) in relation to an air service, means the capacity of the aircraft used on such service multiplied by the frequency operated by such aircraft over a given period on a route or section of a route;

e) "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention, and any amendment of the Annexes or Convention under Articles 90 and 94, insofar as such Annexes and amendments have become effective for both Parties;

f) "designated airline" means an airline which has been designated and authorised in accordance with Article 3 of this Agreement;

g) "domestic air transportation" is air transportation in which passengers, baggage, cargo and mail which are taken on board in a State's territory are destined to another point in that same State's territory;

h) "ICAO" means the International Civil Aviation Organisation;

i) "international air transportation" is air transportation in which the passengers, baggage, cargo and mail which are taken on board in the territory of one State are destined to another State;

j) "Party" is a State which has formally agreed to be bound by this agreement;

k) "tariff" means any fare, rate or charge for the carriage of passengers, baggage and/or cargo (excluding mail) in air transportation (including any other mode of transportation in connection therewith) charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;

l) "Territory" in relation to a State means the land areas and territorial waters adjacent and airspace thereabove under the sovereignty of that State.

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

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

Article 2

Grant of Rights

1. Each Party grants to the other Party the rights specified in this Agreement for the purpose of operating international air services on the routes specified in the Route Schedule.

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

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

(b) the right to make stops in the territory of the other Party for non-traffic purposes, subject to the approval of the aeronautical authorities of the other Party;

(c) the right to make stops at the point(s) on the route(s) specified in the Route Schedule to this Agreement in the territory of the other Party for the purpose of taking on board and discharging international traffic in passengers, cargo or mail separately or in combination originating in or destined for the first Party.

3. The airlines of each Party, other than those designated under Article 3 of this Agreement, shall also enjoy the rights specified in paragraphs 2 (a) and (b) of this Article.

4. Nothing in paragraph 2 shall be deemed to confer on the designated airline(s) of one Party the privilege of taking on board, in the territory of the other Party, passengers, cargo and mail for remuneration and destined for another point in the territory of the other Party.

Article 3

Designation and Authorization

1. Each Party shall have the right to designate in writing to the other Party one or more airlines to operate the agreed services in accordance with this Agreement and to withdraw or alter such designation.

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

(a) the substantial ownership and effective control of the designated airline shall remain vested in the designating Party or its nationals;

(b) the Party designating the airline is in compliance with the provisions set forth in Article 7 and Article 8; and

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

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

Article 4

Withholding, Revocation and Limitation of Authorization

1. The aeronautical authorities of each Party shall have the right to withhold the authorizations referred to in Article 3 of this Agreement with respect to an airline designated by the other Party, and to revoke, suspend or impose conditions on such authorizations, temporarily or permanently:

(a) in the event that they are not satisfied that the substantial ownership and effective control of the said designated airline are vested in the designating Party or its nationals;

(b) in the event of failure of the Party designating the airline to comply with the provisions set forth in Article 7 and Article 8; and

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

2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to above or unless safety or security requires action in accordance

with the provisions of Article 7 or Article 8, the rights enumerated in paragraph 1 of this Article shall be exercised only after consultations between the aeronautical authorities in conformity with Article 19 of this Agreement.

Article 5

Application of Laws

1. The laws and regulations of one Party governing entry into and departure from its territory of aircraft engaged in international air services, or the operation and navigation of such aircraft while within its territory, shall be applied to aircraft of the designated airline of the other Party.
2. The laws and regulations of one Party relating to the entry into, stay in and departure from its territory of passengers, crew, baggage and cargo including mail such as those regarding entry, clearance, immigration, passports, customs, currency and health and quarantine shall apply to passengers, crew, baggage, cargo and mail carried by the aircraft of the designated airline of the other Party while they are entering, staying in and departing from the said territory.
3. Neither Party shall give preference to its own or any other airline over a designated airline of the other Party engaged in similar international air transportation in the application of its immigration, customs, quarantine and similar regulations.
4. Passengers, baggage, cargo and mail in direct transit shall be subject to no more than a simplified control.

Article 6

Recognition of Certificates

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Party and still in force shall be recognised as valid by the other Party for the purpose of operating the agreed services provided that the requirements under which such certificates and licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention.
2. If the privileges or conditions of the licenses or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Party to any person or designated airline or in respect of an aircraft used in the operation of the agreed services, should

permit a difference from the minimum standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the other Party may request consultations between the aeronautical authorities with a view to clarifying the practice in question.

3. Each Party reserves the right, however, to refuse to recognise for the purpose of flights above or landing within its own territory, certificates of competency and licenses granted to its own nationals by the other Party.

Article 7

Safety

1. Each Party may request consultations at any time concerning the safety standards maintained by the other Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within thirty days of that request.

2. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 that meet the Standards established at that time pursuant to the *Convention on International Civil Aviation* (Doc 7300), the other Party shall be informed of such findings and of the steps considered necessary to conform with the ICAO Standards. The other Party shall then take appropriate corrective action within an agreed time period.

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

4. When urgent action is essential to ensure the safety of an airline operation, each Party reserves the right to immediately suspend or vary the operating authorization of an airline or airlines of the other Party.

5. Any action by one Party in accordance with paragraph 4 above shall be discontinued

once the basis for the taking of that action ceases to exist.

6. With reference to paragraph 2, if it is determined that one Party remains in non-compliance with ICAO Standards when the agreed time period has lapsed, the Secretary General of ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.

Article 8

Aviation Security

1. Consistent with their rights and obligations under international law, the Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, its Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988 as well as with any other convention and protocol relating to the security of civil aviation which both Parties adhere to.

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

3. The Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by ICAO and designated as Annexes to the Convention to

for entry into, departure from, or while within, the territory of that other Party. Each Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Party shall also give sympathetic consideration to any request from the other Party for reasonable special security measures to meet a particular threat.

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

Article 9

User Charges

1. The charges imposed on a designated airline of one Party by the responsible charging authorities of the other Party for the use by that designated airline of airport, airways and other civil aviation facilities shall not be higher than those imposed by such Party on designated airlines of other States engaged in similar international operations using similar aircraft and associated facilities.

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

Article 10

Customs Duties

1. When an aircraft operated on the agreed services by the designated airline of one Party arrives in the territory of the other Party, the said aircraft and its regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar

fees and charges, provided such equipment and items remain on board the aircraft up to such time as they are re-exported.

2. The following equipment and items shall also be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, with the exception of charges corresponding to the services provided:

(a) regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) carried into the territory of the other Party and intended for use on aircraft operated on the agreed services by the designated airline, even when such equipment and items are to be used on part of the journey performed over the territory of the other Party;

(b) spare parts (including engines) introduced into the territory of the other Party for the maintenance or repair of aircraft operated on the agreed services by the designated airline.

3. The equipment and items referred to in paragraphs 1 and 2 of this Article may be unloaded in the territory of the other Party with the approval of the Customs authorities of the other Party. Such equipment and items shall be kept under the supervision or control of the Customs authorities of the other Party up to such time as they are re-exported, or otherwise disposed of in accordance with the customs regulations of the other Party.

4. The exemption provided for in paragraphs 1 and 2 of this Article shall also be available where a designated airline of one Party has contracted with other airline(s), which similarly enjoy(s) such exemptions in the territory of the other Party, for the loan or transfer in the territory of the other Party of the equipment and items specified in paragraphs 1 and 2 of this Article.

5. Printed ticket stock, air waybills and publicity materials introduced by the designated airline of one Party into the territory of the other Party, shall be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges.

6. Baggage, cargo and mail in direct transit shall be exempt from all customs duties, taxes, inspection fees and other similar fees and charges on the basis of reciprocity with the exception of the charges corresponding to the services provided.

Article 11

Fair Competition

Each Party agrees:

- (a) that each designated airline shall have a fair and equal opportunity to compete in providing the international air transportation governed by the agreement; and
- (b) to take action to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of a designated airline of the other Party.

Article 12

Capacity

1. The total capacity to be provided on the agreed services by the designated airlines of the Parties shall be agreed between, or approved by, the aeronautical authorities of the Parties before the commencement of the operations, and thereafter according to anticipated traffic requirements.
2. The agreed services to be operated by the designated airlines of the Parties shall have as their primary objective the provision at reasonable load factors of capacity adequate to meet the traffic requirements between the territories of the two Parties.
3. Each Party shall allow fair and equal opportunity for the designated airlines of both Parties to operate the agreed services between their respective territories so as to achieve equality and mutual benefit.
4. Each Party and its designated airline(s) shall take into consideration the interests of the other Party and its designated airline(s) so as not to affect unduly the services which the latter provides.
5. If, on review, the Parties fail to agree on the capacity to be provided on the agreed services, the capacity that may be provided by the designated airlines of the Parties shall not exceed the total capacity (including seasonal variations) previously agreed to be provided.

Article 13

Tariffs

1. The tariffs to be applied by the designated airline or airlines of a Party for services covered by this Agreement shall be established at reasonable levels, due regard being paid to all relevant factors, including interests of users, cost of operation, characteristics of service, reasonable profit, tariffs of other airlines and other commercial considerations in the market-place.
2. The tariffs shall, wherever possible, be agreed by the designated airlines concerned of both Parties, after discussion as required with their respective governments and, if applicable, consultation with other airlines. Such agreement shall, wherever possible, be reached by the use of the appropriate international tariff coordination mechanism. Failing any multilateral or bilateral agreement, each designated airline may develop tariffs individually.
3. Each Party may require notification or filing of tariffs proposed by the designated airline(s) of both Parties for carriage to or from its territory. Such notification or filing may be required not more than 60 days before the proposed date of introduction. In special cases, this period may be reduced.
4. The tariffs to be charged by the designated airlines of the Parties for carriage between their territories shall be subject to the approval of both Parties. The tariffs to be charged by a designated airline of one Party for carriage between the territory of the other Party and that of a third State on services covered by this agreement shall be subject to the approval requirements of the other Party.
5. Approval of tariffs consequent upon the provisions of Paragraph 4 above may be given expressly by either Party to the airline(s) filing the tariffs. However, if a Party has not given in writing to the other Party and/or the airline(s) concerned notice of disapproval of such tariffs of the airline(s) of the other Party within 45 days from the date of submission, the tariffs concerned shall be considered approved. In the event of the period of submission being reduced in accordance with Paragraph 3, the Parties may agree that the period within which any disapproval shall be given be reduced accordingly. No tariff shall come into force if either Party has given notice of disapproval except as provided in Paragraph 6 below.
6. Each Party may request consultation regarding any tariff of an airline of either Party for services covered by this Agreement, including where the tariff concerned has been

subject to a notice of disapproval. Such consultations shall be held not later than 30 days after receipt of the request. The Parties shall cooperate in securing information necessary for reasoned resolution of the issues. If the Parties reach agreement, each Party shall use its best efforts to put that agreement into effect. If no agreement is reached any decision to disapprove a tariff shall prevail.

7. If the Parties cannot resolve an issue with respect to the tariffs mentioned in paragraph 4, the dispute shall be settled in accordance with the provisions of Article 20 of this Agreement.

8. A tariff established in accordance with the provisions of this clause shall remain in force, unless withdrawn by the airline(s) concerned or until a new tariff has been approved.

Article 14

Transfer of Earnings

Each designated airline shall have the right to convert and remit to its country on demand local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted at the effective rate of exchange prevailing on the date of remittance, and shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance. Such transfer shall be in accordance with the provisions of the foreign exchange control regulations of that Party.

Article 15

Representation

1. The designated airline of one Party shall be allowed, on the basis of reciprocity and in accordance with the laws and regulations relating to entry, residence and employment of the other Party, to bring in and maintain in the territory of the other Party their representatives and commercial, operational and technical staff as required in connection with the operation of the agreed services. These staff shall be chosen among nationals of either or both Parties as necessary.

2. These staff requirements may, at the option of the designated airline, be satisfied by its own personnel or by using the services of another organisation, company or airline operating in the territory of the other Party, and authorized to perform such services in the territory of that Party.

3. The designated airline of each Party shall, subject to the respective Party's rules and regulations, have the right to engage in the sale of air transportation in the territory of the other Party, either directly or through authorized agents appointed by the designated airline.

Article 16

Ban on Smoking

1. Each Party shall prohibit or cause their airlines to prohibit smoking on all flights carrying passengers operated by its airlines between the territories of the Parties. This prohibition shall apply to all locations within the aircraft and shall be in effect from the time an aircraft commences enplanement of passengers to the time deplanement of passengers is completed.

2. Each Party shall take all measures that it considers reasonable to secure compliance by its airlines and by their passengers and crew members with the provisions of this Article, including the imposition of appropriate penalties for non-compliance.

Article 17

Statistics

The aeronautical authorities of each Party shall provide or cause its designated airline or airlines to provide the aeronautical authorities of the other Party, upon request, periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services operated by the designated airline(s) of the first Party.

Article 18

Approval of Schedules

1. The designated airline of each Party shall submit its envisaged flight schedules for approval to the aeronautical authorities of the other Party at least sixty (60) days prior to the operation of the agreed services. The same procedure shall apply to any modification thereof.

2. For supplementary flights which the designated airline of one Party wishes to operate

on the agreed services outside the approved timetable, that airline must request prior permission from the aeronautical authorities of the other Party. Such requests shall usually be submitted at least fourteen (14) working days prior to the operation of such flights.

Article 19

Consultations

1. Either Party may, at any time, request consultation on the interpretation, application, implementation or amendment of this Agreement or compliance with this Agreement.
2. Such consultations which may be through discussion or by correspondence shall begin within a period of 60 days from the date the other Party receives a request, unless otherwise agreed by the Parties.

Article 20

Settlement of Disputes

1. Any dispute arising between the Parties relating to the interpretation or application of this Agreement, the Parties shall in the first place endeavour to settle it amicably by consultations and negotiation.
2. If the aeronautical authorities of the Parties fail to reach a settlement of the said dispute, the Parties shall settle such dispute through diplomatic channels.

Article 21

Amendments

1. Either Party may at any time request consultation with the other Party for the purpose of amending the present Agreement or its Annex. Such consultation shall begin within a period of sixty (60) days from the date of receipt of such request. Such consultations may be conducted through discussion or by correspondence.
2. Any amendment shall enter into force when confirmed by an exchange of diplomatic notes.
3. Any amendment of the Annex may be made by written agreement between the

aeronautical authorities of the Parties and shall come into force when confirmed by an exchange of diplomatic notes.

Article 22

Multilateral Agreements

If a multilateral agreement concerning air transport comes into force in respect of both Parties, the present Agreement shall be amended so far as is necessary to conform with the provisions of that multilateral agreement.

Article 23

Termination

Either Party may, at any time, give notice in writing, through diplomatic channels, to the other Party of its intention to terminate this Agreement. Such notice shall be simultaneously communicated to ICAO. This Agreement shall terminate twelve months after the date of receipt of the notice by the other Party, unless the notice is withdrawn by agreement before the end of this period. In the absence of acknowledgement of receipt by the other Party, the notice shall be deemed to have been received fourteen (14) days after receipt of the notice by ICAO.

Article 24

Registration with ICAO

This Agreement and any amendment thereto shall be registered with the International Civil Aviation Organization by the Government of the People's Republic of China.

Article 25

Entry into Force

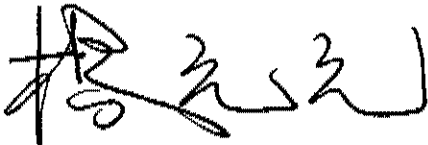
This Agreement shall enter into force on the date of signature and shall supersede the Air Transport Agreement signed on the 8th November 1955 between the two Governments.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Government, have signed this Agreement.

DONE in duplicate at *Beijing* on this *14th* day of *February, 2006,* in the Chinese, Myanmar and English languages, all texts being equally authentic.

In the event of any inconsistencies the English text shall prevail.

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



**For the Government of
the Union of Myanmar**



Annex

Route Schedules

I. The routes to be operated by the designated airline(s) of the People's Republic of China in both directions are as follows:

<i>Points of Origin</i>	<i>Intermediate Points</i>	<i>Points of Destination</i>	<i>Points Beyond</i>
Points in China	Any points	Points in Myanmar	Any points

II. The routes to be operated by the designated airline(s) of the Union of Myanmar in both directions are as follows:

<i>Points of Origin</i>	<i>Intermediate Points</i>	<i>Points of Destination</i>	<i>Points Beyond</i>
Points in Myanmar	Any points	Points in China	Any points

Notes:

1. The designated airline(s) of either Party may omit on any or all flights, any point on the specified routes and may serve them in any order, provided the agreed service begin and terminate in the territory of the Party designating the airline.
2. The exercise of fifth freedom traffic rights by the designated airline(s) of both Contracting Parties on the above routes shall be agreed upon between the aeronautical authorities of the two Parties.
3. The designated airlines of each Party shall have the right to exercise full fifth freedom traffic rights at five (5) freely selected intermediate and five (5) freely selected beyond points. It is further agreed that one (1) additional intermediate point and one (1) additional beyond point may be agreed upon between the two aeronautical authorities each year starting from 2006.