PROTOCOL AMENDING THE AGREEMENT

BETWEEN

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

AND

THE GOVERNMENT OF CANADA

ON AIR TRANSPORT

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF CANADA (hereinafter referred to as the "Contracting Parties"),

BEARING IN MIND the *Agreement between the Government of the People's Republic of China and the Government of Canada on Air Transport*, done at Ottawa on 9 September 2005 (hereinafter referred to as the "Agreement");

DESIRING to further deepen their bilateral relationship relating to air services,

HAVE CONCLUDED the present Protocol as follows:

ARTICLE 1

The Agreement is amended by the deletion of sub-paragraph (h), in its entirety, of Article I (Definitions) of the Agreement.

ARTICLE 2

The Agreement is further amended by replacing Article XIII (Tariffs) with the following:

"ARTICLE XIII
Pricing

1. For the purposes of this Article:

   "price" means any fare, rate or charge contained in the tariffs (including frequent flyer plans or other benefits provided in association with air transportation) for the carriage of passengers (including their baggage) or cargo (excluding mail) to or from the territories of each Contracting Party and the conditions directly governing the availability or applicability of the fare, rate or charge, but excluding general terms and conditions of carriage;

2. The primary consideration for establishing prices is market forces. A designated airline shall be responsible only to its own aeronautical authorities for the justification of its prices.

3. The Contracting Parties shall not require prices to be filed. Either Contracting Party may require designated airlines of the other Contracting Party to provide immediate access, on request, to information on prices to its aeronautical authorities in a manner and format acceptable to those aeronautical authorities. The Contracting Parties may require designated airlines to make full information on prices available to the general public.

4. The Contracting Parties shall, (tacitly or explicitly), permit prices to come into and remain in effect unless the aeronautical authorities of both Contracting Parties are dissatisfied. Except as provided for in Paragraph 5, a Contracting Party shall not take action to prevent the inauguration or continuation of a price proposed to be charged or charged by an airline of either Contracting Party. The primary grounds of any dissatisfaction by the aeronautical authorities shall be:

(a) to prevent unreasonably discriminatory prices or practices;

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

(c) to protect airlines from prices to the extent that they are artificially low because of direct or indirect governmental subsidy or support; and

(d) to protect airlines from prices that are artificially low, where evidence exists as to an intent of eliminating competition.

5. If the aeronautical authorities of one Contracting Party are dissatisfied with a price, they shall so notify the aeronautical authorities of the other Contracting Party and the airline concerned. The aeronautical authorities receiving notice of dissatisfaction shall acknowledge the notice, and indicate their concurrence or disagreement with it, within ten (10) working days of receipt of the notice. The aeronautical authorities shall cooperate in securing information necessary for the consideration of a price on which a notice of dissatisfaction has been given. If the aeronautical authorities of the other Contracting Party have indicated their concurrence with the notice of dissatisfaction, the aeronautical authorities of both Contracting Parties shall take immediate action to ensure that the price is withdrawn and no longer charged.

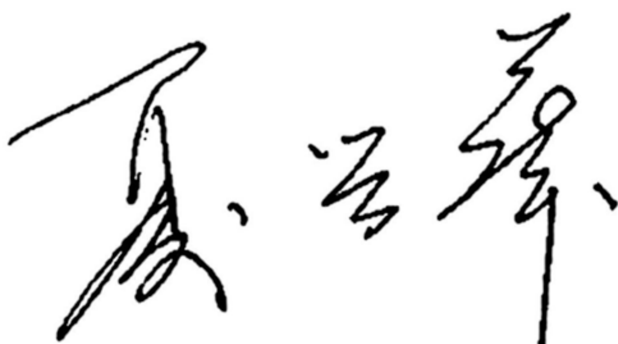
6. The aeronautical authorities of each Contracting Party may request technical discussions on prices at any time. Unless otherwise jointly decided by the aeronautical authorities, these discussions on prices shall take place no later than ten (10) working days following the receipt of the request."

ARTICLE 3

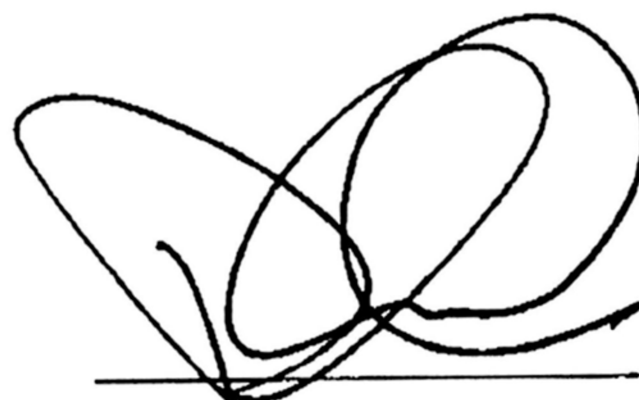
This Protocol shall enter into force on the date of the last diplomatic note by which the Parties have notified each other that all necessary internal procedures for its entry into force have been completed.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed the present Protocol.

DONE in duplicate at Zhuhai, this 13th day of November 2012, in the Chinese, English and French languages, each version being equally authentic.



FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA



FOR THE GOVERNMENT OF CANADA