



Indonesia No. 1 (2017)

# Agreement

between the Government of the United Kingdom of Great Britain and  
Northern Ireland and the Government of the Republic of Indonesia  
Concerning Air Services

London, 27 November 2013

[The Agreement is not in force]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
March 2017*



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**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED  
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND  
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA  
CONCERNING AIR SERVICES**

The Government of the United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”) and the Government of the Republic of Indonesia (“Indonesia”) hereinafter referred to as the "Contracting Parties";

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

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

Noting the Agreement between the European Union and the Government of the Republic of Indonesia on certain aspects of air services signed on 29 June 2011 in Brussels;

Have agreed as follows:

ARTICLE 1

**Definitions**

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

- (a) the term "the Chicago Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944 and includes: (i) any amendment thereof which has been ratified by both Contracting Parties; and (ii) any Annex or any amendment thereto adopted under Article 90 of that Convention, insofar as such amendment or annex is at any given time effective for both Contracting Parties;
- (b) the term "aeronautical authority" means in the case of the United Kingdom, the Secretary of State for Transport and, for the purpose of Article 7 (Prices) of this Agreement, the Civil Aviation Authority and in the case of Indonesia, the Minister for Transportation, or, in both cases, any person or body who may be authorised to perform any functions at present exercisable by the above-mentioned authority or similar functions;
- (c) the term "designated airline" means an airline which has been designated and authorised in accordance with Article 4 (Designation and Authorisation) of this Agreement;

- (d) the term "territory" in the case of the United Kingdom has the meaning assigned to it in Article 2 of the Chicago Convention and in the case of Indonesia means the territory of the Republic of Indonesia as defined in its laws, and part of the continental shelf and adjacent seas over which the Republic of Indonesia has sovereignty, sovereign right or jurisdiction in accordance with the United Nations Convention on the Law of the Sea (UNCLOS) 1982;
- (e) the terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Chicago Convention;
- (f) the term "this Agreement" includes the Annex hereto and any amendments to it or to this Agreement;
- (g) the term "user charges" means a charge made to airlines by the competent authority or permitted by that authority to be made for the provision of airport property or facilities or of air navigation facilities (including facilities for overflights), or related services and facilities, for aircraft, their crews, passengers, baggage and cargo;
- (h) the term "Air Operator's Certificate" means a document issued to an airline which affirms that the airline in question has the professional ability and organisation to secure the safe operation of aircraft for the aviation activities specified in the certificate;
- (i) the term "EU Member State" means a Member State of the European Union;
- (j) the term "EU Treaties" means the Treaty on the European Union and the Treaty on the Functioning of the European Union;
- (k) references to airlines of the United Kingdom of Great Britain and Northern Ireland shall be understood as referring to airlines designated by the United Kingdom of Great Britain and Northern Ireland.

## ARTICLE 2

### **Applicability of the Chicago Convention**

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

## ARTICLE 3

### **Grant of Rights**

- (1) Each Contracting Party grants to the other Contracting Party the following rights in respect of its international air services:
  - (a) the right to fly across its territory without landing;
  - (b) the right to make stops in its territory for non-traffic purposes.
- (2) Each Contracting Party grants to the other Contracting Party the rights hereinafter specified in this Agreement for the purpose of operating international air services on the routes specified in the appropriate Section of the Schedule annexed to this Agreement. Such services and routes are hereinafter called "the agreed services" and "the specified routes" respectively. While operating an agreed service on a specified route the airline or airlines designated by each Contracting Party shall enjoy in addition to the rights specified in paragraph (1) of this Article the right to make stops in the territory of the other Contracting Party at the points specified for that route in the Schedule to this Agreement for the purpose of taking on board and discharging passengers and cargo, including mail.
- (3) Nothing in paragraph (2) of this Article shall be deemed to confer on the designated airline or airlines of one Contracting Party the right to take on board, in the territory of the other Contracting Party, passengers and cargo, including mail, carried for hire or reward and destined for another point in the territory of the other Contracting Party.
- (4) If because of armed conflict, political disturbances or developments, or special and unusual circumstances, a designated airline of one Contracting Party is unable to operate a service on its normal routeing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangements of routes.

## ARTICLE 4

### **Designation and Authorisation**

- (1) Each Contracting Party shall have the right to designate airlines for the purpose of operating the agreed services on each of the specified routes and to withdraw or alter such designations. Such designations shall be made in writing and shall be transmitted to the other Contracting Party through diplomatic channels.

(2) On receipt of such a designation, and of applications from the designated airline, in the form and manner prescribed for operating authorisations and technical permissions, the other Contracting Party shall grant the appropriate authorisations and permissions with minimum procedural delay, provided:

- (a) in the case of an airline designated by the United Kingdom:
  - (i) it is established in the territory of the United Kingdom under the EU Treaties and has a valid operating licence in accordance with the law of the European Union; and
  - (ii) effective regulatory control of the airline is exercised and maintained by the EU Member State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation; and
  - (iii) the airline is owned, directly or through majority ownership, and it is effectively controlled by EU Member States and/or by nationals of such Member States; and
- (b) in the case of an airline designated by Indonesia:
  - (i) it is established in the territory of the Republic of Indonesia and is licensed in accordance with the applicable law 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; and
- (c) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Contracting Party considering the application or applications.

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

## ARTICLE 5

### **Revocation or Suspension of Operating Authorisations**

(1) Either Contracting Party may revoke, suspend or limit the operating authorisation or technical permissions of an airline designated by the other Contracting Party:

- (a) where, in the case of an airline designated by the United Kingdom:
  - (i) it is not established in the territory of the United Kingdom under the EU Treaties or does not have a valid operating licence in accordance with the law of the European Union; or
  - (ii) effective regulatory control of the airline is not exercised or not maintained by the EU Member State responsible for issuing its Air Operator's Certificate or the relevant aeronautical authority is not clearly identified in the designation; or
  - (iii) the airline is not owned, directly or through majority ownership, or is not effectively controlled by EU Member States and/or by nationals of such Member States; or
  - (iv) the airline is already authorised to operate under a bilateral agreement between Indonesia and another EU Member State and Indonesia can demonstrate that, by exercising traffic rights under this Agreement on a route that includes a point in that other EU 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 EU Member State and there is no bilateral air service agreement between Indonesia and that EU Member State, and that EU Member State has denied traffic rights to an airline designated by Indonesia;
- (b) where, in the case of an airline designated by the Republic of Indonesia:
  - (i) it 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) in the case of failure by that airline to comply with the laws or regulations normally and reasonably applied by the Contracting Party granting those rights; or
  - (d) if the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement; or
  - (e) in the case of failure by the other Contracting Party to take appropriate action to improve safety in accordance with paragraph (2) of Article 10 (Safety) of this Agreement; or
  - (f) in accordance with paragraph (6) of Article 10 (Safety) of this Agreement; or
  - (g) where it has been determined by a Contracting Party (if the consultations under paragraph (9) of Article 6 (Fair Competition and State Aids) of this Agreement have not achieved a satisfactory resolution) that the provisions of Article 6 (Fair Competition and State Aids) of this Agreement are not being complied with.
- (2) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party.
- (3) 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 authorisation or technical permission of an airline designated by it.
- (4) In exercising their rights under paragraph (1) of this Article the Contracting Parties shall not discriminate between airlines on the grounds of nationality.
- (5) This Article does not limit the rights of either Contracting Party to revoke, suspend or limit the operating authorisation or technical permissions of an airline designated by the other Contracting Party in accordance with the provisions of Article 9 (Security) of this Agreement.

## ARTICLE 6

### **Fair Competition and State Aids**

- (1) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to compete in operating the agreed services on the specified routes.
- (2) Unless otherwise agreed in writing by the Contracting Parties, each Contracting Party shall allow each designated airline to determine the frequency and capacity of the international air transport it offers in accordance with the agreed services on the specified routes. Consistent with this right, neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Chicago Convention.
- (3) Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first-refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.
- (4) Either Contracting Party may require the filing of schedules or operational plans by airlines of the other Contracting Party for approval, but only on a non-discriminatory basis to enforce the uniform conditions foreseen by paragraph (2) of this Article. If a Contracting Party requires filings for information purposes, it shall minimise the administrative burdens on air transport intermediaries and on designated airlines of the other Contracting Party of such filing requirements and procedures.
- (5) Neither Contracting Party shall allow its designated airline or airlines, either in conjunction with any other airline or airlines or separately, to abuse market power in a way which has or is likely or intended to have the effect of severely weakening a competitor or excluding a competitor from a route.
- (6) Neither Contracting Party shall provide or permit state subsidy or support for or to its designated airline or airlines in such a way that would adversely affect the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing the international air transportation governed by this Agreement.

(7) State subsidy or support means the provision of support on a discriminatory basis to a designated airline, directly or indirectly, by the state or by a public or private body designated or controlled by the state. Without limitation, it may include the setting-off of operational losses; the provision of capital, non-refundable grants or loans on privileged terms; the granting of financial advantages by forgoing profits or the recovery of sums due; the forgoing of a normal return on public funds used; tax exemptions; compensation for financial burdens imposed by the public authorities; or discriminatory access to airport facilities, fuel or other reasonable facilities necessary for the normal operation of air services.

(8) Where a Contracting Party provides state subsidy or support to a designated airline in respect of services operated under this Agreement, it shall require that airline to identify the subsidy or support clearly and separately in its accounts.

(9) If one Contracting Party believes that its designated airlines are being subjected to discrimination or unfair practices, or that a subsidy or support being considered or provided by the other Contracting Party for or to the airlines of that other Contracting Party would adversely affect or is adversely affecting the fair and equal opportunity of the airlines of the first Contracting Party to compete in providing international air transportation, it may request consultations and notify the other Contracting Party of the reasons for its dissatisfaction. These consultations shall be held not later than 30 days after receipt of the request, unless otherwise agreed by both Contracting Parties.

## ARTICLE 7

### **Prices**

(1) For the purposes of these arrangements the term prices means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail.

(2) Each Contracting Party shall allow prices for air services to be established by each designated airline based upon commercial considerations in the market place. Neither Contracting Party shall require their airlines to consult other airlines about the prices they charge or propose to charge for services covered by these arrangements.

(3) Each Contracting Party may require notification or filing of any price to be charged by its own designated airline or airlines. Neither Contracting Party shall require notification or filing of any price to be charged by the designated airline or airlines of the other Contracting Party. Prices may remain in effect unless subsequently disapproved under paragraph (5) or (6) of this Article.

- (4) Intervention by the Contracting Parties shall be limited to:
- (a) The protection of consumers from prices that are excessive due to the abuse of market power;
  - (b) The prevention of prices whose application constitutes anti-competitive behaviour which has or is likely to have or is explicitly intended to have the effect of preventing, restricting or distorting competition or excluding a competitor from the route.
- (5) Each Contracting Party may unilaterally disallow any price filed or charged by one of its own designated airlines. However, such intervention shall be made only if it appears to the aeronautical authority of that Contracting Party that a price charged or proposed to be charged meets either of the criteria set out in paragraph (4) of this Article.
- (6) Neither Contracting Party shall take unilateral action to prevent the coming into effect or continuation of a price charged or proposed to be charged by an airline of the other Contracting Party. If one Contracting Party believes that any such price is inconsistent with the considerations set out in paragraph (4) of this Article, it may request consultations and notify the other Contracting Party of the reasons for its dissatisfaction. These consultations shall be held not later than 14 days after receipt of the request. Without a mutual agreement the price shall take effect or continue in effect.

## ARTICLE 8

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

- (1) Fuel, lubricating oils, spare parts, regular aircraft equipment and aircraft stores introduced into the territory of one Contracting Party, or taken on board aircraft in that territory, by or on behalf of the other Contracting Party or its designated airline or airlines and intended solely for use by or in aircraft of those airlines shall be accorded the following treatment by the first Contracting Party in respect of customs duties, inspection fees and other similar national or local duties and charges:
- (a) in the case of fuel and lubricating oils remaining on board aircraft at the last airport of call before departure from the said territory, exemption; and

- (b) in the case of fuel and lubricating oils not included under (a) and spare parts, regular aircraft equipment and aircraft stores, treatment not less favourable than that accorded to similar supplies introduced into the said territory, or taken on board aircraft in that territory, and intended for use by or in the aircraft of a national airline of the first Contracting Party, or of the most favoured foreign airline, engaged in international air services.

(2) The treatment specified in paragraph (1) of this Article shall be in addition to and without prejudice to that which each Contracting Party is under obligation to accord under Article 24 of the Convention.

## ARTICLE 9

### **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 Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, the Montreal Supplementary 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 aviation security agreement that becomes binding on both Contracting Parties.

(2) The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

(3) 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.

(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 Chicago Convention to the extent that such security provisions are applicable to the Contracting Parties. Each Contracting Party shall require that its airlines and the operators of airports in its territory act in conformity with such aviation security provisions.

(5) Each Contracting Party agrees that its airlines shall be required to observe the aviation security provisions referred to in paragraph (4) of this Article required by the other Contracting Party for entry into the territory of that other Contracting Party. For departure from, or while within, the territory of the United Kingdom, airlines shall be required to observe aviation security provisions in conformity with European Union law. For departure from, or while within, the territory of Indonesia, airlines shall be required to observe aviation security provisions in conformity with the law in force in that country. Each Contracting Party shall ensure that adequate security 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; and that those measures are adjusted to meet any increased threat to the security of civil aviation. Each Contracting Party agrees that security provisions required by the other Contracting Party for departure from and while within the territory of that other Contracting Party must be observed. Each Contracting Party shall also act favourably upon any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

(6) With full regard and mutual respect for each other's sovereignty, a Contracting Party may adopt security measures for entry into its territory. Where possible, that Contracting Party shall take into account the security measures already applied by the other Contracting Party and any views that the other Contracting Party may offer. Each Party recognises, however, that nothing in this Article limits the right of a Contracting Party to refuse entry into its territory of any flight or flights that it deems to present a threat to its security.

(7) A Contracting Party may take emergency measures to meet a specific security threat. Such measures shall be notified immediately to the other Contracting Party.

(8) Without prejudice to the need to take immediate action in order to protect transport security, the Contracting Parties affirm that when considering security measures, a Contracting Party shall evaluate possible adverse effects on international air transport and, unless constrained by law, shall take such factors into account when it determines what measures are necessary and appropriate to address those security concerns.

(9) Each Contracting Party may request consultations at any time concerning security standards adopted by the other Contracting Party. Such consultations shall take place within 30 days of that request. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from provisions of this Article, that Contracting Party may request immediate consultations with the other Contracting Party. Failure to reach a satisfactory resolution within 15 days from the date of such request, shall constitute grounds to revoke, suspend or limit the operating authorisation and technical permissions of an airline or airlines of the other Contracting Party. When required by an emergency, a Contracting Party may take interim action prior to the expiry of 15 days.

## ARTICLE 10

### **Safety**

(1) Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrews, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within 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 Chicago 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 the other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within 15 days or such longer period as may be agreed, shall be grounds for the application of Article 5(1) (Revocation or Suspension of Operating Authorisations) of this Agreement.

(3) Notwithstanding the obligations mentioned in Article 33 of the Chicago Convention it is agreed that any aircraft operated by or, under a lease arrangement, on behalf of the airline or airlines 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 authorised 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 Chicago 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 Chicago Convention;

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Chicago Convention, be free to conclude that the requirements under which the certificate 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 Chicago Convention.

(5) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the airline or airlines of one Contracting Party in accordance with paragraph (3) of this Article is denied by a representative of that airline or airlines, 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 in that paragraph.

(6) Each Contracting Party reserves the right to suspend or vary the operating authorisation 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.

(7) Any action by one Contracting Party in accordance with paragraphs (2) or (6) of this Article shall be discontinued once the basis for the taking of that action ceases to exist.

## ARTICLE 11

### **Regulatory Control**

Where the United Kingdom has designated an airline whose regulatory control is exercised and maintained by another EU Member State, the rights of the other Contracting Party under Article 10 (Safety) of this Agreement shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other EU Member State and in respect of the operating authorisation of that airline.

## ARTICLE 12

### **Ground Handling**

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

## ARTICLE 13

### **Transfer of Earnings**

Each designated airline may on demand convert and remit local revenues in excess of sums locally disbursed to the country of its choice. Prompt conversion and remittance shall be permitted without restrictions at the rate of exchange applicable to current transactions which is in effect at the time such revenues are presented for conversion and remittance, and shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.

## ARTICLE 14

### **Airline Representation and Sales**

An airline which:

- (a) is incorporated and has its principal place of business in the territory of one Contracting Party or an EU Member State; and
- (b) holds a current Air Operator’s Certificate issued by the aeronautical authority of that Contracting Party or an EU Member State;

may:

- (i) in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party bring in and maintain in the territory of the other Contracting Party those of their own managerial, technical, operational and other specialist staff which the airline reasonably considers necessary for the provision of air services;
- (ii) use the services and personnel of any other organisation, company or airline operating in the territory of the other Contracting Party;
- (iii) establish offices in the territory of the other Contracting Party; and

engage in the sale and marketing of air transportation and ancillary services in the territory of the other Contracting Party, either directly or through agents or other intermediaries appointed by the airline. The airline may sell, and any person shall be free to purchase, such transportation and ancillary services in local currency or in any freely usable other currency.

## ARTICLE 15

### **User Charges**

(1) User charges that may be imposed by the competent charging authorities or bodies of each Contracting Party on the airlines of the other Contracting Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be imposed on the airlines of the other Contracting Party on terms no less favourable than the most favourable terms available to any other airline at the time the charges are imposed.

(2) User charges imposed on the airlines of the other Contracting Party may reflect, but not exceed, the full cost to the competent charging authorities or bodies of providing appropriate and not excessive airport, airport environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such charges may include a reasonable return on assets. Facilities and services for which charges are made shall be provided on an efficient and economic basis.

(3) Each Contracting Party shall make its best efforts to ensure that consultations take place between the competent charging authorities or bodies in its territory and the airlines using the services and facilities, and that the competent charging authorities or bodies and the airlines exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraphs (1) and (2) of this Article. Each Contracting Party shall make its best efforts to ensure that the competent charging authorities provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.

(4) Neither Contracting Party shall be held, in dispute resolutions procedures pursuant to Article 18 (Settlement of Disputes) of this Agreement, to be in breach of a provision of this Article, unless:

- (a) it fails to undertake a review, or fails to commission an independent review of the charge or practice that is the subject of complaint by the other Contracting Party within a reasonable time; or
- (b) following such a review, it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

## ARTICLE 16

### **Environmental Protection**

- (1) The Contracting Parties support the need to protect the environment by promoting the sustainable development of aviation.
- (2) When environmental measures are established, the aviation environmental standards adopted by the International Civil Aviation Organisation in Annexes to the Chicago Convention shall be followed except where differences have been filed.

## ARTICLE 17

### **Consultation**

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

## ARTICLE 18

### **Settlement of Disputes**

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

(2) If the Contracting Parties fail to reach a settlement by negotiation, they 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 60 days from the date of receipt by either Contracting Party from the other Contracting Party of notice through diplomatic channels requesting arbitration of the dispute, and the third arbitrator shall be appointed within a further period of 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 Organisation may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires.

If the President of the ICAO council has the same nationality as one of the arbitrators representing a Signatory Party, the Deputy President of the council shall make the necessary appointment. In every case, the third arbitrator must always be a citizen of a third party country acting as chair of the arbitration tribunal and deciding on the venue for its sittings.

(3) The Contracting Parties undertake to comply with any decision given under paragraph (2) of this Article.

(4) If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with a decision given under paragraph (2) of this Article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of the present Agreement to the Contracting Party in default or to the designated airline or airlines of that Contracting Party or to the designated airline in default.

## ARTICLE 19

### **Amendment**

The Contracting Parties shall agree any amendments to this Agreement by an Exchange of Notes.

## ARTICLE 20

### **Termination**

Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement by giving 12 (twelve) months advance notice in writing served through diplomatic channels of the intended date of termination. Such notice shall be simultaneously communicated to the International Civil Aviation Organisation. This Agreement shall terminate at midnight (at the place of receipt of the notice) immediately before the end of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received 14 days after receipt of the notice by the International Civil Aviation Organisation.

## ARTICLE 21

### **Entry into force**

(1) This Agreement shall enter into force on the day the last written notification is received by diplomatic notes confirming that each Contracting Party has completed the necessary internal procedures for entry into force of this Agreement.

(2) The Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Republic of Indonesia for Air Services between and beyond their respective territories signed in Jakarta on 28 June 1973 shall terminate from the date of entry into force of this Agreement.

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

Done in duplicate at London this twenty seventh day of November 2013.

In the English and Indonesian languages, both texts being equally authentic. In the case of a divergence of interpretation, the English text shall prevail.

**For the Government of the United  
Kingdom of Great Britain and Northern  
Ireland:**

ROBERT GODWILL

**For the Government of the  
Republic of Indonesia:**

HERRY BAKTI

## ANNEX

### ROUTE SCHEDULE

#### Section 1

Routes to be operated by the designated airline or airlines of the United Kingdom:

Points in the territory of the United Kingdom – Intermediate Points – Points in the territory of Indonesia – Points Beyond.

#### NOTES:

1. Intermediate points or points beyond may be omitted on any flight provided that the service begins or ends in the territory of the United Kingdom.
2. Traffic (including all forms of stop-over traffic) may be picked up at an intermediate point to be set down in the territory of Indonesia or may be picked up in the territory of Indonesia to be set down at a point beyond, and vice versa, subject to such arrangements as may from time to time be jointly determined by the aeronautical authorities of the Contracting Parties.

#### Section 2

Routes to be operated by the designated airline or airlines of Indonesia:

Points in the territory of Indonesia – Intermediate Points – Points in the territory of the United Kingdom – Points Beyond.

#### NOTES:

1. Intermediate points or points beyond may be omitted on any flight provided that the service begins or ends in the territory of Indonesia.
2. Traffic (including all forms of stop-over traffic) may be picked up at an intermediate point to be set down in the United Kingdom or may be picked up in the territory of the United Kingdom to be set down at a point beyond, and vice versa, subject to such arrangements as may from time to time be jointly determined by the aeronautical authorities of the Contracting Parties.

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