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Published on the website on May 2024

**Law No. (15) of 2019**

**Ratifying the Air Services Agreement**

**between the Kingdom of Bahrain and the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam**

**We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.**

Having reviewed the Constitution;

And the Air Services Agreement between the Kingdom of Bahrain and The Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, signed in Bahrain on 14 November 2018;

The Shura Council and the Council of Representatives have approved the following Law, which we have ratified and enacted:

**Article One**

The Air Services Agreement between the Kingdom of Bahrain and The Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, signed in Bahrain on 14 November 2018, attached to this Law, has been ratified.

**Article Two**

The Prime Minister and Ministers– each within his jurisdiction- shall implement the provisions of this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

**King of Kingdom of Bahrain**

**Hamad bin Isa Al Khalifa**

**Issued at Riffa Palace:**

**On: 17 Shawwal 1440 A.H.**

**Corresponding to: 20 June 2019**

**Air Services Agreement**

**between**

**the Government of the Kingdom of Bahrain**

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

**Air Services Agreement**

**between**

**the Government of the Kingdom of Bahrain**

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

The Government of the Kingdom of Bahrain (Bahrain) and the Government of His Majesty the Sultan and Yang Di - Pertuan of Brunei Darussalam (Brunei Darussalam), (hereinafter referred to as the "Contracting Parties" or individually as "Contracting Party");

Being parties to the Convention on International Civil Aviation and International Services Transit Agreement opened for signature at Chicago on the seventh day of December 1944;

Desiring to facilitate the expansion of international air services opportunities;

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

Acknowledging the importance of air transportation as a means of creating and fostering friendship, understanding and co-operation between the people of the two countries; and

Desiring to conclude an Agreement for the purpose of establishing and operating Air Services between and beyond their respective territories;

Have agreed as follows:

**ARTICLE I**

**DEFINITION**

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

1. **"Aeronautical Authorities"** means in the case of Bahrain, the Ministry of Transportation and Telecommunications represented by Civil Aviation Affairs; and in the case of Brunei Darussalam, the Ministry of Communications or any person or body authorized to perform any function to which this Agreement relates;
2. "**Agreed Services"** means scheduled International Air Services between and beyond the respective territories of Brunei Darussalam and Bahrain for the transportation of passengers, baggage, cargo and mail, separately or in any combination;
3. **"Agreement"** means this Agreement, the Annexes hereto, and any amendments to it or to this Agreement, that shall form an integral part thereof;
4. **"Air Service", "Airline",** "International Air Service" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
5. **"Convention"** means the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December 1944, and includes:

(i) any amendment thereto that has entered into force under Article 94 (a) of the Convention and has been ratified by both Contracting Parties; and

(ii) any annex or amendment adopted thereto under Article 90 of that Convention, insofar as such annex or amendment is at any given time effective for both Contracting Parties;

1. **"Designated Airlines"** means an airline or airlines that have been designated and authorised in accordance with Article 3 of this Agreement;
2. **Tariffs"** means the prices to be charged for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, but excluding remuneration and conditions for carriage of mail;
3. **"Territory"** in relation to a State has the meaning assigned to it in Article 2 of the Convention; and
4. **"User Charges"** means charges made to airlines by the competent charging authorities or bodies or permitted by them to be made for the provision of airport, airport facilities, property and/or of air navigation facilities, including related services and facilities for aircraft, their crews, passengers, baggage and cargo.

**ARTICLE 2**

**GRANT OF RIGHTS**

1- Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to enable its Designated Airlines to establish and operate Agreed Services.

2- The Designated Airlines of each Contracting Party shall enjoy the following rights:

a) to fly across the territory of the other Contracting Party without landing;

b) to make stops in the territory of the other Contracting Party for non-traffic purposes; and

c) to make stops in the territory of the other Contracting Party, for the purpose of taking on and/or discharging international traffic in passengers, baggage and cargo separately or in any combination, while operating the Agreed Services.

1. Additionally, the airlines of each Contracting Party, other than those designated under Article (3), shall also enjoy the rights specified in paragraph 2 (a) and 2 (b) of this Article.
2. Nothing in this Article shall be deemed to confer on any Designated Airlines of either Contracting Party the privilege of taking on, in the territory of the other Contracting Party, passengers, baggage and cargo carried for remuneration or hire and destined for another point within the territory of that other Contracting Party, except as may from time to time be jointly determined by the Aeronautical Authorities of the Contracting Parties.
3. 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 routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangement of routes as is mutually decided by the Contracting Parties.

**ARTICLE 3**

**DESIGNATION AND AUTHORISATION**

1. The Aeronautical Authorities of each Contracting Party shall have the right to designate two airlines for the purpose of operating the Agreed Services and to withdraw or alter the designation of any such airline or to substitute another airline for one previously designated. Such designation may specify the scope of the authorization granted to each airline in relation to the operation of the Agreed Services. Designations and any changes thereto shall be made in writing by the Aeronautical Authorities of the Contracting Party having designated the airline to the Aeronautical Authorities of the other Contracting Party.
2. On receipt of a notice of designation, substitution or alteration thereto, and on application from the Designated Airline in the form and manner prescribed, the other Contracting Party shall, subject to the provisions of paragraphs (3) and (4) of this Article, without delay, grant to the airlines designated the appropriate operating authorizations.
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 fulfill 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 Convention.
4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph (2) of this Article, or to impose such conditions as it may deem necessary on the exercise of the rights specified in Article 2 of this Agreement, whenever the said Contracting Party has no proof that the airlines have their principal place of business in the territory of the Contracting Party designating them and that they hold current Air Operator's Certificates issued by the said Contracting Party.
5. When an airline has been so designated and authorized, it may begin at any time to operate each Agreed Service provided that the airline complies with the provisions of this Agreement, as well as with the national laws and regulations conceding operating permits, if applicable.

**ARTICLE 4**

**REVOCATION, SUSPENSION AND LIMITATION OF OPERATING AUTHORISATION**

1. The Aeronautical Authorities of each Contracting Party shall, with respect to an airline designated by the other Contracting Party, have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of this Agreement, or to impose conditions, temporarily or permanently, as it may deem necessary on the exercise of those rights, if:

a) that airline fails to comply with the laws and regulations normally and reasonably applied by the Aeronautical Authorities of the Contracting Party granting those rights in conformity with the Convention;

b) the airline fails to operate in accordance with the conditions prescribed under this Agreement;

c) it has no proof that the said airlines have their principal place of business in the territory of the Contracting Party designating them; or

d) the other Contracting Party fails to comply with any decision or stipulation arising from the application of Article 19 of this Agreement.

1. Unless immediate revocation, suspension, or imposition of the conditions mentioned in paragraph (1) of this Article essential to prevent further infringements of national laws or regulations, such right shall be exercised only after consultation with the Aeronautical Authorities of the other Contracting Party, as provided for in Article 18.
2. In the event of action by one Contracting Party under this Article, the rights of the other Contracting Party under Article 19 shall not be prejudiced.

**ARTICLE 5**

**PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES**

1. Each Contracting Party shall reciprocally allow the Designated Airlines of both Contracting Parties to compete freely in providing the international air transportation governed by this Agreement.
2. Each Contracting Party shall take all appropriate actions within its jurisdiction to eliminate all forms of discrimination and anti-competitive or predatory practices in the exercise of the rights set out in this Agreement.
3. There shall be no restriction on the capacity, the number of frequencies and type of aircraft to be operated by the Designated Airlines of both Contracting Parties in any type of service (passenger, cargo, separately or in combination). Each Designated Airline is permitted to determine the capacity and frequency it offers on the Agreed Services.
4. Neither Contracting Party shall unilaterally limit the volume of traffic, capacity, frequencies, regularity of service or the aircraft type (s) operated by the Designated Airlines of the other Contracting Party, except as may be required for customs, technical, operational or environmental requirements under uniform conditions consistent with Article 15 of the Convention.
5. Neither Contracting Party shall impose on the Designated Airlines of the other Contracting Party, a first refusal requirement, uplift ratio, no objection fee or any other requirement with respect to traffic, capacity or frequencies which would be inconsistent with the purposes of this Agreement.

**ARTICLE 6**

**EXEMPTION FROM CUSTOMS AND OTHER DUTIES AND TAXES**

1. Aircraft operated on international air services by the Designated Airline of either Contracting Party, as well as their regular equipment, spare parts (including engines), supplies of fuel and lubricants (including hydraulic fluids), and aircraft stores (including food, beverages, liquor, tobacco and other products for sale to or use by passengers during flight) carried 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 aircraft on the part of the journey to be performed over that territory.
2. The following items shall also be exempt from the same duties and taxes, in relation with the exception of carriage 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 the said Contracting Party, and for use on board aircraft engaged in an International Air Service of the Contracting Party;

b) spare parts (including engines) and regular airborne equipment entered into the territory of either Contracting Party for the maintenance or repair of aircraft used on international services by the Designated Airline (s) of the other Contracting Party;

c) fuel and lubricants (including hydraulic fluids) destined to supply aircraft operated on international services by the designated airline of the other Contracting Party even when these supplies are to be used on the part of the journey to be performed over the territory of the Contracting Party in which they are taken on board;

d) printed ticket stock, airway bills, any printed material bearing insignia of a designated airline of a Contracting Party and usual publicity material distributed without charge by that designated airline intended for use in the operation of international services until such time as they are re-exported

1. Materials referred to in paragraph (2) shall be subject to supervision or control of customs authorities.
2. The exemption provided for by this Article shall also be available in situations where the Designated Airlines of either Contracting Party have entered into arrangements with another airline (s), for the loan or transfer in the territory of the other Contracting Party, of the regular equipment and the other items referred to in paragraph (1) of this Article, provided that the other airline enjoys the same exemption from that other Contracting Party.

**ARTICLE 7**

**APPLICATION OF NATIONAL LAWS AND REGULATIONS**

1. The laws, regulations and procedures of one Contracting Party relating to the admission to, sojourn in, or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall apply to aircraft operated by the airline (s) of the other Contracting Party without distinction as to nationality as they are applied to its own, and shall be complied with by such aircraft upon entry into, departure from and while within the territory of that Contracting Party,
2. The laws, regulations and procedures of one Contracting Party as to the admission to, sojourn in, or departure from its territory of passengers, baggage, crew and cargo, transported on board the aircraft, such as regulations relating to entry, clearance, aviation security, immigration, passports, customs, currency, health, quarantine and sanitary measures or in the case of mail, postal laws and regulations shall be complied with by or on behalf of such passengers, baggage, crew and cargo upon entry into and departure from and while within the territory of the first Contracting Party.
3. Neither Contracting Party may grant any preference to its own or any other airline (s) over the Designated Airline (s) of the other Contracting Party in the application of the laws and regulations provided for in this Article.
4. Passengers, baggage and cargo in direct transit across the territory of either Contracting Party and not leaving areas of the airport reserved for such purpose shall, except in respect of security measures against violence, air piracy, narcotics control, be subject to no more than a simplified control. Such baggage and cargo shall be exempt from customs duties, excise taxes and other similar national or local fees and charges.

**ARTICLE 8**

**AIRLINE CODE SHARING**

1. The Designated Airline (s) of both Contracting Parties may, either as a marketing carrier or as an operating carrier, freely enter into cooperative marketing arrangements including but not limited to, blocked space or code share arrangements (including third country code share arrangements), with any other airline or airlines.
2. Before providing code sharing services, the code sharing partners shall agree as to which party shall be responsible in respect of the liability and on consumer related matters, security, safety and facilitation. The agreement setting out these terms shall be filed with both Aeronautical Authorities before implementation of the code share arrangements.
3. Such arrangements shall be accepted by the Aeronautical Authorities concerned, provided that, all airlines in these arrangements have the underlying traffic rights and authorisations.
4. In the event of a code share arrangement, the marketing airline should, in respect of every ticket sold, ensure that it is made clear to the purchaser at the point of sale which airline will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship.
5. The Designated Airline (s) of each Contracting Party may also offer code share services between any point (s) in the territory of the other Contacting Party, provided that such services are operated by an airline or airlines of the other Contracting Party.

**ARTICLE 9**

**CERTIFICATES OF AIRWORTHINESS AND COMPETENCY**

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Contracting Party and still in force, shall be recognised as valid by the other Contracting Party for the purpose of operating the Agreed Services provided, always that such certificates or licences were issued or rendered valid pursuant to and in conformity with the minimum standards established under the Convention.
2. Each Contracting Party reserves the right, however, to refuse to recognise, for flights above its own territory, certificates of competency and liccaces granted to its own nationals by the other Contracting Party.
3. If the privileges or conditions of the licences or certificates issued or rendered valid by one Contracting Party permit a difference from the standards established under the Convention, whether or not such difference has been filed with the International Civil Aviation Organization, the Aeronautical Authorities of the other Contracting, Party may, without prejudice to the rights of the first Contracting Party under Article 10 (2), request consultations with the Aeronautical Authorities of the other Contracting Party in accordance with Article 18, with a view to satisfying themselves that the practice in question is acceptable to them.

Failure to reach satisfactory agreement shall constitute grounds for the application of Article 4 (1) of this Agreement.

**ARTICLE 10**

**AVIATION SAFETY**

1. Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within thirty (30) days of that request.
2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards 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 corrective action within fifteen (15) days or such longer period as may be agreed shall be grounds for the application of Article 4 (1) of this Agreement.
3. It is agreed that any aircraft operated by an airline of one Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorized representatives of the other Contracting Party, on board and around the aircraft 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.
4. 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 certificates or licences 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.

1. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by an airline of one Contracting Party in accordance with paragraph (3) of this Article is denied by a representative of that airline, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph (4) of this Article arise and draw the conclusions referred to in that paragraph.
2. Each Contracting Party reserves the right to suspend the operating authorization of an airline or airlines of the other Contracting Party immediately 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, consultation or otherwise, that immediate action is essential to the safety of an airline operation.
3. Any action by one Contracting Party in accordance with paragraphs (2) or (6) of this Article: shall be discontinued once the basis for taking that action ceases to exist.

**ARTICLE 11**

**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. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed al Montreal on 23 September, 1971 and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation done at Montreal on 23 September 1971, signed at Montreal on 24 February 1988, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, done at Montreal on 1 March 1991 and any other agreement governing civil aviation security binding upon both Contracting Parties.
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 relevant 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.
5. In addition, the Contracting Parties shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions as are applicable to the Contracting Parties.
6. Each Contracting Party agrees that its operators of aircraft may be required to observe the aviation security provisions referred to in paragraph (4) applied by the other Contracting Party for entry into, departure from, or while within the territory of that other Contracting Party.
7. Each Contracting Party shall ensure that measures are effectively applied within its territory to protect the aircraft and to security screen their passengers, crew and carry-on items and to carry out appropriate security checks on baggage, cargo and aircraft stores prior to boarding or loading. Each Contracting Party also agrees to give positive consideration to any request from the other Contracting Party for reasonable special 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 and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate incisures intended to terminate such incident or threat as rapidly as possible and commensurate with minimum risk to life from such incident or threat.
9. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its territory is detained thereon unless its departure is necessitated by the overriding duty to protect the lives of its passengers and crew.
10. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the Aeronautical Authorities of the first Contracting Party may request immediate consultations with the Aeronautical Authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds for the application of paragraph (1) of Article.4 of this Agreement. When required by an emergency, a Contracting Party may take interim action under paragraph (1) of Article 4 prior to the expiry of fifteen (15) days..

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 12**

**USER CHARGES**

1. Each Contracting Party shall use its best efforts to ensure that the user charges imposed or permitted to be imposed by its competent charging authorities or bodies on the Designated Airlines of the other Contracting Party for the use of airports and other aviation facilities are just and reasonable. These charges shall be based on sound economic principles and shall not be higher than those paid by other airlines for such services and facilities.
2. Neither Contracting Party shall give preference, with respect to user charges, to its own or to any other airline (s) engaged in similar International Air Services and shall not impose or permit to be imposed on the Designated Airline (s) of the other Contracting Party user charges higher than those imposed on its own Designated Airline (s) operating similar International Air Services using similar aircraft and related services and facilities.
3. Each Contracting Party shall encourage consultations between its competent charging authorities or bodies and the Designated Airlines using the services and facilities. Reasonable notice shall be given whenever possible to such users of any proposal for changes in user charges together with relevant supporting information and data, to enable them to express their views before the user charges are revised.

**ARTICLE 13**

**COMMERCIAL ACTIVITIES**

1. The Designated Airlines of each Contracting Party shall have the right to establish in the territory of the other Contracting Party offices for the purpose of promotion of air transportation and sale of transport documents as well as for other ancillary products and facilities required for the provision of air transportation.
2. The Designated Airlines of each Contracting Party shall be entitled, to bring into and maintain in the territory of the other Contracting Party those of their own managerial, commercial, operational, sales, technical and other personnel and representatives as it may require in connection with the provision of air transportation.
3. Such representatives and staff requirements mentioned in paragraph (2) of this Article may, at the option of the Designated Airline, be satisfied by its own personnel of any nationality or by using the services of any other airline, organization or company operating in the territory of the other Contracting Party and authorized to perform such services in the territory of such other Contracting Party.
4. The Designated Allies of each Contracting Party shall, either directly and at their discretion, through agents, have the right to engage in the sale of air transportation and its ancillary products and facilities in the territory of the other Contracting Party. For this purpose, the Designated Airlines shall have the right to use its own transportation documents. The Designated Airline of each Contracting Party shall have the right to sell, and any person shall be free to purchase, such transportation and its ancillary products and facilities in local currency or in any other freely convertible currency, in accordance with the national laws and regulations of the Contracting Parties.
5. The Designated Airlines of one Contracting Party shall have the right to pay for local expenses in the territory of the other Contracting Party in local currency or provided that this is in accordance with local currency regulations, in any freely convertible currencies, in accordance with the national laws and regulations of the Contracting Parties.
6. Each Contracting Party shall apply the Code of Conduct formulated by the International Civil Aviation Organization for the regulation and operation of Computer Reservation Systems within its territory, consistent with other applicable regulations and obligations concerning Computer Reservation Systems.
7. The Designated Airlines shall have the right to perform its own ground handling with respect to passenger check - in operations in the territory of the other Contracting Party. This right does not include airside ground handling services and will only be subject to constraints resulting from requirements of airport safety, security and airport infrastructure. Where safety and security considerations preclude the exercise of the right mentioned in this paragraph, such ground handling services shall be made available without preference or discrimination to any airline engaged in similar international air services.
8. On the basis of reciprocity and in addition to the right granted by paragraph (7) of this Article, each Designated Airline of one Contracting Party shall have the right to select in the territory of the other Contracting Party, any agent from competing ground handling agents authorized by the competent authorities of that other Contracting Party, for the provision, in whole or in part, or handling services.
9. The Designated Airlines of one Contracting Party may also be permitted to provide ground handling services envisaged by paragraph (7) of this Article, in whole or in part, for other airlines serving the same airport in the territory of the other Contracting Party.
10. All the above activities shall be canted out in accordance with the applicable laws and regulations in force in the territory of the other Contracting Party.

**ARTICLE 14**

**TRANSFER OF EARNINGS**

1. Each Contracting Party shall grant to the Designated Airlines of the other Contracting Party the right to transfer freely the excess of receipts over expenditure earned by such airlines in its territory in connection with the sale of air transportation, sale of other ancillary products and services as well as commercial interest earned on such revenues (including interest charmed on deposits awaiting transfer). Such transfers shall be effected in any convertible currency, in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued. Such transfer shall be effected on the basis of official exchange rates or where there is no official exchange rate, such transfers shall be effected on the basis of the prevailing foreign exchange market rates for current payments.
2. Notwithstanding paragraph (1) of this Article, Contracting Party may delay transfer of earnings on the basis of non - fair, non discriminative and conscientious usage of its legislation and legislative acts, in order to ensure payment of duties and taxes for such period when the appropriate request of air carrier was applied concerning a transfer, provided that such measures and implementation do not cause unreasonable restriction of transfers mentioned in this Agreement.
3. If a Contracting Party imposes restrictions on the transfer of excess of receipts over expenditure by the Designated Airlines of the other Contracting Party, the latter shall have a right to impose reciprocal restrictions on the Designated Airlines of the first Contracting Party.
4. In the event that there exists, a special agreement between the Contracting Parties for the avoidance of double taxation, or in the case where there is a special agreement ruling the transfer of eating's between the two Contracting Parties, such agreement shall prevail.

**ARTICLE 15**

**APPROVAL OF TIMETABLES**

1. The Designated Airlines of each Contracting Party shall submit for approval to the Aeronautical Authorities of the other Contracting Party thirty (30) days prior to the inauguration of its services, the timetable of intended services, specifying the frequency, the type of aircraft, and period of validity. This requirement shall likewise apply to any modification thereof.
2. If a Designated Airline wishes to operate ad-hoc flights supplementary to those covered in the approved timetables, it shall obtain prior permission of the Aeronautical Authorities of the Contracting Party concerned, who shall give positive and favorable consideration to such request.

**ARTICLE 16**

**TARIFFS**

1. Each Contracting Party shall allow tariffs to be established by each Designated Airline based upon its commercial considerations in the market place. Neither Contracting Party shall require the Designated Airlines to consult other airlines about the tariffs they charge or propose to charge.
2. Each Contracting Party may require prior filing with its Aeronautical Authorities, of prices to be charged to or from its territory by Designated Airlines of both Contracting Parties. Such filing by or on behalf of the Designated Airlines may be required by no more than thirty (30) days before the proposed date of effectiveness. In individual cases, filing may be permitted on shorter notice than normally required. If a Contracting Party permits an airline to file a price on short notice, the price shall become effective on the proposed date for traffic originating in the territory of that Contracting Party.
3. Except as otherwise provided in this Article, neither Contracting Party shall take unilateral action to prevent the inauguration or continuation of a price proposed to be charged or charged by a Designated Airline of either Contracting Party for international air transportation.

4 Intervention by the Contracting Parties shall be limited to:

(a) prevention of tariffs whose application, constitutes anti-competitive behavior which has or is likely to or intended to have the effect of crippling a competitor or excluding a competitor from a route;

(b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and

(c) protection of Designated Airlines from prices that are artificially low.

If a Contracting Party believes that a price proposed to be charged by a Designated Airline of the other Contracting Party for interactional air transportation is inconsistent with considerations set forth in paragraph (4) of this Article, it shall request consultations and notify the other Contracting Party of the reasons for its dissatisfaction as soon as possible. These consultations. shall be held not later than thirty (30) days after receipt of the request, and the Contracting Parties shall cooperate in securing information necessary for reasoned resolution of the issue. If the Contracting Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Contracting Party shall use its best efforts to put that agreement into effect. Without such mutual agreement to the contrary, the previously existing price shall continue in effect.

**ARTICLE 17**

**EXCHANGE OF INFORMATION**

1. The Aeronautical Authorities of both Contracting Parties shall exchange information based on request from the other Contracting Party, as promptly as possible, concerning the current authorizations extended to their respective Designated Airlines to render service to, through, and from the territory of the other Contracting Party. This will include copies of current certificates and authorizations for services on proposed routes, together with amendments or exemption orders.
2. 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 of traffic uplifted from and discharged in the territory of that other Contracting Party, as may be reasonably required.

**ARTICLE 18**

**CONSULTATION**

1. In a spirit of close cooperation, the Aeronautical Authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of and satisfactory compliance with, the provisions of this Agreement and either Contracting Party may at any time request consultations on the implementation, interpretation, application or merriment of this Agreement,
2. Subject to Articles 4, 10 and 12,, such consultations, which may be through discussion or correspondence, shall begin within a period of sixty (60) days of the date of receipt of such request, unless otherwise agreed by both 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 endeavor to settle it by consultation and negotiation.
2. If the Contracting Parties fail to reach a settlement by consultation and negotiation, they may agree to refer the dispute for decision to some person or body; if they do not so agree, 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 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 a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator 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 a case, 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 decision given, including any interim recommendation made under paragraph (2) of this Article.
4. The expenses of the arbitration shall be shared equally between the Contracting Parties.
5. If and so long as either Contracting Party or any designated airline of either Contracting Party fails to comply with the requirements of paragraph (3) of this Article, the other Contracting Party may limit or revoke any right which it has granted by virtue of this Agreement.

**ARTICLE 20**

**MODIFICATION AND FAMENDMENT OF AGREEMENT**

This Agreement may be modified and amended by the Contracting Parties by mutual agreement the form of separate protocols, which will enter into force according to the procedure described in Article 23 of the Agreement and shall form an integral part thereof.

**ARTICLE 21**

**REGISTRATION**

This Agreement and any amendments threats, shall be registered with International Civil Aviation.

**ARTICLE 22**

**TERMINATION**

1. Either Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting Party of its decision to tunicate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) months after the date of receipt of notice by the other Contracting Party, unless notice of termination is withdrawn before the expiry of this period due to the agreement reached by the Contracting Parties.
2. In the absence of acknowledgment of receipt of a notice of termination by the other Contracting Party, notice shall be deemed to have been received by it fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

**ARTICLE 23**

**ENTRY INTO FORCE**

This Convention shall be enforceable at the date of last written notification sent through diplomatic channels, in which the contracting parties inform each other of completion of the legal requirements for this Convention to enter into force.

IN WITNESS THEREOF the undersigned plenipotentiaries being duly authorised thereto by their respective Governments. Have signed this Agreement.

Done this 14 day of November 2018 in two original copies in Arabic and English languages. In case of differences in interpretation, the English text will prevail.

Kamal bin Ahmed Mohammed

For the Government of the Kingdom of Bahrain

Datou Abdellatif Yousef

For the Garment of Brunei Darussalam.

**ANNEX**

**ROUTE SCHEDULE**

**Section 1:**

Routes to be operated by the Designated Airline (s) of The Kingdom of Bahrain.

|  |  |  |  |
| --- | --- | --- | --- |
| **FROM** | **INTERMEDIATE POINTS** | **INTERMEDIATE POINTS** | **BEYOND POINTS** |
| Any Points in Bahrain | Any Points in Brunei Darussalam | Any Points | Any Points |

**Section 2:**

Routes to be operated by the Designated Airline (s) of Brunei Darussalam.

|  |  |  |  |
| --- | --- | --- | --- |
| **FROM** | **INTERMEDIATE POINTS** | **INTERMEDIATE POINTS** | **BEYOND POINTS** |
| Any Points in Brunei Darussalam | Any Points in Bahrain | Any Points | Any Points |