

**AIR SERVICES AGREEMENT
BETWEEN**

**THE GOVERNMENT OF
THE KINGDOM OF SAUDI ARABIA**

AND

**THE GOVERNMENT OF
HIS MAJESTY THE SULTAN AND
YANG DI-PERTUAN OF BRUNEI DARUSSALAM**

PREAMBLE

The Government of the Kingdom of Saudi Arabia and the Government of His Majesty the Sultan and Yang Di-Pertuan; (hereinafter the "Contracting Parties");

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944;

Desiring to promote an international aviation system based on competition among airlines in the marketplace with minimum government interference and regulation;

Desiring to facilitate the expansion of international air services opportunities;

Recognising that efficient and competitive international air services enhance economic growth, trade, and the welfare of consumers;

Desiring to make it possible for airlines to offer a variety of services at prices that are not discriminatory and do not represent abuse of a dominant position, and wishing to encourage individual airlines to develop and implement innovative and competitive prices; and

Desiring to ensure the highest degree of safety and security in international air services and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardises the safety of persons or property, adversely affect the operation of air services, and undermine public confidence in the safety of civil aviation,

Have agreed as follows:

ARTICLE 1 DEFINITIONS

For the purpose of this Agreement, unless the context otherwise requires, the following terms mean:

1. "Aeronautical Authorities" means in the case of the Government of the Kingdom of Saudi Arabia, the General Authority of Civil and in the case of the Government of Brunei Darussalam, the Ministry of Transport and Infocommunications, or in both cases, any person or any other authority empowered to perform any function to which this Agreement relates.
2. "Agreement" means this Agreement, its Annex, and any amendments thereto.
3. "Air service", "international air service", "airline", and "stop for non-traffic purposes", have the meaning assigned to them in Article 96 of the Convention.
4. "Air transportation" means the public carriage by aircraft of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire.
5. "Capacity" in relation to an aircraft means the payload of that aircraft available on a route or section of a route.
6. "Code-share" means cooperative marketing arrangements between two or more designated airlines for conducting operations.
7. "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and includes any Annexes and amendments adopted under Articles 90 and 94 of the Convention insofar as those Annexes and amendments have become effective for or been ratified by both Contracting Parties.
8. "Designated airlines" means an airline or airlines which have been designated and authorized in accordance with Article 3 (Designation and Authorization) of this Agreement.
9. "Domestic air transportation" is an 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.
10. "ICAO" means the International Civil Aviation Organization.
11. "Intermodal air transportation" means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire.

12. "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.
13. "Tariff" means the prices to be paid for the carriage of passengers, cargo and baggage and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail.
14. "Territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention.
15. "Regular equipment" means articles, other than stores and spare parts of a removable nature, for use on board an aircraft during flight, including first aid and survival equipment.
16. "Schedule" means the Schedule of the routes to operate air transportation services annexed to this Agreement and any amendments thereto as agreed in accordance with the provisions of Article 32 (Consultations and Amendments) of this Agreement.
17. "Spare parts" means articles of a repair or replacement nature for incorporation in an aircraft, including engines.
18. "User charges" means charges made to airlines by the competent authorities, or permitted by them to be made, for the provision of airport property facilities or of air navigation facilities, or aviation security facilities or services, including related services and facilities, for aircraft, their crews, passengers and cargo.

ARTICLE 2 GRANTING OF RIGHTS

1. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing and operating scheduled international air services on the routes specified in the Schedule annexed to this Agreement. Such services and routes are hereinafter called the "agreed services" and the "specified routes" respectively.
2. An airline designated by each Contracting Party shall have, whilst operating an agreed service on a specified route, the following rights:
 - a) to fly without landing across the territory of the other Contracting Party;
 - b) to make stops in the territory of the other Contracting Party for non-traffic purposes; and
 - c) to make stops in the territory of the other Contracting Party, for the purpose of taking on board and discharging international traffic in passengers, cargo and mail separately or in combination, while operating the agreed services.

3. The airlines of each Contracting Party, other than those designated under Article 3 (Designation and Authorization) of this Agreement, shall also enjoy the rights specified in paragraphs 2 (a) and (b) of this Article.
4. Nothing in this Article shall be deemed to confer on any designated airlines of either Contracting Party the privilege of taking on board, in the territory of the other Contracting Party, passengers, baggage and cargo carried for remuneration or hire and destined for another point within the territory of that other Contracting Party.

ARTICLE 3 DESIGNATION AND AUTHORISATION

1. Each Contracting Party shall have the right to designate in writing and through diplomatic channels to the other Contracting 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 designation and application from the designated airline, in the form and manner prescribed for operating authorization, each Contracting Party shall grant the appropriate operating authorization with minimum procedural delay, provided that:
 - a) the airline is and remains substantially owned and effectively controlled by the Contracting Party designating the airline and/or nationals of that Contracting Party;
 - b) the Contracting Party designating the airline is in compliance with the provisions set forth in Article 10 (Aviation Safety) and Article 11 (Aviation Security); 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 Contracting Party receiving the designation.
3. On receipt of the operating authorization under paragraph 2 of this Article, a designated airline may at any time begin to operate the agreed services for which it is so designated, provided that the airline complies with applicable provisions of this Agreement.

ARTICLE 4 WITHHOLDING, REVOCATION AND LIMITATION OF AUTHORISATION

1. The Aeronautical Authorities of each Contracting Party shall have the right to withhold the authorization referred to in Article 3 (Designation and Authorization) of this Agreement with respect to an airline designated by the other Contracting Party, and to revoke, suspend or impose conditions on such authorization, temporarily or permanently:
 - a) in the event that they are not satisfied that the airline is and remains substantially owned and effectively controlled by the Contracting Party designating the airline and/or nationals of that Contracting Party;
 - b) in the event of failure by the Contracting Party designating the airline to comply with the provisions set forth in Article 10 (Aviation Safety) and Article 11 (Aviation Security); 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 Contracting 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 10 (Aviation Safety) or Article 11 (Aviation Security), the rights enumerated in paragraph 1 of this Article shall be exercised only after consultations between the Aeronautical Authorities in conformity with Article 32 (Consultations and Amendments) of this Agreement.

ARTICLE 5

PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

1. The designated airline(s) of the Contracting Parties shall be afforded fair and equal opportunity in the operation of the agreed services on the specified routes.
2. In operating the agreed services, the designated airline(s) of each Contracting Party shall take into account the interests of the airline of the other Contracting Party so as not to unduly affect the services, which the latter provides on the whole, or part of the same routes.
3. The agreed services provided by the designated airline(s) of the Contracting Parties shall have as their primary objective the provision, at a reasonable load factor of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo, baggage and mail between the territory of the Contracting Party designating the airline and the territory of the other Contracting Party. Provision for the carriage of passengers, cargo, baggage and mail taken on board and discharged at points on the specified routes in the territories of states other than that designating the airline shall be agreed between the two Contracting Parties since capacity is related to:
 - a) traffic requirements to and from the territory of the Contracting Party, which has designated the airline;
 - b) traffic requirements of the area through which the agreed service passes, after taking account of other transport services established by airlines of the states comprising the area; and
 - c) the requirements of through airline operation.
4. The frequency of services, capacity, flight schedules and any changes concerning the agreed services shall be subject to approval by the Aeronautical Authorities of the Contracting Parties.
5. The Aeronautical Authorities of the two Contracting Parties should, if necessary, endeavour to reach a satisfactory arrangement regarding flight schedules, capacity and frequencies.

**ARTICLE 6
FAIR COMPETITION**

1. Each Contracting Party agrees:
 - a) that each designated airline shall have a fair and equal opportunity to compete in providing the international air transportation governed by this 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 Contracting Party.
2. Each Contracting Party shall allow each designated airline to determine the frequency and capacity of the international air transportation it offers based on commercial considerations of the marketplace.
3. Neither Contracting Party shall unilaterally limit the volume of traffic, frequency, or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Convention.
4. Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to the capacity, frequency or traffic which would be inconsistent with the purposes of this Agreement.
5. Neither Contracting Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Contracting Party for approval, except as may be required on a non-discriminatory basis to enforce uniform conditions as foreseen by paragraph 2 of this Article or as may be specifically authorized in an Annex to this Agreement. If a Contracting Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air transportation intermediaries and on designated airlines of the other Contracting Party.

**ARTICLE 7
APPLICABILITY OF LAWS AND REGULATIONS**

1. The laws and regulations of one Contracting 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 the aircraft of the designated airline of the other Contracting Party.
2. The laws and regulations of one Contracting Party relating to the entry into, stay in and departure from its territory of passengers, baggage, crew and cargo including mail such as those regarding immigration, customs, currency, health, quarantine and sanitary measures

shall apply to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party while they are within the said territory.

3. Neither Contracting Party may grant any preference to its own or any other airline over a designated airline of the other Contracting Party engaged in similar international air transportation in the application of the laws and regulations provided for in this Article.

ARTICLE 8 DIRECT TRANSIT

Passengers, baggage and cargo in direct transit through the territory of any Contracting Party and not leaving the area of the airport reserved for such purpose shall not undergo any examination except for reasons of aviation security, narcotics control, prevention of illegal entry or in special circumstances. In this regard, baggage and cargo in direct transit shall be exempt from any customs duties.

ARTICLE 9 RECOGNITION OF CERTIFICATES AND LICENSES

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Contracting Party and still in force shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services provided that the requirements under 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. However, each Contracting Party reserves the right to refuse to recognize 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 Contracting Party.
2. If the privileges or condition of the licenses or certificates referred to in paragraph 1 above, issued by the Aeronautical Authorities of one Contracting 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 ICAO, the other Contracting Party may request consultations between the Aeronautical Authorities with a view to clarifying the practice in question.

ARTICLE 10 AVIATION SAFETY

1. Each Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within thirty (30) days of that request.
2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards that meet the Standards established at that time pursuant to the Convention, the other Contracting Party shall be informed of such findings and the steps considered necessary to conform with

the ICAO Standards. The other Contracting Party shall then take appropriate corrective action within thirteen (13) days or an agreed time period.

3. Pursuant to Article 16 of the Convention, any aircraft operated, or any aircraft which its ownership does not belong to the designated airlines of either of the Contracting Parties in accordance with the designation provisions of this Agreement and is utilized to conduct air services operations in accordance with the provisions of this Agreement to and from the territory of the other Contracting Party through leasing arrangements from another air carrier belonging to the state of either Contracting Party or third party state, be the subject of a search by the authorized representatives of the other Contracting Party. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the Standards established at that time pursuant to the Convention, provided this does not cause unreasonable delay in the operation of the aircraft.
4. When urgent action is essential to ensure the safety of an airline operation, each Contracting Party reserves the right to immediately suspend or vary the operating authorization of an airline or airlines of the other Contracting Party.
5. Any action by one Contracting Party in accordance with paragraph 4 above shall be discontinued once the basis for taking of that action ceases to exist.

ARTICLE 11 AVIATION SECURITY

1. The Contracting 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 Contracting Parties shall, in particular, act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, the supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988 and the Convention on the Marking of Plastic Explosives for the Purpose of Detection, done at Montreal on 1 March 1991, as well as any other conventions or protocols relating to civil aviation security which both Contracting Parties adhere to.
2. The Contracting 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 relevant threat to the security of civil aviation.
3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the ICAO and designated as Annexes to the Convention to the extent that such security provisions are applicable to the Contracting Parties; they

shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity to such aviation security provisions.

4. Each Contracting Party shall advise the other Contracting Party of any differences between its national regulations and practices and the aviation security standards of the Annexes. Either Contracting Party may request immediate consultations with the other Contracting Party at any time to discuss any such differences.
5. Each Contracting Party agrees that its operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above applied by the other Contracting Party for entry into, departure from, or while within the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to passengers, crew, carry-on items, and baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
6. 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 and air navigation facilities occur, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
7. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the first Contracting Party may request consultations. Such consultations shall start within fifteen (15) days of receipt of such a request from either Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the start of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the authorizations of the airlines designated by the other Contracting Party. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, the first Contracting Party may take interim action at any time.

ARTICLE 12 SECURITY OF TRAVEL DOCUMENTS

1. Each Contracting Party agrees to adopt measures to ensure the security of their passports and other travel documents.
2. In this regard, each Contracting Party agrees to establish controls on the lawful creation, issuance, verification and use of passports and other travel documents and identity documents issued by, or on behalf of, that Contracting Party.
3. Each Contracting Party also agrees to establish or improve procedures to ensure that travel and identity documents issued by the Contracting Parties are of such quality that they cannot easily be misused and cannot readily be unlawfully altered, replicated or issued.

4. Pursuant to the objectives above, each Contracting Party shall issue their passports and other travel documents in accordance with ICAO related documents and regulations.
5. Each Contracting Party further agrees to exchange operational information regarding forged or counterfeit travel documents, and to cooperate with each other to strengthen resistance to travel document fraud, including the forgery or counterfeiting of travel documents, the use of valid travel documents by imposters, the misuse of authentic travel documents by rightful holders in furtherance of the commission of an offence, the use of expired or revoked travel documents, and the use of fraudulently obtained travel documents.

ARTICLE 13

INADMISSIBLE AND UNDOCUMENTED PASSENGERS AND DEPORTEES

1. Each Contracting Party agrees to establish effective border controls.
2. In this regard, each Contracting Party agrees to implement the Standards and Recommended Practices of Annex 9 (Facilitation) to the Convention concerning inadmissible and undocumented passengers and deportees in order to enhance cooperation to combat illegal migration.
3. Pursuant to the objectives above, each Contracting Party agrees to issue, or to accept, as the case may be, the letter relating to “fraudulent, falsified or counterfeit travel documents or genuine documents presented by impostors” set out in Appendix 9 to Annex 9 of the Convention, when taking action under relevant paragraphs of Chapter 3 of the Annex regarding the seizure of fraudulent, falsified or counterfeit travel documents.

ARTICLE 14

USER CHARGES

1. Neither Contracting Party impose or permit to be imposed on the designated airlines of the other Contracting Party user charges higher than those imposed on its airlines operating similar international services using similar aircraft and associated facilities and services.
2. Each Contracting Party shall designate an airport or airports in its territory for the use of the designated airline(s) of the other Contracting Party on specified routes and provide designated airline of the other Contracting Party with communicative, aviation and meteorological facilities and other services necessary for the operation of the agreed services.
3. Each Contracting Party may request consultations on user charges, and any changes imposed on such charges.

ARTICLE 15

EXEMPTION FROM CUSTOMS AND OTHER DUTIES

1. Aircraft of the designated airline(s) of one Contracting Party operating international services as well as supplies of fuel, lubricants, other consumable technical

supplies, spare parts, regular aircraft equipment and aircraft stores retained on board shall, upon arriving in or leaving the territory of the other Contracting Party, be exempted on the basis of reciprocity from customs duties, and taxes, inspection fees and other similar duties or charges, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported, used or consumed by such aircraft on flights over that territory.

2. There shall also be exemptions, on the basis of reciprocity, from the same duties, fees and charges, with the exception of charges corresponding to the service performed:
 - a) fuel, lubricants and other consumable technical supplies to supply outbound aircraft operated on international services by the airlines designated by the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board;
 - b) spare parts entered into the territory of either Contracting Party, within airport boundaries and for the maintenance or repair of aircraft used on international air services by the designated airlines of the other Contracting Party; and
 - c) aircraft stores taken on board in the territory of a Contracting Party, within airport boundaries, and within limits fixed by the authorities of the said Contracting Party which are for use on a board outbound aircraft engaged in an international air service of the other Contracting Party;
3. Materials referred to in paragraph 2 of this Article may be placed under the supervision or control of the customs authorities up to such time as they may be re-exported or otherwise disposed of in accordance with customs regulations.
4. There shall also be exemption from all customs duties and taxes on a reciprocal basis for official airline materials bearing the badge of the airline such as luggage tags, air tickets, airway bills, boarding cards, and timetables imported into the territory of either Contracting Party for the exclusive use by the designated airline of the other Contracting Party.

ARTICLE 16

APPROVAL OF TIMETABLES

The designated airline(s) of each Contracting Party shall, not later than sixty (60) days prior to the date of operation of any agreed service(s), submit its proposed timetables to the Aeronautical Authorities of the other Contracting Party for approval. Such timetables shall include the type of service and aircraft to be used, the flight schedule and any other relevant information. This shall, likewise, apply to any subsequent changes. In special cases, this time limit may be reduced subject to the approval of the said Aeronautical Authorities.

**ARTICLE 17
SUPPLY OF STATISTICS**

The Aeronautical Authorities of either Contracting Party shall supply the Aeronautical Authorities of the other Contracting Party, at their request, with such information and statistics relating to the traffic carried on the agreed services by their designated airlines to and from the territory of the other Contracting Party as may normally be prepared and submitted by the designated airline(s) to its Aeronautical Authorities. Such data shall include details on volume, distribution, origin and destination of the traffic. Any additional statistical traffic data which the Aeronautical Authorities of the Contracting Party may desire from the Aeronautical Authorities of the other Contracting Party shall, upon request, be a subject of mutual discussion and agreement between the two Contracting Parties.

**ARTICLE 18
TARIFFS**

1. The tariffs to be charged by the designated airline(s) of the Contracting Parties for the agreed services shall be established at reasonable levels, with due consideration being made to all relevant factors including cost of operation, reasonable profit, characteristics of service and the tariffs of the other airlines operating scheduled services over the whole or part of the same routes.
2. The tariffs referred to in paragraph 1 of this Article shall, if possible, be determined on the basis of the forces of supply and demand in the market.
3. The tariffs implemented shall be filed with the Aeronautical Authorities of both Contracting Parties for record keeping purposes and assessment of any possible unfair competitive behaviors in the market.
4. If any dispute arises between the designated airline(s) of either of the Contracting Parties due to unfair competitive practices in the market related to tariff implications, it should be settled in accordance with the provisions of Article 33 (Settlement of Disputes) of this Agreement.
5. The Contracting Parties shall endeavor to ensure that active and effective mechanisms exist within their jurisdictions to investigate violations by any airline, passenger or freight agent, tour organizer, or freight forwarder, of tariffs established in accordance with this Article. They shall furthermore ensure that the violation of such tariffs is punishable by deterrent measures on a consistent and non-discriminatory basis.

**ARTICLE 19
SAFEGUARDS**

1. The Contracting Parties agree that the following airline practices may be regarded as possible unfair competitive practices which may merit closer examination:
 - a) charging fares and rates on routes at levels which are, in the aggregate, insufficient to cover the costs of providing the services to which they relate;

- b) the addition of excessive capacity or frequency of service;
 - c) the practices in question are sustained rather than temporary;
 - d) the practices in question have a serious negative economic effect on, or cause significant damage to, another airline; and
 - e) the practices in question reflect an apparent intent or have the probable effect, or crippling, excluding or driving another airline from the market.
2. If the Aeronautical Authorities of one Contracting Party consider that an operation or operations intended or conducted by the designated airline of the other Contracting Party may constitute unfair competitive behavior in accordance with the indicators listed in paragraph 1 of this Article, they may request consultations in accordance with Article 32 (Consultations and Amendments) with a view to resolving the problem. Any such request shall be accompanied by notice of the reasons for the request, and the consultation shall begin within fifteen (15) days of the request.
 3. If the Contracting Parties fail to reach a resolution of the problem through consultations, either Contracting Party may invoke the dispute settlement mechanism under Article 33 (Settlement of Disputes) to resolve the dispute.

ARTICLE 20 COMPETITION LAWS

1. The Contracting Parties shall inform each other about their competition laws, policies and practices or changes thereto, and any particular objectives thereof, which could affect the operation of air transport services under this Agreement and shall identify the authorities responsible for their implementation.
2. The Contracting Parties shall, to the extent permitted under their own laws and regulations, assist each other's airlines by providing guidance as to the compatibility of any proposed airline practice with their competition laws, policies and practices.
3. The Contracting Parties shall notify each other whenever they consider that there may be incompatibility between the application of their competition laws, policies and practices and the matters related to the operation of this Agreement. The consultation process contained in Article 32 (Consultations and Amendments) of this Agreement shall, if so requested by either Contracting Party, be used to determine whether such a conflict exists and to seek ways of resolving or minimizing it.
4. In the event that agreement is not reached; in implementing competition laws, policies and practices, each Contracting Party shall give full and sympathetic consideration to the views expressed by the other Contracting Party and shall have regard to international comity, moderation and restraint.

ARTICLE 21 TRANSFER OF EARNINGS

1. Each Contracting Party grants to the designated airline(s) of the other Contracting Party the right of flexible transfer, in accordance with the national laws and regulations of the

Contracting Party in the territory of which the revenue accrued, in connection with the carriage of passengers, mail and cargo. No charges other than normal bank charges shall be applicable to such transfers.

2. If a Contracting Party imposes restrictions on the transfer of revenue accrued by the designated airline(s) of the other Contracting Party, the latter shall have the right to impose reciprocal restrictions on the designated airline of the other Contracting Party.
3. Wherever the payments system between the Contracting Parties is governed by special agreements, those agreements shall apply.

ARTICLE 22 SALE AND MARKETING OF AIR SERVICE PRODUCTS

1. Each Contracting Party shall accord airlines of the other Contracting Party the right to sell and market international air services and related products in its territory (directly or through agents or other intermediaries of the airline's choice), including the right to establish offices, both on-line and off-line.
2. Each airline shall have the right to sell transportation in the currency of that territory or, at its discretion, in freely convertible currencies or other countries, and any person shall be free to purchase such transportation in currencies accepted by that airline.

ARTICLE 23 AIRLINE COMMERCIAL REPRESENTATION

1. The designated airline(s) of one Contracting Party shall be entitled, in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, to bring in and maintain in the territory of the other Contracting Party those of its own managerial, technical, operational and other specialist staff who are required for the provisions of the present air services.
2. These staff requirements may, at the option of the designated airline or airlines of one Contracting Party, be satisfied by its own personnel or by using the services of any other organization, company or airline operating in the territory of the other Contracting Party and authorized to perform such services for other airlines.
3. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party. Consistent with such laws and regulations, Contracting Parties shall:
 - a) on the basis of reciprocity and with minimum delay, grant the necessary employment authorization, visitor visas or other similar documents to the representatives and staff referred to in paragraph 1 of this Article; and
 - b) facilitate and expedite the required approvals of employment authorization for personnel performing certain temporary duties.

**ARTICLE 24
CHANGE OF GAUGE**

1. Each designated airline may on any or all flights on the agreed services and at its option, change aircraft in the territory of the other Contracting Party or at any point along the specified routes, provided that:
 - a) aircraft used beyond the point of change of aircraft shall be scheduled in coincidence with the inbound or outbound aircraft, as the case may be; and
 - b) in the case of a change of aircraft in the territory of the other Contracting Party and where more than one aircraft is operated beyond the point of change, not more than one such aircraft may be of equal size and none may be larger than the aircraft used on the third and fourth freedom sector.
2. For the purpose of change of gauge operations, a designated airline may use its own equipment and, subject to national laws and regulations, leased equipment, and may operate under commercial arrangements with another airline.
3. A designated airline may use different or identical flight numbers for the sectors of its change of aircraft operations.

**ARTICLE 25
GROUND HANDLING**

Subject to the laws and regulations of each Contracting Party, each designated airline shall have in the territory of the other Contracting Party the right to perform its own ground handling (“self-handling”) or, at its option, the right to select among competing suppliers that provide ground handling services in whole or in part. Where such laws and regulations limit or preclude self-handling and where there is no effective competition between suppliers that provide ground handling services, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground handling services provided by a supplier or suppliers.

**ARTICLE 26
CODESHARING / COOPERATIVE ARRANGEMENTS**

1. When operating or holding out the agreed services on the specified routes, the designated airline of one Contracting Party, whether as the operating or marketing airline may, subject to the laws or regulations of the Contracting Party designating it, enter into cooperative marketing arrangements, including but not limited to, joint ventures, blocked space or code sharing with:
 - a) an airline(s) of either Contracting Party; and/or
 - b) an airline(s) of a third country; and/or
 - c) designated airline(s) on domestic routes.

The arrangements mentioned in sub-paragraphs (b) and (c) are subject to approval of the other Contracting Party.

2. The entitlements set out in paragraph 1 of this Article may be exercised only where:
 - a) all such airlines hold appropriate traffic rights and/or authorisations to operate on the route and segments concerned; and
 - b) in respect of any tickets sold, the airline makes it clear to the purchaser at the point of sale that it is a codeshare service; which airline will actually operate each sector of the service; and with which airline or airlines the purchaser is entering into a contractual relationship.
3. The capacity offered by a designated airline as the marketing airline on services operated by other airlines shall not be counted against the capacity entitlements of the Contracting Party designating the marketing airline.

ARTICLE 27 AIRCRAFT LEASING

1. Either Contracting Party may prevent the use of leased aircraft for services under this Agreement which does not comply with Articles 10 (Aviation Safety) and 11(Aviation Security) of this Agreement.
2. Subject to paragraph 1 above, the designated airlines of each Contracting Party may provide services under this Agreement by:
 - a) using aircraft dry leased from any airlines;
 - b) using aircraft wet leased from other airlines of the same Contracting Party;
 - c) using aircraft wet leased from airlines of the other Contracting Party; and
 - d) using aircraft wet leased from airlines of third countries.
provided that all airlines participating in the arrangements listed in subparagraphs (b), (c) and (d) above, hold the appropriate authorization and meet the requirements normally applied to those arrangements.
3. Notwithstanding paragraph 2 (d) above, the designated airlines of each Contracting Party may provide services under this Agreement by using aircraft wet leased on a short term, ad hoc basis from airlines of third countries.

ARTICLE 28 INTERMODAL SERVICES

Each designated airline may employ their own or use other services for the surface transport of passengers and/or air cargo.

ARTICLE 29
COMPUTER RESERVATION SYSTEMS (CRS)

Each Contracting Party shall apply the ICAO Code of Conduct for the Regulation and Operation of Computer Reservation Systems within its territory.

ARTICLE 30
BAN ON SMOKING

1. Each Contracting Party shall prohibit smoking on all flights carrying passengers between the territories of the Contracting 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 of deplanement of passengers is completed.
2. Each Contracting Party shall take all measures that it considers reasonable to secure compliance by its airlines, their passengers and crew members with the provisions of this Article, including the imposition of appropriate penalties for non-compliance.

ARTICLE 31
ENVIRONMENTAL PROTECTION

The Contracting Parties support the need to protect the environment by promoting the sustainable development of aviation. The Contracting Parties agree with regard to operations between their respective territories to comply with the ICAO Standards and Recommended Practices (SARPs) of Annex 16 and the existing ICAO policy and guidance on environmental protection.

ARTICLE 32
CONSULTATIONS AND AMENDMENTS

1. In the spirit of close cooperation, the Contracting Parties through their Aeronautical Authorities shall consult each other from time to time with a view to ensuring the implementation of and satisfactory compliance with the provisions of this Agreement and Annex thereto.
2. If either Contracting Party considers it desirable to amend any of the provisions of this Agreement, it may request consultations with the other Contracting Party. Such consultation shall begin within a period of sixty (60) days from the date of the request. Any amendments so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes following completion of the constitutional or otherwise required procedures.
3. Amendments relating only to the provisions of the annexed Schedule may be agreed upon between the Aeronautical Authorities of both Contracting Parties. Such amendments will become effective as soon as they are approved by both Aeronautical Authorities.

ARTICLE 33
SETTLEMENT OF DISPUTES

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement and its Annex, the Contracting Parties shall first endeavor to settle it by amicable negotiations.
2. If the Contracting Parties fail to reach a settlement by negotiations, they shall agree to refer the dispute for an advisory opinion to some person or body.
3. If the Contracting Parties fail to reach a settlement pursuant to paragraphs 1 and 2 above, either Contracting Party may refer the dispute to an arbitral tribunal of three arbitrators, two of whom to be nominated by the Contracting Parties and third arbitrator. In case the dispute is referred to arbitration, each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt of a notice through diplomatic channels in respect of reference of the dispute to arbitration and the third arbitrator shall be appointed within a further period of sixty (60) days from the last appointment by the two so nominated. If either Contracting Party fails to nominate its arbitrator within the specified period, or nominated arbitrators fail to agree on the third arbitrator within the said period, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint the arbitrator of failing Contracting Party or the third arbitrator as the case may require. However, the third arbitrator shall be a national of a state having diplomatic relations with both Contracting Parties at the time of the appointment.
4. In the case of the appointment of the third arbitrator by the President of the Council of ICAO, if the President of the Council of ICAO is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the Vice President and if the Vice President is also prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by a senior member of the Council who is not a national of either Contracting Party.
5. Subject to other provisions agreed by the Contracting Parties, the arbitral tribunal shall determine its procedure and the place of arbitration.
6. The decisions of the arbitral tribunal shall be binding for the Contracting Parties.
7. The expenses of the arbitral tribunal, including the fees and expenses of the arbitrators shall be shared equally by the Contracting Parties, including any expenses incurred by ICAO Council.

ARTICLE 34
CONFORMITY TO MULTILATERAL CONVENTIONS OR AGREEMENTS

If a multilateral convention or agreement concerning air transport comes into force in respect of both Contracting Parties, this Agreement and its Annex shall be amended so as to confirm with the provisions of that multilateral convention or agreement.

**ARTICLE 35
TERMINATION**

1. Either Contracting Party may, at any time, give notice in writing and through the diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall simultaneously be communicated to the ICAO.
2. In the event of termination, the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by mutual agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the ICAO.

**ARTICLE 36
REGISTRATION WITH ICAO**

This Agreement and any amendments thereto, shall be registered with the ICAO.

**ARTICLE 37
ENTRY INTO FORCE**

This Agreement shall come into force on the date of the last notification through diplomatic notes by either Contracting Party to the other Contracting Party that it has fulfilled the necessary measures in accordance with its laws and regulations for the entry into force of this Agreement.

This Agreement shall supersede the Agreement between the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam and the Government of the Kingdom of Saudi Arabia for Air Services between and beyond Brunei Darussalam and Kingdom of Saudi Arabia signed at Riyadh, Saudi Arabia on 09/02/1992 AD, corresponding to 08/05/1413 AH.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement. The Route Schedule is an integral part of this Agreement.

Done in Kuala Lumpur on 23 /10/2024 AD, corresponding to 20 /04/1446 AH, in two original copies, in the Arabic and English languages, both texts being equally authentic and each Contracting Party retaining one original in each language for implementation.

**For the Government of
the Kingdom of Saudi Arabia**

**For the Government of
His Majesty
the Sultan and Yang Di-Pertuan of
Brunei Darussalam**



**H.E Abdulaziz bin Abdullah Al-Duailej
President of
the General Authority of Civil Aviation**



**H.E Pengiran Dato Shamhary Mustapha
Minister of Transport and
Infocommunications**

Route Schedule

Section (1)

The designated airline or airlines of the Kingdom of Saudi Arabia shall be entitled to operate scheduled international air services in both directions on the routes specified hereafter:

Points in the Kingdom of Saudi Arabia	Intermediate Points	Points in Brunei Darussalam	Beyond Points
Any international points	Any points	Any international points	Any points

Section (2)

The designated airline or airlines of Brunei Darussalam shall be entitled to operate scheduled international air services in both directions on the routes specified hereafter:

Points in Brunei Darussalam	Intermediate Points	Points in the Kingdom of Saudi Arabia	Beyond Points
Any international points	Any points	Any international points	Any Points

Section (3): Notes on the routes to be operated by the designated airline(s) of both Contracting Parties.

1. Intermediate points and points beyond on any of the specified routes may, at the option of the designated airline(s), be omitted on any or all flights, provided that any service either begins or terminates in the territory of the Contracting Party designating the airline(s).
2. Each designated airline(s) may serve intermediate points and points beyond specified in the Annex of this Agreement on condition that fifth freedom traffic rights shall be exercised between these points and the territory of the other Contracting Party, if an agreement to that effect is made between the two Contracting Parties.