

**AIR SERVICES AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF BANGLADESH**

The Government of the Republic of the Philippines and the Government of the People's Republic of Bangladesh hereinafter described as the Contracting Parties.

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

Desiring to conclude an Agreement for the purpose of establishing and operating air services between (and beyond) the territories of the Philippines and of Bangladesh.

HAVE AGREED AS FOLLOWS:

**ARTICLE I
DEFINITIONS**

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

(a) 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;

(b) The term "aeronautical authorities" means in the case of the Republic of the Philippines, Civil Aeronautics Board and/or any person or body authorized to perform any functions exercised at present by the said authority or similar functions, and in the case of the People's Republic of Bangladesh, the Chairman, Civil Aviation Authority of Bangladesh and/or any person or body authorized to perform any functions exercised at present by the said authority or similar functions;

(c) the terms "designated airline" means an airline which one Contracting Party shall have designated, by written notification to the other Contracting Party, in accordance with Article III of the present Agreement, for operation of air services on the routes specified in the Annex thereto;

(2) Subject to the provisions of the present Agreement, the airline designated by each Contracting Party shall enjoy (while operating an agreed service on a specified route) the following privileges:

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

(b) to make stops in the said territory for non-traffic purposes; and

(c) to make stops in the said territory at the points specified for that route in the Annex for the purpose of putting down and taking on international traffic in passengers, cargo and mail coming from or destined for other points so specified.

(3) Nothing in paragraph (2) of this Article shall be deemed to confer on the 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 III

PRINCIPLES GOVERNING THE DESIGNATION OF AIRLINES AND THE REVOCATION OR SUSPENSION OF OPERATING AUTHORIZATION

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

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

(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 by them in a manner not inconsistent with the provisions of the Convention to the operation of international commercial air services.

(4) Each Contracting Party shall have the right to refuse to accept the designation of an airline and to withhold or revoke the grant to an airline of the operating authorization specified in paragraph (2) of this Article or to impose such conditions as it may deem necessary in the exercise by an airline of the operating authorization in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in nationals of the Contracting Party designating the airline.

(5) Subject to the provisions of Article VII of the present Agreement, and to the statutory powers of the aeronautical authorities of the Contracting Parties, at any time after the provisions of paragraphs (1), (2) and (3) of this Article have been complied with, an airline so designated and authorized may begin to operate the agreed services, provided that a tariff established in accordance with the provisions of Article IX of this Agreement, is in force in respect of those services.

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

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

(b) Where such airline fails or neglects to comply with the laws or regulations in force in the territory of the Contracting Party granting these privileges; or

(c) Where such airline otherwise fails or neglects to operate in accordance with the conditions prescribed under this Agreement.

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

ARTICLE IV

EXEMPTION FROM CUSTOMS DUTIES AND OTHER CHARGES

(1) Aircraft operated on international air services by the designated airlines of either Contracting Party, as well as their regular equipment, supplies of fuel 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, or are used on the part of the journey performed over that territory.

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

(a) aircraft stores taken on board in the territory of either Contracting Party, and for use on board aircraft engaged in an international air service of the other Contracting Party;

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

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

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

(3) The exemptions provided by paragraph (2) of this Article shall also be available where the airline of one Contracting Party have contracted with another airline, which similarly enjoys such exemptions from the other Contracting Party, for loan or transfer in the territory of the other Contracting Party of the items specified in paragraph (2) of this Article

ARTICLE V

MAINTENANCE OF TECHNICAL AND ADMINISTRATIVE PERSONNEL

The designated airline of each Contracting Party shall be granted the right to establish office/offices and station representatives and staff required for the operation of the agreed services in the territory of the other Contracting Party. Such representatives and staff shall be stationed subject to the approval of the competent authorities of both Contracting Parties. They shall observe the laws and regulations in force of the other Contracting Party.

ARTICLE VI

REMITTANCE OF EARNINGS

Each Contracting Party shall grant to the designated airline of the other Contracting Party the right to transfer in freely convertible currencies of the excess of receipts over expenditure earned in the territory of the other Contracting Party. The procedure for such transfer, however, shall be in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued and which procedure shall not be any less liberal than the procedure applicable to third parties.

ARTICLE VII

APPLICABILITY OF LAWS AND REGULATIONS

(1) The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air services, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the airline designated by the other Contracting Party, and shall be complied with by such aircraft upon entering or departing from or while within the territory of the first Contracting Party.

(2) The laws and regulations of one Contracting Party as to the admission to or departure from its territory of passengers, crew or cargo of aircraft, such as regulations relating to entry, clearance, immigration, passports, customs and quarantine shall be complied with by or on behalf of such passengers, crew, or cargo of the airline designated by the other Contracting Party upon entrance into or departure from and while within the territory of the first Party.

ARTICLE VIII

PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

(1) In order to develop the air transport services along the routes or mentioned thereof specified in the schedule made part of the Annex and for the purpose of achieving and maintaining equilibrium between the capacity of the specified air services and the requirements of the public for air transportation, as determined by the aeronautical authorities of the Contracting Parties, the following principles shall apply:

(a) The designated airline of each Contracting Party shall enjoy fair and equal opportunity for the operation of air services for the carriage of traffic between the territories of the two parties;

(b) In the operation by the designated airline of either Contracting Party of the specified air services, the interests of the airline of the other Contracting Party shall be taken into consideration so as not to affect unduly the services which the latter provides on all or part of the same route;

(c) 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 specific 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 of passengers and cargo including mail between the territories of the Contracting Parties. Provisions for the carriage of passengers, baggage and cargo including mail both taken on board and discharged