ICAO Reg. N° 4392

AGREEMENT BETWEEN

THE GOVERNMENT OF THE STATE OF BAHRAIN

AND

THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM

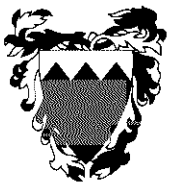
CONCERNING AIR SERVICES

The Government of the State of Bahrain and the Government of the Socialist Republic of Vietnam (hereinafter referred to as 'the Contracting Parties');

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

Desiring to conclude an Agreement supplementary to the said Convention for the purpose of establishing air services between their respective territories;

Have agreed as follows :



ARTICLE 1

DEFINITIONS

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

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

(b) the term 'aeronautical authorities' means in the case of the State of Bahrain, the Ministry of Transportation represented by Civil Aviation Affairs and in the case of the Socialist Republic of Vietnam, the Civil Aviation Administration of Vietnam or, in both cases, any person or body who may be authorised to perform any functions at present exercisable by the above-mentioned authorities or similar functions;

(c) the term 'designated airline' means an airline which has been designated and authorised in accordance with Article 4 of this Agreement;

(d) the term 'territory' in relation to a State means land areas (mainland and islands), internal waters and territorial waters adjacent thereto and the airspace above them under the sovereignty of that State;

(e) the terms 'air service', 'international air service', 'airline' and 'stop for non-traffic purposes' have the meanings respectively assigned to them in Article 96 of the Chicago Convention;

(f) the term 'this Agreement' includes the Annex hereto and any amendments to it or to this Agreement;

(g) the term '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, including related services and facilities, for aircraft, their crew, passengers and cargo;

(h) the term 'tariff' means the prices to be paid for the carriage of passengers and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail.



ARTICLE 2

APPLICABILITY OF THE CHICAGO CONVENTION

The provisions of this Agreement shall be subject to the provisions of the Chicago Convention insofar as those provisions are applicable to international air services.



ARTICLE 3

GRANT OF RIGHTS

(1) Each Contracting Party grants to the designated airline of the other Contracting Party the following rights in respect of its international air services :

(a) the right to fly across its territory without landing;

(b) the right to make stops in its territory for non-traffic purposes.

(2) Each Contracting Party grants to the designated airline of the other Contracting Party the rights hereinafter specified in this Agreement for the purpose of operating international air services on the routes specified in the appropriate Section of the Schedule annexed to this Agreement. Such services and routes are hereinafter called 'the agreed services' and 'the specified routes' respectively. While operating an agreed service on a specified route the airline designated by each Contracting Party shall enjoy in addition to the rights specified in paragraph (1) of this Article the right to make stops in the territory of the other Contracting Party at the points specified for that route in the Schedule to this Agreement for the purpose of taking on board and discharging passengers and cargo, including mail.

(3) Nothing in paragraph (2) of this Article shall be deemed to confer on the designated airline of one Contracting Party the right to take on board, in the territory of the other Contracting Party, passengers and cargo, including mail, carried for hire or reward and destined for another point in the territory of the other Contracting Party.

(4) If because of armed conflict, political disturbances or developments, or special and unusual circumstances, a designated airline of one Contracting Party is unable to operate a service on its normal route, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangements of routes.



ARTICLE 4

DESIGNATION AND AUTHORISATION OF AIRLINES

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes and to withdraw or alter such designations.

(2) On receipt of such a designation the other Contracting Party shall, subject to the provisions of paragraph (3) and (4) of this Article, without delay grant to the airline designated the appropriate operating authorisations.

(3) The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Chicago Convention.

(4) Each Contracting Party shall have the right to refuse to grant the operating authorisations referred to in paragraph (2) of this Article, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in Article 3 (2) of this Agreement, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

(5) When an airline has been so designated and authorised it may begin to operate the agreed services, provided that the airline complies with the applicable provisions of this Agreement.



ARTICLE 5

REVOCATION OR SUSPENSION OF OPERATING AUTHORISATIONS

(1) Each Contracting Party shall have the right to revoke an operating authorisation or to suspend the exercise of the rights specified in Article 3 (2) of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of those rights :

(a) in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party; or

(b) in the case of failure by that airline to comply with the laws or regulations normally and reasonably applied by the Contracting Party granting those rights; or

(c) if the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

(2) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party. Such consultation shall begin within a period of thirty (30) days from the date of the request.



ARTICLE 6

PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

(1) There shall be fair and equal opportunity, and equal capacity entitlement, for the designated airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.

(2) On operating the agreed services the designated airline of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same routes.

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear a close relationship to the requirements of the public for transportation on the specified routes and 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 and cargo, including mail, between the territories of the Contracting Parties.

(4) The total capacity to be provided on the agreed services by the designated airlines of the Contracting Parties shall be jointly determined in accordance with the above-mentioned principles by the aeronautical authorities of the Contracting Parties before commencement of the operations.



ARTICLE 7

TARIFFS

(1) The tariffs on any agreed services shall be established at reasonable levels due to regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of airline (such as standards of speed and service) and the tariffs of the other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this Article.

(2) The tariffs referred to in paragraph 1 of this Article and the rates of agency commission used in conjunction with them shall, if possible, be agreed in respect of each of the specified routes between the designated airlines concerned in consultation with the other airlines operating the whole or part of that route. The tariffs so agreed shall be subject to the approval of the aeronautical authorities of the Contracting Parties.

(3) If the designated airlines cannot agree on any of these tariffs or if for some other reason a tariff cannot be agreed upon in accordance with the provisions of paragraph 2 of this Article the aeronautical authorities of the Contracting Parties shall endeavour to determine the tariff by agreement between themselves.

(4) If the aeronautical authorities cannot agree on the approval of any tariff submitted to them under paragraph 2 of this Article or on the determination of any tariff under paragraph 3, the dispute shall be settled in accordance with the provisions of Article 19 of the present Agreement.

(5) No tariff shall come into force if the aeronautical authorities of either Contracting Party have not approved it.

(6) The established tariffs shall remain in force until new tariffs have been established in accordance with the provisions of this Article.



ARTICLE 8

CUSTOMS DUTIES

(1) Aircraft operated on international services by the designated airline of either Contracting Party, as well as their regular equipment, spare parts, supplies of fuels and lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from custom duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.

(2) There shall also be exempt from the same duties and taxes with the exception of charges corresponding to the service performed :

(a) aircraft stores taken on board in the territory of either Contracting Party, within limits fixed by the authorities of said Contracting Party, and for use on board aircraft engaged on a specified route of the other Contracting Party;

(b) spare parts entered into the territory of either Contracting Party for the maintenance or repair of aircraft used on a specified route by the designated airline of the other Contracting Party;

(c) fuel and lubricants destined to supply aircraft operated on a specified route by the designated airline of the other Contracting Party, even if 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.

Materials referred to in sub-paragraph (a), (b), (c) above may be required to be kept under customs supervision or control.

(3) The regular airborne equipment, as well as the materials and supplies retained on board the aircraft of either Contracting Party may be unloaded in the territory of other Contracting Party only with the approval of the



customs authorities of that Contracting Party. In each case, they may be placed under the supervision of said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.



ARTICLE 9

OPERATION OF LEASED AIRCRAFT

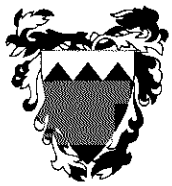
(1) When a designated airline proposed to use an aircraft other than one owned by it on the services provided hereunder, this will only be done on the following conditions :

(a) that such arrangements will not be equivalent to allowing a lessor airline of third party access to traffic rights not otherwise available to that airline;

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

(c) that the responsibility for the continued airworthiness and the adequacy of operating and maintenance standards of any leased aircraft operated by an airline designated by either of the Contracting Parties will be established to the satisfaction of both aeronautical authorities.

(2) A designated airline is not otherwise prohibited from providing services used leased aircraft provided that any lease arrangement entered into satisfied the conditions listed above.



ARTICLE 10

APPROVAL OF TIME-TABLES

The designated airline of either Contracting Party shall, not less than sixty (60) days prior to the date of operation of any agreed services(s), submit its proposed time-tables to the aeronautical authorities of the other Contracting Party for approval. Such time-tables 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 aeronautical authorities of both Contracting Parties.



ARTICLE 11

APPLICABILITY OF LAWS AND REGULATIONS

(1) The laws and regulations of one Contracting Party shall apply to the navigation and operation of the aircraft of the airline designated by the other Contracting Party during entry into, flying over, stay in and departure from its territory.

(2) The laws and regulations of one Contracting Party governing entry into, stay in and departure from its territory of passengers, crew, cargo or mail such as formalities regarding entry, exit, emigration, immigration, customs, health and quarantine shall apply to passengers, crew, cargo and mail carried by aircraft of the designated airline of the other Contracting Party while they are within the said territory.



ARTICLE 12

RECOGNITION OF CERTIFICATES AND LICENCES

Certificates of airworthiness, certificates of competency and licenses issued, or validated by one Contracting Party and unexpired shall be recognised as valid by the other Contracting Party for the purpose of operating the agreed services on the specified route, provided always that such certificates or licenses were issued, or validated, in conformity with the standards established under the Convention. Each Contracting Party, however, reserves the right to refuse to recognise, for flights above its own territory, certificates of competency and licenses granted to its own nationals by the other Contracting Party.



ARTICLE 13

AVIATION SECURITY

(1) The assurance of safety for civil aircraft, their passengers and crew being a fundamental pre-condition for the operation of international air services, the Contracting Parties reaffirm that their obligations to each other to provide for the security of civil aviation against acts of unlawful interference (and in particular their obligations under the Chicago Convention, 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) form and integral part of this Agreement.

(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 threat to the security of civil aviation.

(3) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security Standards and, so far as they are applied by them, the Recommended Practices established by the International Civil Aviation Organization and designated as Annexes to the Chicago Convention; and shall require that operators of aircraft of their registry, operators who have their principal place of business or permanent residence in their territory, and the operators of airports in their territory, act in conformity with such aviation security provisions. In this paragraph the reference to aviation security Standards includes any difference notified by the Contracting Party concerned. Each Contracting Party shall give advance information to the other of its intention to notify any difference.

(4) Each Contracting Party shall ensure that effective measures are taken within its territory to protect aircraft, to screen passengers and their carry-



on items, and to carry out appropriate checks on crew, cargo (including hold baggage) and aircraft stores prior to and during boarding or loading and that those measures are adjusted to meet increases in the threat. Each Contracting Party agrees that its airline may be required to observe the aviation security provisions referred to in paragraph (3) required by the other Contracting Party, for entrance into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall also act favourably upon any request from the other Contracting Party fair reasonable special security measures to meet a particular threat.

(5) When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate as rapidly as possible commensurate with minimum risk to life such incident or threat.



ARTICLE 14

PROVISION OF STATISTICS

The aeronautical authorities of a Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request such periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airline of the Contracting Party referred to first in this Article. Such statements shall include all information required to determine the amount of traffic carried by that airline on the agreed services and the origins and destinations of such traffic.

ARTICLE 15

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 without restrictions at the rate of exchange applicable to current transactions which is in effect t the time such revenues are presented for conversion and 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 made in accordance with the foreign exchange regulations of the Contracting Party concerned.



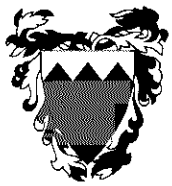
ARTICLE 16

AIRLINE REPRESENTATION AND SALES

(1) The designated airline of either Contracting Party shall have the right to establish representative offices in the territory of the other Contracting Party. Those representative offices may include commercial, operational and technical staff.

(2) The designated airline 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 their own managerial, technical, operational and other specialist staff who are required for the provision of air services.

(3) The designated airline of each Contracting Party shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party, either directly or through agents. The designated airline of each Contracting Party shall have the right to sell, and any person shall be free to purchase, such transportation in any freely convertible currency. Each designated airline shall have the right to use for this purpose its own transportation documents.



ARTICLE 17

USER CHARGES

(1) Neither Contracting Party shall impose of permit to be imposed on the designated airline of the other Contracting Party user charges higher than those imposed on its own airlines operating similar international air services.

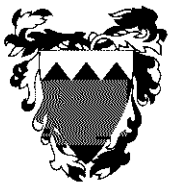
(2) Each Contracting Party shall encourage consultation on user charges between its competent charging authorities and airlines using the services and facilities provided by those charging authorities, where practicable through those airlines' representative organisations. Reasonable notice of any proposals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



ARTICLE 18

CONSULTATION

Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement or compliance with this Agreement. Such consultations, which may be between aeronautical authorities, shall begin within a period of 60 days from the date the other Contracting Party receives a written request, unless otherwise agreed by the Contracting Parties.



ARTICLE 19

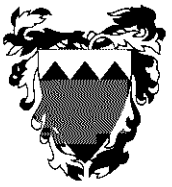
SETTLEMENT OF DISPUTES

(1) If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation.

(2) If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision of some person or body, if they do not so agree, the dispute shall at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal, and the third arbitrator shall be appointed within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organization may at the request of either Contracting Party appoint an arbitrator or arbitrators as the case requires. In such cases the third arbitrator shall be a national of a third state and shall act as President of the arbitral tribunal.

(3) The Contracting Parties shall comply with any decisions given under paragraph (2) of this Article.

(4) The expenses of the national arbitrators shall be borne by the respective Contracting Parties. All other expenses of the arbitral tribunal, including the fees and expenses of the third arbitrator shall be shared equally.



ARTICLE 20

AMENDMENT

Any amendments of this Agreement agreed by the Contracting Parties shall come into effect when confirmed by an Exchange of Notes.



ARTICLE 21

TERMINATION

Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organisation. In such case, this Agreement shall terminate twelve (12) months after the date of the receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the end of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received 14 days after receipt of the notice by the International Civil Aviation Organisation.



ARTICLE 22

REGISTRATION WITH ICAO

This Agreement and any amendments thereto shall be registered with the International Civil Aviation Organisation.



ARTICLE 23

ANNEXES

Annexes to this Agreement shall be deemed to be part of the Agreement and all references to it shall include reference to the Annexes, except where otherwise expressly provided.



ARTICLE 24

ENTRY INTO FORCE

This Agreement shall enter into force 30 days after the Contracting Parties have informed each other in writing that the formalities constitutionally required therefor in their respective countries have been complied with.

In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

Done in duplicate in Bahrain this Fourth day of May 1999 in the English language.

FOR THE GOVERNMENT OF THE STATE OF BAHRAIN

FOR THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM



ANNEX

ROUTE SCHEDULE

1. Section 1

Routes to be operated by the designated airline of the State of Bahrain :

Points of Origin	Intermediate Points	Points of Destination	Points Beyond
One point		One point	One point

2. Section 2

Routes to be operated by the designated airline of the Socialist Republic of Vietnam :

Points of Origin	Intermediate Points	Points of Destination	Points Beyond
One point		One point	One point

Notes :

1. The designated airline of either Contracting Party may, on any or all flights omit calling at any of the above points, provided that the service on this route starts and terminates in the territory of that Contracting Party.

2. The right of the designated airline of either Contracting Party to transport passengers, cargo and mail between the points in the territory of the other Contracting Party and the points in the territory of the Third parties shall be discussed and agreed upon by the aeronautical authorities of the two Contracting Parties.