

**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF THE REPUBLIC OF MALTA
RELATING TO
CIVIL AIR TRANSPORT**

**THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF THE REPUBLIC OF MALTA**

(hereinafter referred to as "the Contracting Parties")

Desiring to facilitate friendly contacts between their two peoples and develop mutual relations between the two countries in the field of civil aviation.

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

Have agreed on the establishment and operation of air services between and beyond their respective territories as follows;

**Article 1
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 Article 90 and 94 thereof so far as those Annexes and amendments have become effective for or been ratified by both Contracting Parties;
- b) the term "aeronautical authorities" means, in the case of the Republic of Malta, the Minister responsible for Civil Aviation and any person or body authorised to perform any function at present exercised or which may be exercised in the future by the said Minister or similar functions, and in the case of the People's Republic of China, the General Administration of Civil Aviation of China, or any person or agency authorized to perform any function presently exercised by the said Administration;

- c) the term “designated airline” means any airline which one Contracting Party has designated, by written notification to the other Contracting Party, for the operation of air services on the routes specified in the Annex of this Agreement, and to which the appropriate operating permission has been given by that other Contracting Party, in accordance with Article 3 of this Agreement.
- d) the term “air service”, “international air service”, “airline” and “stop for non-traffic purposes” have the meanings respectively assigned to them in Article 96 of the Convention;
- e) the term “capacity” in relation to an aircraft means the payload of that aircraft available on a route or section of a route;
- f) the term “capacity” in relation to an agreed service means the capacity of the aircraft used on such service multiplied by the frequency operated by such aircraft over a given period on a route or section of a route;
- g) the term “carriage of traffic” means carriage of passengers, cargo, baggage and mail;
- h) the term “tariff” means any amount charged or to be charged by airlines, directly or through their agents, to any person or entity for the carriage of passengers (and their baggage) and cargo (excluding mail) in air transportation, including:
 - (i) the conditions governing the availability and applicability of a tariff, and
 - (ii) the charges and conditions for any services ancillary to such carriage which are offered by airlines.
- i) the term “Annex” means the Annex to this Agreement or as amended in accordance with the provisions of Article 18 of this Agreement. The Annex forms an integral part of this Agreement, and all references to the Agreement shall include references to the Annex except where otherwise explicitly provided.

Article 2

TRAFFIC RIGHTS

- (1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate Part of the Schedule annexed to this Agreement. Such services and routes are hereafter called “the agreed services” and “the specified routes” respectively. The airline designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:
 - (a) to fly without landing across the territory of the other Contracting Party along the air route(s) prescribed by the aeronautical authorities of the other Contracting Party; and

- (b) to make stops in the said territory for non-traffic purposes on the specified route in the territory of the other Contracting Party, subject to the approval of the aeronautical authorities of the other Contracting Party; and
 - (c) to make stops in the said territory at the points specified for that route in the Annex to this Agreement for the purpose of putting down and taking up international traffic in passengers, cargo and mail.
- (2) Nothing in paragraph (1) of this Article shall be deemed to confer on the airlines of one Contracting Party, the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

Article 3

DESIGNATION OF AIRLINES

- (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 such designation, the aeronautical authorities of the other Contracting Party shall, subject to the provisions of paragraphs (3) and (4) of this Article, without delay grant to the airline so designated the appropriate operating authorisations.
- (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 fulfil 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) The aeronautical authorities of each Contracting Party shall have the right to refuse to grant the operating authorisation referred to in paragraph (2) of this Article, or to impose such conditions as they may deem necessary on the exercise by a designated airline of the rights specified in Article 2 of this Agreement, in any case where the said aeronautical authorities are not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.
- (5) When an airline has been so designated and authorised, it may begin at any time to operate the agreed services, provided that the capacity is regulated under Article 10 and 11 of this Agreement and that a tariff established in accordance with the provisions of Article 12 of this Agreement is in force in respect of that service.
- (6) Each Contracting Party shall have the right, by written notification to the other Contracting Party, to withdraw the designation of an airline and to substitute thereof the designation of another airline.

Article 4

REVOCATION AND SUSPENSION OF OPERATING AUTHORISATIONS

- (1) The aeronautical authorities of each Contracting Party shall have the right to revoke an operating authorisation or to suspend the exercise of the rights specified in Article 2 of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as they may deem necessary on the exercise of these rights:
 - (a) in any case where they are not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party, or
 - (b) in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights, or
 - (c) in case the airlines otherwise fail to operate in accordance with the conditions prescribed under this Agreement.
- (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.

Article 5

CUSTOMS DUTIES AND OTHER SIMILAR CHARGES

- (1) Aircraft operated on international services by the designated airline of either Contracting Party, as well as their regular equipment, spare parts, supplies of fuels and lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other charges or taxes on arriving in the territory of the other Contracting Party, in accordance with the provisions of the laws and regulations in force of each Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.
- (2) There shall also be exempt from the same customs duties, inspection fees and other charges or taxes, in accordance with the provisions of the laws and regulations in force of each Contracting Party, with the exception of charges corresponding to the service performed:
 - (a) aircraft stores taken on board in the territory of either Contracting Party, within the limits fixed by the competent authorities of the said Contracting Party, and for use on board aircraft engaged in the agreed services of the other Contracting Party;
 - (b) spare parts brought into the territory of either Contracting Party for the maintenance or repair of aircraft used on the agreed services by the designated airline of the other

Contracting Party;

- (c) fuel and lubricants destined to supply aircraft operated on the agreed services by the designated airline of the other Contracting Party, even when those 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.

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

- (3) Printed ticket stock and air waybills brought by the designated airline of one Contracting Party into the territory of the other Contracting Party, shall be exempt on the basis of reciprocity from all customs duties, inspection fees and other charges or taxes.
- (4) Regular airborne equipment, spare parts, supplies of fuels and lubricants and aircraft stores retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that Party, who may require that these materials be placed under their supervision up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.
- (5) The exemptions provided for in paragraphs (1) and (2) of this Article shall also be available where a designated airline of one Contracting Party has contracted with other airline(s), which similarly enjoy(s) such exemptions in the territory of the other Contracting Party, for the loan or transfer in the territory of the other Contracting party of the equipment and items specified in paragraphs (1) and (2) of this Article.
- (6) Baggage, cargo and mail in direct transit shall be exempt from all customs duties, inspection fees and other charges or taxes on the basis of reciprocity with the exception of the charges corresponding to the services provided.

Article 6

APPLICABILITY OF LAWS AND REGULATIONS

- (1) The laws, regulations and procedures of either 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, shall be complied with by the designated airline of the other Contracting Party upon entrance into, and until and including departure from, the said territory.
- (2) The laws, regulations and procedures of either Contracting Party relating to the entry into, stay in or departure from the territory of the other Contracting Party, passports, or other approved travel documents, clearance of customs and quarantine, shall be complied with or on behalf of crews, passengers, cargo, baggage and mail carried by aircraft of the designated airline of the other Contracting Party upon entering into, staying in or departing from the

territory of the said Contracting Party.

- (3) Other relevant laws and regulations relating to aircraft and provisions pertaining to civil aviation of one Contracting Party shall be applicable to the designated airline of the Contracting Party while operating the agreed services in the territory of the first Contracting Party.
- (4) Passengers, baggage, cargo and mail in direct transit across the territory of either Contracting Party and not leaving the area of the airport reserved for such purpose shall, except in respect of security measures against violence and unlawful acts against civil aviation, be subject to no more than a simplified control. Baggage, cargo and mail in direct transit shall be exempt from customs duties and other similar taxes.

Article 7

TECHNICAL SERVICES, FEES AND CHARGES

- (1) Each Contracting Party shall provide regular airport(s), alternate airport(s) and air navigation facilities in its territory and relevant services including communications, navigational, meteorological and other auxiliary facilities and services for the operation of the agreed services by the designated airline of the other Contracting Party.
- (2) Fees and charges applied in the territory of either Contracting Party to the airline operations of the other Contracting Party for the use of airports and other aviation facilities in the territory of the first party, shall not be higher than those applied in the territory of that first party to the operation of other airlines engaged in similar international air services.
- (3) Neither of the Contracting Parties shall give preference to any other airline over a designated airline of the other Contracting Party in the application of its regulations; or in the use of airports, airways and air traffic devices and associated facilities under its control.

Article 8

RECOGNITION OF CERTIFICATES AND LICENCES

Certificates of airworthiness, certificates of competency and licences issued, or validated, by one Contracting Party and unexpired shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services on the specified routes, provided always that such certificates or licences were issued, or validated, in conformity with the standards established under the Convention.

Each Contracting Party, however, reserves the right to refuse to recognize, for flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party.

Article 9
REPRESENTATION AND PERSONNEL

- (1) For the operation of the agreed services on the specified route, the designated airline of each Contracting Party shall have the right, on reciprocal basis, to set up representation at the point(s) on the specified route within the territory of the other Contracting Party for the promotion and sale of air transportation in accordance with the laws and regulations of the other Contracting Party.
- (2) The staff members of the representation of the designated airline of each Contracting Party in the territory of the other Contracting Party shall be nationals of either Contracting party; the number of such staff shall be determined between the aeronautical authorities of both Contracting Parties. Such staff shall be subject to the laws and regulations of the other Contracting Party.
- (3) Each Contracting Party shall extend assistance and facilities to the representation and its staff members of the designated airline of the other Contracting Party necessary for the efficient operation of the agreed services.
- (4) The crew members of the designated airline of either Contracting Party on the agreed services shall be nationals of the said Contracting Party. If a designated airline of either Contracting Party desires to employ crew members of any other nationality on the agreed services, prior approval shall be obtained from the other Contracting Party.

Article 10
CAPACITY REGULATIONS

- (1) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.
- (2) In operating the agreed services, the designated airline of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same routes.
- (3) The agreed services provided by the designated airline of each Contracting Party shall bear close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, baggage, cargo and mail originating from or destined for the territory of the Contracting Party which has designated the airline. Provision for the carriage of passengers,

baggage, cargo and mail both taken up and put down at points on the specified routes in the territories of States other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (b) traffic requirements of the country or region through which the airline passes, after taking account of other air transport services established by airlines of the State or that region; and
- (c) the requirements of through airline operation.

Article 11

COMMERCIAL ARRANGEMENTS

- (1) Capacity shall be agreed upon between the aeronautical authorities of the Contracting Parties.
- (2) Matters relating to sales agency and ground handling for the operation of the agreed services shall conform to the pertinent regulation of the other Contracting Party.

Article 12

TARIFFS

- (1) The tariffs on any agreed services shall be established at reasonable levels, due regard being paid to all relevant factors including costs of operation, reasonable profit, characteristics of service such as standards of speed and accommodation, and the tariffs of other airlines for any part of the specified routes.
- (2) The tariffs shall be fixed in accordance with the following provisions:
 - (a) The tariffs referred to in paragraph (1) of this Article, together with the rates of agency commission used in conjunction with them shall, if necessary, be agreed in respect of each of the specified routes and sectors thereof between the designated airlines concerned, and such agreement shall, where necessary, be reached through the rate fixing machinery of the International Air Transport Association.
 - (b) The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least sixty (60) days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.

- (c) The aeronautical authorities shall approve or disapprove a tariff filing within thirty (30) days of its submission.
- (d) If a tariff cannot be agreed upon in accordance with the provisions of paragraph (2)(a) of this Article, or if during the period applicable in accordance with paragraph (2)(c) of this Article, one aeronautical authority gives the other aeronautical authority notice of its disapproval of a tariff agreed in accordance with the provisions of paragraph (2)(c) of this Article, the aeronautical authorities of the two Contracting Parties shall try to determine the tariff by mutual agreement.
- (e) If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph (2)(b) of this Article, or on the determination of any tariff under paragraph (2)(d) of this Article, the dispute shall be settled in accordance with the provisions of Article 15 of this Agreement.
- (f) A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established.

Article 13
TRANSFER OF REVENUES

Each Contracting Party grants to the designated airline of the other Contracting Party the right of free transfer in any freely convertible currencies in accordance with the foreign exchange regulations in force, of the excess of receipts over expenditure earned by that airline in its territory in connection with the carriage of passengers, mail and cargo.

Article 14
APPROVAL OF SERVICES AND PROVISION OF STATISTICS

- (1) The designated airline of each Contracting Party shall submit for approval to the aeronautical authorities of the other Contracting Party not later than sixty (60) days prior to the inauguration of services on the routes specified in accordance with Article 2 of this Agreement, the types of aircraft to be used and the flight schedules. This shall likewise apply to later changes.
- (2) The aeronautical authorities of a Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request such periodic or other statement of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airline of the Contracting Party referred to in paragraph (1) of this Article. Such statement shall include all information required to determine the amount of traffic carried by that airline on the agreed services.

Article 15
CONSULTATION

- (1) In a spirit of close co-operation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the correct implementation of, and satisfactory compliance with, the provisions of this Agreement and Annex attached thereto and shall also consult when necessary to provide for modification thereof.
- (2) Either Contracting Party may request consultation, which may be through discussion or by correspondence and shall begin with a period of sixty (60) days of the date of the request, unless both Contracting Parties agree to an extension of this period.

Article 16
SETTLEMENT OF DISPUTES

- (1) If any dispute arises between the Contracting Parties relating to the interpretation or implementation of this Agreement, the aeronautical authorities of the two Contracting parties shall in the first place settle the dispute by negotiation.
- (2) If the aeronautical authorities of the Contracting Parties fail to reach a settlement of the said dispute, the Contracting Parties shall settle such dispute through diplomatic channels.

Article 17
SECURITY

- (1) 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. 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.
- (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) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties; and they shall require that

operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territories and the operators of airports in their territories act in conformity with such aviation security provisions.

- (4) Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph (3) of this Article required by the other Contracting Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
- (5) When an incident or threat of an incident of unlawful 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.

Article 18 **AMENDMENT**

- (1) If either Contracting Party considers it desirable to amend any provisions of this agreement, it may at any time request consultation with the other Contracting Party. Such consultation may be through discussions or by correspondence, and shall begin within a period of ninety (90) days from the date of receipt of the request. Any amendments so agreed shall come into force when they have been confirmed by an exchanged of diplomatic notes.
- (2) Amendments of the Annex may be made by direct agreement between the aeronautical authorities of the Contracting Parties and confirmed by and exchange of diplomatic notes.

Article 19 **TERMINATION**

Either Contracting Party may at any time give notice to the other Contracting Party through diplomatic channels of its decision to terminate this Agreement, such notice shall be simultaneously communicated to the International Civil Aviation Organisation. In such case the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement of the receipt by the other Contracting Party, notice shall be deemed to have been received thirty (30) days after the receipt of the notice by the International Civil Aviation Organisation.

Article 20
REGISTRATION

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

Article 21
TITLES

The title of each article of this Agreement is for the purpose of reference and convenience and in no way define, limit or describe the scope or intent of the provisions of this Agreement.

Article 22
ENTRY INTO FORCE

This Agreement shall come into force from the date of its signature.

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

Done at Beijing on this 1st September of 1997 in duplicate in the Chinese and English languages, both texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT
OF THE PEOPLE'S REPUBLIC
OF CHINA

FOR THE GOVERNMENT OF
THE REPUBLIC OF MALTA

ANNEX
SECTION A

Route to be operated in both directions by the designated airline of Malta:

Point of Origin: Luqa

Intermediate Points: two intermediate points to be specified later by the aeronautical authorities of
Malta

Point in China: Beijing

Beyond Points: ---

SECTION B

Route to be operated in both directions by the designated airline of the People's Republic of
China:

Point in Origin: Beijing

Intermediate Points: two intermediate points to be specified later by the aeronautical authorities of
China

Point in Malta: Luqa

Beyond points: -----

NOTE:

The designated airline of either Contracting Party may omit, at its own discretion, any point on the specified route on any or all flights, provided that the agreed services begin and terminate in the territory of the Contracting Party designating the airline.