



**AGREEMENT BETWEEN THE GOVERNMENT OF MONGOLIA  
AND THE GOVERNMENT OF MALAYSIA  
FOR AIR SERVICES**

**The Government of Mongolia and the Government of Malaysia,  
Being parties to the-Convention on International Civil Aviation, and  
Desiring to conclude an Agreement for the purpose of establishing 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 "Agreement" means this Agreement, its Annex and any amendments thereto.
- (b) the term "the Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944. and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or Convention under Articles. 90 and 94 thereof insofar as these have become effective for both Contracting Parties;
- (c) the term "aeronautical authorities" means, in the case of Mongolia, the Minister for Infrastructure Development and any person or body authorised to perform any functions at present exercised by the said Minister or similar functions and in the case of Malaysia, the Minister of Transport and any person or body authorised to perform any functions at present exercised by the said Minister or similar functions;
- (d) the term "designated airline" means an airline designated and authorised in accordance with Article 3 of this Agreement;
- (e) the term "territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention,

(f) 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 Convention,

(g) the term "specified route" means any of the routes specified in the Annex,

(h) the term "agreed services" means the air services operated on the specified routes.

## **Article 2**

### **Traffic Rights and Privileges**

(1) Each Contracting Party grants to the other Contracting Party the privileges specified in this Agreement to enable its designated airline to establish and operate the agreed services.

(2) Subject to the provisions of this Agreement, an airline designated by each Contracting Party shall enjoy the following privileges:

(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 on the specified route, to make stops in the territory of the other Contracting Party at the points specified for that route in the Annex for the purpose of discharging of and taking on international traffic in passengers, cargo and mail, separately or in combination.

(3) Nothing in paragraph (2) of this Agreement shall be deemed to confer on the designated airline of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

## **Article 3**

### **Designation and Authorisation**

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party an airline for the purpose of operating the agreed services on the specified routes.

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

(3) The aeronautical authorities of one Contracting Party may require the designated airline of 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 by such authorities to the operation of international air services in conformity with the provisions of the Convention.



(4) Each Contracting Party shall have the right to refuse to grant the operating authorisation referred to in paragraph(2) of this Article, or to impose such conditions as they may deem necessary on the exercise by the designated airline of the privileges specified in Article 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) The airline designated and authorised in accordance with the provisions of paragraphs(1) and(2) of this Article may begin at any time to operate the agreed services provided that the airline complies with the applicable provisions of this Agreement.

#### **Article 4**

##### **Revocation of Authorisation**

(1) The aeronautical authorities of each Contracting Party shall have the right to revoke an operating authorisation or to suspend the exercise of the privileges specified in paragraph (2) of Article 2 by the designated airline of the other Contracting Party, or to impose such conditions as they may deem necessary on the exercise of these privileges;

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

(b) in case of failure by that airline to comply with the laws and regulations of the Contracting Party granting those privileges, or

(c) in case the airline otherwise fails to comply with the provisions of this Agreement.

(2) Unless immediate revocation, suspension or imposition of the conditions prescribed in paragraph(1) of this Article is essential to prevent further infringements of laws and regulations, such rights shall be exercised only after consultation with the aeronautical authorities of the other Contracting Party.

#### **Article 5**

##### **Application of Laws and Regulations**

(1) The laws and regulations of one Contracting Party governing entry into or- departure from its territory of an aircraft engaged in international air navigation or relating to the operation and navigation of such aircraft while within its territory, shall be complied with by designated airline of the other Contracting Party.

(2) The laws and regulations of one Contracting Party governing entry into, stay in or departure from its territory of passengers, crew, cargo and mail, such as formalities relating to entry and exit, emigration and immigration, passports, customs, currency, and quarantine shall be applied to the passengers, crew, cargo and mail carried by the designated airlines of the other Contracting Party.

(3) Neither of the Contracting Parties shall give preference to any other airline over the designated airline of the other Contracting Party in the application of the laws and regulations referred to in paragraphs (1) and (2) of this Article.

#### **Article 6**

##### **Airline Representation**

Each Contracting Party grants to the designated airline of the other Contracting Party the right to establish representative offices in its territory. Those representative offices may include commercial, operational and technical staff. The representative offices and their staff shall be established in accordance with the laws and regulations in force in the territory of that other Contracting Party.

#### **Article 7**

##### **Commercial Activities**

(1) Each Contracting Party grants to the designated airline of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at the airline's discretion, through its agents. The designated airline shall have the right to sell transportation in the currency of that territory or, to the extent permitted by national law, in freely convertible currencies of other countries.

(2) Each Contracting Party shall grant to the designated airline of the other Contracting Party the right of free transfer of excess of receipts over expenditure earned by the airline in the territory of the first Contracting Party in connection with the operation of the agreed services, in freely convertible currencies in accordance with the regulations in force.

#### **Article 8**

##### **Recognition of Certificates and Licenses**

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by either Contracting Party shall, during the period of their validity, be recognised as valid by the other Contracting Party. Each Contracting Party reserves the right, however, not to recognise as valid, for the purpose of flights over its own territory, certificates of competency and licenses granted to its own nationals or rendered valid for them by the other Contracting Party.

#### **Article 9**

##### **Exemption from Customs Duties and Other Charges**

(1) Aircraft operating 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 all



customs 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) Supplies of fuels, lubricants, spare parts, regular equipment and aircraft stores introduced into the territory of the other Contracting Party by or on behalf of the designated airline of the other Contracting Party or taken on board the aircraft operated by such designated airline and intended solely for use in the operation of international air service by that designated airline shall be exempt from all national duties and charges, including customs duties, and inspection fees imposed in the territory of the first Contracting Party, even when these supplies are to be used on the parts of the journey performed over the territory of the Contracting Party in which they are taken, on board. The materials referred to above may be required to be kept under customs supervision or control.

(3) The regular airborne equipment, spare parts, aircraft stores and supplies of fuels and lubricants retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that Party, who may require that these materials be placed under their supervision up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

(4) Fuel, lubricants, spare parts, regular aircraft equipment and aircraft stores taken on board the aircraft of one Contracting Party in the territory of the other Contracting Party and used solely on flights between two points in the territory of the latter Contracting Party shall be accorded with respect to customs duties, inspection-fees and other similar national or local duties and charges, treatment not less favourable than that granted to the national airline of that Contracting Party.

#### **Article 10**

##### **Capacity Provisions**

(1) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to operate the agreed services on the specified routes.

(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 route.

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear 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, cargo and mail originating from or destined for the territory of the Contracting Party which has designated the airline. Provision for the carriage of passengers, cargo and mail both taken on and discharged at points on the specified routes in the territories of States other

than that designating the airline shall be made 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 local and regional services; and
- (c) the requirements of through airline operations.

## **Article 11**

### **Tariffs**

(1) For the purpose of the following paragraphs, the term tariff means the prices to be paid for the carriage of passengers and cargo and the conditions under which these prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration and conditions for the carriage of mail.

(2) The tariffs to be charged by the designated airline at one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, reasonable profit, and the tariffs of the other airlines.

(3) The tariffs referred to in paragraph (2) of this Article shall, if possible, be agreed between the designated airlines of the two Contracting Parties and such agreement shall, wherever possible, be reached using the procedures of the International Air Transport Association.

(4) If a tariff cannot be agreed upon in accordance with the provisions of paragraph (3) of this Article, the aeronautical authorities of the two Contracting Parties shall endeavour to reach agreement on the appropriate tariffs.

(5) If agreement between the two aeronautical authorities under the provisions of paragraph (4) of this Article cannot be reached, the dispute shall be settled in accordance with the provisions of Article 15 of this Agreement.

## **Article 12**

### **Information and Statistics**

The aeronautical authorities of either 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 on the agreed services by the designated airline of the first Contracting Party. Such statements shall include all information required to determine the amount of traffic carried by that designated airline on the agreed services.





### **Article 13**

#### **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. 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 Offenses and Certain Other Acts Committed on Board Aircraft, done at Tokyo on 14 September, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, done at the Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23 September 1971 and any other convention relating to the security of civil aviation to which both Contracting Parties are party.

(2) The Contracting Parties shall provide upon request all necessary assistance in accordance with their respective laws and regulations to each other to prevent 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 provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties, and they shall require, that their airlines and the operators of airports in their territory act in conformity with such aviation security provisions.

(4) Each Contracting Party agrees that such airlines may be required to observe the aviation security provisions referred to in paragraph (3) above required by the other Contracting Party for entry into, departure from, or while within the territory of that other Contracting Party. Each Contracting Party shall take appropriate measures within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give positive consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

(5) When an incident or threat of an incident of 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

### **Article 14**

#### **Consultation**

In a spirit of close co-operation the aeronautical authorities of the Contracting Parties shall consult each other from time to time with view to

ensuring the implementation and satisfactory compliance with, the provisions of this Agreement and of its Annex, and shall also consult when necessary to provide for modification thereof.

Either Contracting Party may request consultation, which may be through discussion or by correspondence and shall begin within a period of sixty (60) days of the date of the request, unless both Contracting Parties agree to an extension of this period.

#### **Article 15**

##### **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, the dispute may, 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 agreed upon by the two arbitrators so chosen, provided that the third arbitrator shall not be a national of either Contracting Party. The third arbitrator shall act as President of the arbitral tribunal. Each of the Contracting Parties shall designate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other Contracting Party of a diplomatic note requesting arbitration of the dispute and the third arbitrator shall be agreed upon within a further period of sixty (60) days. If either Contracting Party fails to designate its own arbitrator within the period of sixty (60) days, or if the third arbitrator is not agreed upon within the period indicated, the President of the Council of the International Civil Aviation Organisation may, at request of either Contracting Party, appoint an arbitrator or arbitrators as the case requires.

(3) The Contracting Parties undertake to comply with any decision 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 16**

##### **Modification of Agreement**

If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may request consultation with the other Contracting Party. Such consultations, which may be between aeronautical authorities and which may be through discussion or by correspondence, shall begin within a period of sixty (60) days from the date of the request unless both Contracting Parties agree an extension of this period. Any modifications so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes. Modifications of the Annex shall be made by direct agreement between the aeronautical authorities of the



Contracting Parties. Such modifications would be effective from the date of the approval of the aeronautical authorities.

#### **Article 17**

##### **Multilateral Convention**

In the event of the conclusion of any general multilateral convention concerning air transport by which both Contracting Parties become bound, this Agreement shall be amended so as to conform with the provisions of such convention. -

#### **Article 18**

##### **Termination**

Either Contracting Party may at any time give notice through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. A copy of the notice shall be sent simultaneously to the International Civil Aviation Organisation. In such case this Agreement shall be terminated twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless by agreement between the Contracting Parties the notice is withdrawn before the expiration of that period. If the other Contracting Party fails to acknowledge receipt, the notice shall be deemed to have been received fourteen (14) days after the date of receipt of its copy by the International Civil Aviation Organisation.

#### **Article 19**

##### **Registration**

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

#### **Article 20**

##### **Titles**

Titles are inserted in this Agreement at the head of each article for the purpose of reference and convenience only and in no way define, limit or describe the scope or intent of this Agreement.

#### **Article 21**

##### **Entry into Force**

This Agreement shall be approved by each Contracting Party in accordance with its constitutional procedures and shall enter into force on the date of exchange of diplomatic notes indicating such approval.



IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement. I

Done in duplicate at Ulaanbaatar, on this 9<sup>th</sup> day of September, 1997 in the Mongolian, Malay and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF  
MONGOLIA

FOR THE GOVERNMENT OF  
MALAYSIA





## ANNEX

### Section A

Routes to be operated by the designated airline of Mongolia in both directions:

Points Mongolia	in	intermediate points	points Malaysia	in	points beyond
Ulaanbaatar		Seoul, Bangkok	Kuala Lumpur		Singapore

### Section B

Routes to be operated by the designated airline of Malaysia in both directions:

Points Malaysia	in	intermediate points	points Mongolia	in	points beyond
Points Malaysia		Seoul, Beijing, Bangkok	Ulaanbaatar		Moscow

### **Notes:**

1. Any or all of the intermediate points and/or points beyond on the specified routes may, at discretion of each designated airline, be omitted on any or all of the flights, provided that those flights originate, respectively terminate in the territory of the Contracting Party which has designated the airline.

2. Any intermediate points and/or points beyond may be served by the designated airline alone Contracting Party without exercising fifth freedom traffic rights between those points and the territory of the other Contracting Party. Such fifth freedom traffic rights may, however, be exercised by the designated airline of one Contracting Party after having obtained prior approval of the aeronautical authorities of the other Contracting Party.