

# **AIR TRANSPORT AGREEMENT**

**between**

**the Government of the Czech Republic**

**and**

**the Government of the Republic of Indonesia**

The Government of the Czech Republic and the Government of the Republic of Indonesia hereinafter referred to as Contracting Parties,

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

Desiring to conclude an agreement for the purpose of developing air services between and beyond their respective territories.

Have agreed as follows:

## **Article 1**

### **Definitions**

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

- (a) the term "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 of the Convention under Articles 90 and 94 insofar as such Annexes and amendments have been adopted by both Contracting Parties;
- (b) the term "aeronautical authorities" means in the case of the Czech Republic the Ministry of Transport or any other authority legally empowered to perform the functions exercised by the said aeronautical authorities and in the case of the Republic of Indonesia, The Minister for Transportation and any person or body authorized to perform any functions at present exercised by the said Minister or similar functions;
- (c) the term "designated airline" means each airline that one Contracting Party has designated in writing to the other Contracting Party and which has been authorized in accordance with Article 3 of this Agreement to operate the agreed services on the specified routes in conformity with paragraph (1) of Article 2 of this Agreement;

- (d) The term "territory" means, for Indonesia, as defined in its laws, the land, internal waters, archipelagic waters, territorial seas and the airspace under its sovereignty and the contiguous zones, exclusive economic zones and continental shelves as well as the airspace above them over which the Republic of Indonesia has control, sovereign rights or jurisdiction in accordance with international law, including United Nations Convention on the Law of the Sea done at Montego Bay at 10 December 1982; and in the case of the Czech Republic has the meaning assigned to it in Article 2 of the Convention;
- (e) the terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meaning respectively assigned to them in Article 96 of the Convention;
- (f) the term "capacity" means:
- in relation to an aircraft, the payload of that aircraft available on the route or section of a route;
  - in relation to specified air service, the capacity of the aircraft used on such service multiplied by the frequency operated by such aircraft over a given period and route or section of a route;
- (g) the term "tariff" means any fare, rate or charges for the carriage passengers (and their baggage) and/or cargo excluding mail in international air transportation, charged by airline, including their agents and the conditions governing the availability of such fare, rate or charge;
- (h) the term "air transportation" means the public carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, for remuneration or hire;
- (i) the term "Agreement" means this Agreement, its Annexes and any amendments thereto;
- (j) the term "agreed services" means services for the uplift and discharge of traffic as defined in Article 2 paragraph (1) of this Agreement;
- (k) the term "specified routes" means the routes established in this Agreement;
- (l) the term "user charges" means a charge imposed on airline for the provision of airport, air navigation or aviation security facilities or services, including related services and facilities for aircraft, their crews, passengers, baggage and cargo;
- (m) the term "traffic" means, passengers, baggage, cargo and mail;
- (n) the term "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of Article 17 of this Agreement. The Annex forms an integral part of this Agreement and all references to the Agreement shall include the Annex except where explicitly agreed otherwise;
- (o) the term "EU Treaties" means the Treaty on European Union and the Treaty on the functioning of the European Union.

## **Article 2**

### **Grant 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 international air services by the designated airline (hereinafter called "agreed services") over the routes specified in the appropriate section of the Annex (hereinafter called "specified routes").
- (2) Subject to the provisions of this Agreement the designated airline of each Contracting Party shall enjoy, while operating the agreed services on the specified routes, 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) while operating the agreed services at the specified routes, the airline designated by each Contracting Party shall also enjoy the right to embark and disembark, in the territory of the other Contracting Party, international traffic of passengers and cargo including mail, separately or in combination.
- (3) The airlines of each Contracting Party, other than those designated under Article 3 of this Agreement, shall also enjoy the rights specified in paragraph (2) (a) and (b) of this Article.
- (4) Nothing in paragraph (2) of this Article shall be deemed to confer on the designated airline of one Contracting Party the right of embarking, in the territory of the other Contracting Party, passengers, baggage and cargo including mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.
- (5) If because of special and unusual circumstances, a designated airline of one Contracting Party is unable to operate a service on its normal routing, the other Contracting Party shall use its best effort to facilitate the continued operation of such service through appropriate temporary rearrangements of routes as is mutually decided by the Contracting Parties.
- (6) The designated airline of one Contracting Party shall have the right to use airways, airports and other facilities provided by the other Contracting Party on a non-discriminatory basis.

## **Article 3**

### **Designation and Operating Authorization**

- (1) Each Contracting Party shall have the right to designate an airline or airlines for the purpose of operating the agreed services on specified routes and to withdraw or alter such. Such designation shall be made in writing and transmitted to the other Contracting Party through diplomatic channels and shall identify whether the airline is authorized to conduct the type of air services specified in the Annex.

- (2) The aeronautical authorities, which have received the notification of designation, shall, subject to the provisions of paragraphs (3) and (4) of this Article, grant without delay to the designated airline of the other Contracting Party the necessary operating authorizations.
- (3) The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to prove that it is qualified to fulfil the conditions prescribed under the laws and regulations applied to the operation of international air services by the said authorities in conformity with the provisions of the Convention.
- (4) On receipt of such a designation, and of applications from the designated airline, in the form and manner prescribed for operating authorizations and technical permissions, the other Contracting Party shall grant the appropriate authorizations and permissions provides:
- (a) in the case of an airline designated by the Czech Republic:
    - (i) the airline is established in the territory of the Czech Republic under the EU Treaties and has a valid Operating Licence in accordance with European Union law; and
    - (ii) effective regulatory control of the airline is exercised and maintained by the European Union Member State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authorities are clearly identified in the designation; and
    - (iii) the airline is owned, directly or through majority ownership, and it is effectively controlled by European Union Member States and/or by nationals of such Member States', and/or by the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation and/or by nationals of such other states; and
  - (b) in the case of an airline designated by the Republic of Indonesia:
    - (i) the airline is established in the territory of the Republic of Indonesia and is licensed in accordance with the applicable law of the Republic of Indonesia; and
    - (ii) the Indonesian aeronautical authority has and maintains effective regulatory control of the airline; and
    - (iii) the airline is owned, directly or through majority ownership, and is effectively controlled by nationals of the Republic of Indonesia.
- (5) When an airline has been designated and authorized in accordance with this Article, it may operate in whole or in part the agreed services for which it is designated, provided that the airline complies with the applicable provisions of this Agreement.

## **Article 4**

### **Revocation and Suspension of Operating Authorization**

(1) Either Contracting Party may revoke, suspend, limit or impose necessary conditions on the operating authorizations or technical permissions of an airline designated by the other Contracting Party, where:

(a) in the case of an airline designated by the Czech Republic:

- (i) the airline is not established in the territory of the Czech Republic under the EU Treaties or does not have a valid Operating Licence in accordance with European Union law; or
- (ii) effective regulatory control of the airline is not exercised or not maintained by the European Union Member State responsible for issuing its Air Operator's Certificate or the relevant aeronautical authorities are not clearly identified in the designation; or
- (iii) the airline is not owned, directly or through majority ownership, or is not effectively controlled by the European Union Member States and/or by nationals of such Member States, and/or by the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation and/or by nationals of such other states; or
- (iv) the airline is already authorized to operate under a bilateral agreement between the Republic of Indonesia and another European Union Member State and the Republic of Indonesia can demonstrate that, by exercising traffic rights under this Agreement on a route that includes a point in that other European Union Member State, it would be circumventing restrictions on the traffic rights imposed by that other agreement; or
- (v) the airline designated holds an Air Operator's Certificate issued by an European Union Member State and there is no bilateral air service agreement between the Republic of Indonesia and that European Union Member State, and that European Union Member State has denied traffic rights to an airline designated by the Republic of Indonesia;

(b) in the case of an airline designated by the Republic of Indonesia:

- (i) the airline is not established in the territory of the Republic of Indonesia or is not licensed in accordance with the applicable law of the Republic of Indonesia; or
- (ii) the Indonesian aeronautical authority does not have or maintain effective regulatory control of the airline; or
- (iii) the airline is not owned, directly or through majority ownership, or is not effectively controlled by nationals of the Republic of Indonesia; or

- (c) an airline fails to prove before the aeronautical authorities of that Contracting Party granting those rights an ability to fulfil the conditions under the laws and regulations applied by these authorities in conformity with the provisions of the Convention; or
  - (d) an airline otherwise fails to operate in accordance with the conditions prescribed by this Agreement.
- (2) Either Contracting Party that exercises the rights under paragraph (1) of this Article shall notify in writing the other Contracting Party as soon as possible of the reasons for the refusal, suspension or limitation of the operating authorisations or technical permission of an airline designated by it.
- (3) This Article does not limit the rights of either Contracting Party to revoke, suspend or limit the operating authorisations or technical permissions of an airline designated by the other Contracting Party in accordance with the provisions of Article 6 of this Agreement.
- (4) In exercising its right under paragraph (1) of this Article, the Republic of Indonesia shall not discriminate between European Union airlines on the grounds of nationality.

## **Article 5**

### **Application of Laws, Regulations and Procedures**

- (1) While entering, being within or leaving the territory of one Contracting Party, laws, regulations and procedures in force in its territory relating to the operation and navigation of aircraft shall be complied by the other Contracting Party's airlines.
- (2) The laws, regulations and procedures in force in the territory of one Contracting Party relating to admission to, stay in, transit through, or departure from its territory of passengers, crews, baggage and cargo including mail, such as laws, regulations and procedures relating to entry, exit, aviation security, immigration, passports, advance passenger information, customs, currency, quarantine, health, veterinary or sanitary measures, shall apply to passengers, crew, baggage, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party upon entry into or departure from or while within the territory of the said Contracting Party.
- (3) Neither Party shall give preference to its own nor any other airline over an airline of the other Party engaged in similar international air transportation in the application of its entry, clearance, aviation security, immigration, passports, advance passenger information, customs and quarantine, postal and similar regulations.

## **Article 6**

### **Aviation Security**

- (1) Consistent with their rights and obligations under international law, 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.
- (2) 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, and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1 March 1991 and any other convention on aviation to which both Contracting Parties become members.
- (3) 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.
- (4) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization 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 registries or operators of aircraft who have their principal place of business, permanent residence or, in the case of the Czech Republic, who are established under the EU Treaties in their territories and the operators of airports in their territories act in conformity with such aviation provisions. Each Contracting Party shall advise the other Contracting Party of any difference between its national regulations and practices and the aviation security standards of the Annexes. Either Contracting Party may request consultations with the other Contracting Party at any time to discuss any such differences.
- (5) Each Contracting Party agrees that its operators of aircraft shall be required to observe, for entry into, departure from or while within the territory of the other Contracting Party, aviation security provisions in conformity with the laws and regulations in force in that country, including, in the case of the Czech Republic, European Union law.
- (6) Each Contracting Party shall secure 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.

- (7) Each Contracting Party shall give a sympathetic consideration to any request from the other Contracting Party for reasonable security measures to meet a particular threat.
- (8) 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 rapidly and safely such incident or threat thereof.
- (9) Each Contracting Party shall have the right, within sixty (60) days following notice (or such shorter period as may be agreed between the aeronautical authorities), for its aeronautical authorities to conduct an assessment in the territory of the other Contracting Party of the security measures being carried out, or planned to be carried out, by aircraft operators in respect of flights arriving from, or departing to the territory of the first Contracting Party. The administrative arrangements for the conduct of such assessments shall be mutually determined by the aeronautical authorities and implemented without delay so as to ensure that assessments will be conducted expeditiously.
- (10) When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. 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, or such other period as may be agreed upon between the Contracting Parties, shall constitute grounds for revoking, suspending, limiting or imposing necessary conditions on the operating authorizations of the airline designated by 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. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Contracting Party with the security provisions of this Article.

## **Article 7**

### **Aviation Safety**

- (1) Certificates of airworthiness, certificate of competency and licences issued, or rendered valid, in accordance with the rules and procedures of one Contracting Party, including, in the case of the Czech Republic, European Union law, 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 which such certificates and licences 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 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 the International Civil Aviation Organization, the other Contracting Party may request consultations between the aeronautical authorities with a view to clarifying the practice in question.
- (3) Each Contracting 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 or in relation to its registered aircraft by the other Contracting Party.
- (4) Each Contracting Party may request consultations at any time concerning 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.
- (5) If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in any such area that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such longer period as may be agreed, shall be grounds for the application of Article 4 of this Agreement.
- (6) Paragraphs (7) to (10) of this Article supplement paragraphs (4) to (5) of this Article and the obligations of the Contracting Parties under Article 33 of the Convention.
- (7) Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by or, under a lease arrangement, on behalf of an airline of one Contracting Party, on services to or from the territory of another Contracting Party may, while within the territory of the other Contracting Party, be made the subject of a search by the authorized representatives of the other Contracting Party, on board and around the aircraft. The purpose of the examination is to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (in this Article called "ramp inspection"), provided this does not lead to unreasonable delay.
- (8) If any such ramp inspection or series of ramp inspections gives rise to:

(a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention, or

(b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificate or licenses in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that the requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Convention.

(9) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by, or, on behalf of an airline of one Contracting Party in accordance with paragraph (7) of this Article is denied by the representative of that airline, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph (8) of this Article arise and draw the conclusions referred to in that paragraph.

(10) Each Contracting Party reserves the right to immediately suspend or vary the operating authorization of an airline of the other Contracting Party in the event the first Contracting Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultations or otherwise, that immediate action is essential to the safety of an airline operation.

(11) Any action by one Contracting Party in accordance with paragraphs (5) or (10) of this Article shall be discontinued once the basis for the taking of that action ceases to exist.

(12) Where the Czech Republic has designated an airline whose regulatory control is exercised and maintained by another European Union Member State, the rights of the Republic of Indonesia under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other European Union Member State and in respect of the operating authorization of that airline.

## **Article 8**

### **Customs Provisions, Duties and Taxes**

(1) Aircraft operated in international air transportation by the designated airline of each Contracting Party shall be exempt from all import restrictions, customs duties, excise taxes, and similar fees and charges imposed by national authorities. Component parts, normal aircraft equipment and other items intended for or used solely in connection with the operation or for the repair, maintenance and servicing of such aircraft shall be similarly exempt, provided such equipment and items are for use on board an aircraft and are re-exported.

- (2) (a) Provided in each case that they are for use on board an aircraft in connection with the establishment or maintenance of international air transportation by the airline concerned, the following items shall be exempt from all import restrictions, customs duties, excise taxes, and similar fees and charges imposed by national authorities, whether they are introduced by a designated airline of one Contracting Party into the territory of the other Contracting Party or supplied to an designated airline of one Contracting Party in the territory of the other Contracting Party:
- (i) aircraft stores (including but not limited to such items as food, beverages and products destined for sale to, or use by, passengers during flight);
  - (ii) fuel, lubricants (including hydraulic fluids) and consumable technical supplies; and
  - (iii) spare parts including engines.
- (b) These exemptions shall apply even when these items are to be used on any part of a journey performed over the territory of the other Contracting Party in which they have been taken on board.
- (3) The exemptions provided by this Article shall not extend to charges based on the cost of services provided to the designated airline of a Contracting Party in the territory of the other Contracting Party.
- (4) The normal aircraft equipment, as well as spare parts (including engines), supplies of fuel, lubricating oils (including hydraulic fluids) and lubricants and other items mentioned in paragraphs (1) and (2) of this Article retained on board the aircraft operated by the designated airline of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that territory. Aircraft stores intended for use on the designated airline services may, in any case be unloaded. Equipment and supplies referred to in paragraphs (1) and (2) of this Article may be required to be kept under the supervision or control of the appropriate authorities until they are re-exported or otherwise disposed of in accordance with the Customs laws and procedures of that Contracting Party.
- (5) The exemptions provided for by this Article shall also be available in situations where the designated airline of one Contracting Party has entered into arrangements with another airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraphs (1) and (2) of this Article, provided such other airlines similarly enjoy such relief from the other Contracting Party. Such loans and transfer shall be announced by airline to respective customs authorities.
- (6) Nothing in this Agreement shall prevent the Czech Republic from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated airline of the Republic of Indonesia that operates between

a point in the territory of the Czech Republic and another point in the territory of the Czech Republic or in the territory of another European Union Member State.

## **Article 9**

### **User Charges**

- (1) User charges that may be imposed by the competent charging authorities of each Contracting Party on the designated airline of the other Contracting Party shall be just, reasonable, non-discriminatory, and equitably apportioned among all categories of users. Such user charges shall be assessed on the designated airline of the other Contracting Party on terms not less favorable than the terms available to any other airlines at the time the charges are assessed.
- (2) User charges imposed on the designated airline of the other Contracting Party may reflect, but shall not exceed, the full cost to the competent charging authorities of providing the appropriate airport, environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.
- (3) Each Contracting Party shall encourage consultations between the competent charging authorities in its territory and the designated airline using the services and facilities. Each Contracting Party shall encourage the competent charging authorities and the airlines to exchange such information as may be necessary to permit an accurate and transparent review of the reasonableness of the charges in accordance with the principles stated in paragraphs (1) and (2) of this Article. Each Contracting Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in the user charges to enable the users to express their views before changes are implemented.
- (4) Neither Contracting party shall be held, in dispute resolution procedures pursuant to Article 18, to be in breach of a provision of this Article, if:
  - (i) it has undertaken a review of the charges or practice that is the subject of complaint by the other Contracting Party within a reasonable time; and
  - (ii) following such a review, it has taken all steps within its power to remedy any charge or practice that is inconsistent with this Article.

## **Article 10**

### **Direct Transit**

Passengers, baggage and cargo in direct transit through the territory of a Contracting Party, not leaving the area of the airport reserved for such purpose shall be subject, except in respect of

security provisions referred to in Article 6 of this Agreement and prevention of trafficking of narcotic drugs and psychotropic substances, to no more than a simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other charges.

## **Article 11**

### **Tariffs**

- (1) The tariffs in respect of the agreed services operated by the designated airlines of both Contracting Parties shall be established by each designated airline based upon its commercial consideration in the market place at reasonable levels, due regards being paid to all relevant factors, including the cost of operation and reasonable profit.
- (2) The tariffs established under paragraph (1) of this Article may be required to be filed by the designated airline of one Contracting Party with the aeronautical authorities of the other Contracting Party. Filing by the designated airlines of both Contracting Parties may be required no more than thirty (30) days before the proposed date of effectiveness.
- (3) Notwithstanding the foregoing, each Contracting Party shall have the right to intervene so as to:
  - (a) prevent tariffs whose application constitutes anti-competitive behaviour which has or is likely to or intended to have the effect of crippling a competitor or excluding a competitor from a route;
  - (b) protect consumers from tariffs that are excessive or restrictive due to abuse of a dominant position; and
  - (c) protect airlines from tariffs that are predatory or artificially low.
- (4) For the purposes set out in paragraph (3) of this Article, the aeronautical authorities of one Contracting Party may require the designated airline of the other Contracting to provide information relating to the establishment of the tariffs, in a manner and format prescribed by such authorities.
- (5) If one Contracting Party believes that the tariff charged by the designated airline of the other Contracting Party is inconsistent with the considerations set forth in paragraph (3) of this Article, it shall notify the other Contracting Party of the reasons for its dissatisfaction as soon as possible and request consultations which shall be held no later than thirty (30) days after receipt of the request. If the Contracting Parties reach an agreement with respect to the tariff for which a notice of dissatisfaction has been given, each Contracting Party shall use its best efforts to put that agreement into effect. In the absence of such an agreement, the previously existing tariff shall continue to be in effect.

## **Article 12**

### **Capacity**

- (1) There shall be fair and equal opportunity for the designated airlines of the Contracting Parties to operate air services on any route specified in the Annex to this Agreement.
- (2) In 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 provides on the whole or part of the same routes.
- (3) The capacity to be operated shall be agreed upon between the aeronautical authorities of both Contracting Parties before the services are inaugurated and reviewed when necessary based on traffic requirements and load factor on the specified routes.
- (4) The agreed services provided by the designated airlines of the Contracting Parties shall bear reasonable 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 meet the current and reasonably anticipated requirements for the carriage of passengers, cargo, and mail, originating from the territory of either Contracting Party and destined for the territory of the other Contracting Party.
- (5) Any increase in capacity to be provided and the frequency of services to be operated by the designated airline of each Contracting Party shall be subject to agreement between the aeronautical authorities of both Contracting Parties. Pending such agreement of settlement, the capacity and frequency entitlements already in force shall prevail.
- (6) The right of the designated airlines of either Contracting Party to carry traffic between points in the territory of the other Contracting Party and points in the territories of third countries on the specified routes shall be exercised in accordance with the general principles that capacity shall be 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 airline 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.

## **Article 13**

### **Timetables**

- (1) An airline designated by one Contracting Party shall file to the aeronautical authorities of the other Contracting Party for approval at least thirty (30) days in advance the timetable of its

intended services, specifying the frequency, type of aircraft, times, configuration and number of seats to be made available to the public and period of timetable validity. The same procedure shall apply to any modification thereof.

- (2) If the designated airline wishes to operate supplementary flights besides those covered in the timetables, it shall request permission from the aeronautical authorities of the other Contracting Party. Such request shall usually be submitted at least two (2) working days before operating such flights.

## **Article 14**

### **Commercial Opportunities**

- (1) Subject to the laws and regulations in force in the respective territory, the designated airline of each Contracting Party shall have the following rights in the territory of the other Contracting Party:
- (a) the right to establish offices, including offline offices, for the promotion, sale and management of air transportation;
  - (b) the right to engage in the sale and marketing of air transportation to any person directly and, at its discretion, through its agents or intermediaries, using its own transportation documents;
  - (c) the right to use the services and personnel of any organisation, company or airline operating in the territory of the other Contracting Party.
- (2) In accordance with the laws and regulations relating to entry, residence, and employment of the other Contracting Party, the designated airlines of each Contracting Party shall be entitled to bring in and to maintain in the territory of the other Contracting Party those of their own managerial, sales, technical, operational and other specialist staff which the airline reasonably considers necessary for the provision of air transportation. Consistent with such laws and regulations, each Contracting Party shall, with the minimum of delay, grant the necessary employment authorisations, visas or other similar documents to the representatives and staff referred to in this paragraph.
- (3) Subject to the laws and regulations in force in the respective territory, the designated airline of each Contracting Party shall have the right to sell air transportation, and any person shall be free to purchase such transportation, in local or freely convertible currencies. Each Contracting Party shall permit the designated airline of the other Contracting Party to convert their funds into any freely convertible currency and to transfer them from the territory of the other Contracting Party at will. Subject to the national laws and regulations of the other Contracting Party, conversion and transfer of funds obtained in the ordinary course of their operation shall be permitted at the foreign exchange market rates for payments applicable at

the time of submission of the request for conversion or transfer and shall not be subject to any charges except normal service charges levied for such transactions.

- (4) The designated airline of each Contracting Party shall have the right at their discretion to pay for local expenses, including purchases of fuel in the territory of the other Contracting Party in local currency or, provided these accords with local currency regulations, in freely convertible currencies.
- (5) The Contracting Parties recognise that to give effect to the rights and entitlements embodied in the Agreement the designated airline of each Contracting Party must have the opportunity to access airports, including facilities and slots, in the territory of the other Contracting Party on a non-discriminatory basis.

## **Article 15**

### **Provision of Information**

The aeronautical authorities of each Contracting Party shall provide the aeronautical authorities of the other Contracting Party, upon request, periodic statements of statistics or other similar information related to traffic carried by the designated airline on the routes specified in this Agreement as may be reasonably required for the purpose of reviewing the operation of agreed services. Such requirements shall be applied on a non-discriminatory basis.

## **Article 16**

### **Consultations**

- (1) The aeronautical authorities of the Contracting Parties shall have communication, which may be through discussion or by correspondence, to ensure close co-operation in all matters affecting the implementation of this Agreement.
- (2) Either Contracting Party may at any time request consultations on any problem related to this Agreement. Such consultations shall begin within a period of sixty (60) days from the date of the delivery of the request to the other Contracting Party, unless otherwise agreed by the Contracting Parties.

## **Article 17**

### **Amendments**

- (1) This Agreement may be amended or revised by agreement in writing between the Contracting Parties.



- (2) Any such amendment shall enter into force on the the sixtieth (60) day after delivery of the last notification by diplomatic notes confirming that the Contracting Parties have fulfilled all necessary legal requirements for the entry into force of the amendment.
- (3) If a multilateral convention concerning air transportation comes into force in respect of both Contracting Parties, this Agreement shall be amended to conform to the provisions of that convention.

## **Article 18**

### **Settlement of Disputes**

- (1) In case of dispute arising from the interpretation or application of this Agreement, the aeronautical authorities of the Contracting Parties shall in the first place endeavour to settle it by negotiation. If the aeronautical authorities fail to reach an agreement, the dispute shall be settled by negotiations between the Contracting Parties.
- (2) Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement, with the exception of any dispute concerning the application of national competition laws, shall be settled by consultations or negotiations. If the Contracting Parties fail to reach a settlement through consultations or negotiations, the dispute may, at the request of either Contracting Party, be submitted to arbitration.
- (3) Within a period of thirty (30) days from the date of receipt by either Contracting Party from the other Contracting Party of a note through the diplomatic channel requesting arbitration of the dispute by a tribunal, each Contracting Party shall nominate an arbitrator. Within a period of sixty (60) days from the appointment of the arbitrator last appointed, the two arbitrators shall appoint a president who shall be a national of a third State. If within sixty (60) days after one of the Contracting Parties has nominated its arbitrator, the other Contracting Party has not nominated its own or, if within sixty (60) days following the nomination of the second arbitrator, both arbitrators have not agreed on the appointment of the president, either Contracting Party may request the President of the Council of the International Civil Aviation Organization (ICAO) to appoint an arbitrator or arbitrators as the case requires. If the President of the Council is the same nationality as one of the Contracting Parties, the most senior Vice President who is not disqualified on that ground shall make the appointment.
- (4) Except as otherwise determined by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within thirty (30) days after the tribunal is fully constituted. Replies shall be due within thirty (30) days. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within thirty (30) days after replies are due.

- (5) The tribunal shall attempt to give a written award within thirty (30) days after completion of the hearing, or, if no hearing is held, after the date both replies are submitted. The award shall be taken by a majority vote.
- (6) The Contracting Parties may submit requests for clarification of the award within fifteen (15) days after it is received and such clarification shall be issued within fifteen (15) days of such request.
- (7) The award of the arbitral tribunal shall be final and binding upon the Contracting Parties to the dispute.
- (8) Each Contracting Party shall bear the cost of its own arbitrator as well as of its representation in the arbitral proceedings; the cost of the president and any other costs shall be borne in equal parts by the Contracting Parties. The expenses of arbitration under this Article shall be shared equally between the Contracting Parties.
- (9) If and for so long as either Contracting Party fails to comply with an award under paragraph (7) of this Article, the other Contracting Party may limit, suspend or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default.

#### **Article 19**

##### **Registration**

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

#### **Article 20**

##### **Termination**

Either Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case this Agreement shall terminate twelve (12) months after the date of the delivery of the notice to the other Contracting Party, unless the notice to terminate is withdrawn with a consent of the other Contracting Party before the expiry of this period. In absence of acknowledgement of delivery to the other Contracting Party, the notice shall be deemed to have been delivered fourteen (14) days after the date of the delivery of the notice to the International Civil Aviation Organization.

## **Article 21**

### **Entry into force**

This Agreement shall enter into force on the sixtieth (60) day after delivery of the last written notification by diplomatic notes confirming that each Contracting Party has fulfilled all necessary legal requirements for entry into force of this Agreement.

This Agreement shall supersede following international agreements in relations between the Czech Republic and the Republic of Indonesia with effect on the day of entry into force of this Agreement:

- The Air Transport Agreement between the Government of the Czechoslovak Socialist Republic and the Government of the Republic of Indonesia, signed on 10 May 1972; and
- The Agreement between the Government of the Czechoslovak Socialist Republic and the Government of the Republic of Indonesia on amendments to the Annex of the Air Transport Agreement between the Government of the Czechoslovak Socialist Republic and the Government of the Republic of Indonesia (signed on 10 May 1972), as agreed by diplomatic notes on 26 November 1985 and 18 January 1986 (Jakarta).

IN WITNESS THEREOF, the undersigned, being duly authorized by their respective governments, have signed this Agreement.

DONE in duplicate in Jakarta, this 20<sup>th</sup> day of January, 2017, in the Czech, Indonesian and English languages, all texts being equally authentic. In the case of divergence in interpretation, the English text shall prevail.

For the Government  
of the Czech Republic

Ivan Hotěk  
Ambassador Extraordinary and  
Plenipotentiary of the Czech Republic  
to the Republic of Indonesia

For the Government  
of the Republic of Indonesia

Budi Karya Sumadi  
Minister of Transport

## Annex

### Section I

Routes to be operated by the airlines designated by the Czech Republic:

Points in the Czech Republic	Intermediate Points	Points in the Republic of Indonesia	Beyond Points
Any points	Any points	Jakarta and one point to be nominated later	Any points

### Section II

Routes to be operated by the airlines designated by the Republic of Indonesia:

Points in the Republic of Indonesia	Intermediate Points	Points in the Czech Republic	Beyond Points
Any points	Any points	Prague and one point to be nominated later	Any points

#### Notes:

- 1. The designated airline of each Contracting Party may, on any or all flights omit calling at any of the above points, provided that the agreed services on this route commence or terminate in the territory of that Contracting Party.*
- 2. The traffic rights which may be exercised by the designated airline at intermediate and beyond points on the above routes shall be jointly determined by agreement between the aeronautical authorities upon request of the aeronautical authorities of one Contracting Party.*
- 3. Between points in the territory of the other Contracting Party, the designated airline of each Contracting Party may only exercise own stopover rights.*
- 4. References in this Agreement to nationals of the Czech Republic shall be understood as referring to nationals of European Union Member States. References in this Agreement to airlines of the Czech Republic shall be understood as referring to airlines designated by the Czech Republic.*