



**AGREEMENT BETWEEN
THE MACAO SPECIAL ADMINISTRATIVE REGION OF
THE PEOPLE'S REPUBLIC OF CHINA AND
JAPAN FOR AIR SERVICES**

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The Macao Special Administrative Region of the People's Republic of China (hereinafter referred to as "the Macao Special Administrative Region") and Japan, the Macao Special Administrative Region having been duly authorized to conclude this Agreement by the Central People's Government of the People's Republic of China, hereinafter referred to as the "Contracting Parties",

Desiring to conclude an agreement for the purposes of establishing and operating air services between and beyond their respective areas,

Have agreed as follows:

ARTICLE 1

1. For the purposes of the present Agreement, unless the context otherwise requires:

(a) the term "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944;

(b) the term "aeronautical authorities" means, in the case of Japan, the Minister of Land, Infrastructure, Transport and Tourism and any person or body authorized to perform any functions on civil aviation at present exercised by the said Minister or similar functions, and, in the case of the Macao Special Administrative Region, the Civil Aviation Authority of the Macao Special Administrative Region and any person or body authorized to perform any functions on civil aviation at present exercised by the said Authority or similar functions;

(c) the term "designated airline" means an 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 such notification, and to which the appropriate operating permission has been given by that other Contracting Party, in accordance with the provisions of Article 4 of the present Agreement;

(d) the term "area" in relation to Japan has the meaning assigned to the term "territory" in Article 2 of the Convention and in relation to the Macao Special Administrative Region includes the Macao Peninsula and the Taipa and Coloane Islands;

(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 Convention;

(f) the term "Schedule" means the Schedule to the present Agreement as may be amended in accordance with the provisions of Article 18 of the present Agreement;

(g) the term "specified route" means any of the routes specified in the Schedule;

(h) the term "agreed service" means any air service operated on the specified routes;

and

(i) the term "laws and regulations" of a Contracting Party means the laws and regulations in force in the area of that Contracting Party.

2. The Schedule forms an integral part of the present Agreement, and all reference to the "Agreement" shall include reference to the Schedule except where otherwise provided.

ARTICLE 2

In implementing the present Agreement, the Contracting Parties shall act in conformity with the provisions of the Convention, including any Annex adopted under Article 90 of the Convention and any amendment made to the Convention or to its Annexes under Articles 90 and 94 thereof which apply to both Contracting Parties, insofar as these provisions are applicable to international air services.

ARTICLE 3

Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement, particularly to enable its designated airlines to establish and operate the agreed services.

ARTICLE 4

1. Each Contracting Party shall have the rights to designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services and to withdraw or alter such designation.

2. The agreed services on any specified route may be inaugurated immediately or at a later date at the option of the Contracting Party to which the rights are granted under Article 3 of the present Agreement, subject to the provisions of Article 12 of the present Agreement, and not before:

(a) the Contracting Party to which the rights have been granted has designated an airline or airlines for that route; and

(b) the Contracting Party granting the rights has given the appropriate operating permission in accordance with its laws and regulations to the airline or airlines concerned; which it shall, subject to the provisions of paragraph 3 of this Article and of paragraph 1 of Article 8 of the present Agreement, be bound to grant without delay.

3. Each of the airlines designated by either Contracting Party may be required to satisfy the aeronautical authorities of the other Contracting Party that it is qualified to fulfil the conditions prescribed by the laws and regulations normally and reasonably applied by those authorities to the operation of international air services.

ARTICLE 5

1. The airlines of each Contracting Party shall enjoy the following privileges in respect of their international air services:

- (a) to fly across the area of the other Contracting Party without landing; and
- (b) to make stops for non-traffic purposes in the area of the other Contracting Party.

2. Subject to the provisions of the present Agreement, the designated airlines of each Contracting Party shall enjoy, while operating an agreed service on a specified route, the privilege to make stops in the area of the other Contracting Party at the points specified for that route in the Schedule for the purposes of discharging and of taking on international traffic in passengers, cargo and mail separately or in combinations.

3. Nothing in paragraph 2 of this Article shall be deemed to confer on the airlines of one Contracting Party the privilege of taking on, in the area of the other Contracting Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the area of that other Contracting Party.

ARTICLE 6

The charges which either of the Contracting Parties may impose, or permit to be imposed, on the designated airlines of the other Contracting Party for the use of airports and other facilities under its control shall be just and reasonable and not higher than would be paid for the use of such airports and facilities by any airline of the former Contracting Party, or any other airlines, engaged in international air services.

ARTICLE 7

1. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board aircraft engaged in the agreed services operated by the designated airlines of either Contracting Party shall be exempt from customs duties, excise taxes, inspection fees and other similar duties, taxes or charges in the area of the other Contracting Party, even when they are consumed or used on the part of the journey performed over that area.

2. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores taken on board aircraft of the designated airlines of either Contracting Party in the area of the other Contracting Party and used in the agreed services shall, on the basis of reciprocity and subject to the regulations of the latter Contracting Party, be exempt from customs duties, excise taxes, inspection fees and other similar duties, taxes or charges.

3. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores introduced for the account of the designated airlines of either Contracting Party and stored in the area of the other Contracting Party under customs supervisions for the purpose of supplying aircraft of those designated airlines, shall, on the basis of reciprocity and subject to the regulations of the latter Contracting Party, be exempt from customs duties, excise taxes, inspection fees and other similar duties, taxes or charges.

ARTICLE 8

1. Each Contracting Party reserves the right to withhold or revoke the privileges specified in paragraphs 1 and 2 of Article 5 of the present Agreement in respect of an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise by the airline of those privileges, in any case where it is not satisfied that such airline is incorporated and has its principal place of business in the area of that other Contracting Party.

2. Each Contracting Party reserves the right to suspend the exercise by a designated airline of the other Contracting Party of the privileges specified in paragraphs 1 and 2 of Article 5, or to impose such conditions as it may deem necessary on the exercise by the airline of those privileges, in any case where such airline fails to comply with the laws and regulations of the Contracting Party granting those privileges or otherwise fails to operate in accordance with the conditions prescribed in the present Agreement; provided that, unless immediate suspension or imposition of conditions is essential to prevent further infringements of such laws and regulations, or unless immediate action is required for reasons of aviation security or of the safety of air navigation in accordance with the provisions of paragraph 6 of Article 14 or paragraph 3 of Article 15 of the present Agreement respectively, this right shall be exercised only after consultations with the other Contracting Party.

ARTICLE 9

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 areas.

ARTICLE 10

In the operation by the designated airlines of either Contracting Party of the agreed services, the interests of the designated airlines of the other Contracting Party shall be taken into consideration so as not to affect unduly the services which the latter provide on all or part of the same routes.

ARTICLE 11

1. The agreed services provided by the designated airlines of the Contracting Parties shall bear a close relationship to the requirements of the public for such services.

2. The agreed services provided by a designated airline shall retain as their primary objective the provision at a reasonable load factor of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail originating from or destined for the area of the Contracting Party which has designated the airline. Provision for the carriage of passengers, cargo and mail both taken on and discharged at points on the specified routes other than points in the area of the Contracting Party which has designated the airline shall be made in accordance with the general principles that capacity shall be related to:

- (a) traffic requirements to and from the area of the Contracting Party which has designated the airline;
- (b) the requirements of through airline operation; and
- (c) traffic requirements of the region through which the airline passes, after taking account of local and regional services.

3. Capacity to be provided by the designated airlines of the Contracting Parties in respect of the agreed services shall be agreed through consultations between the aeronautical authorities of both Contracting Parties in accordance with the principles laid down in paragraphs 1 and 2 of this Article and Articles 9 and 10 of the present Agreement.

ARTICLE 12

1. The tariffs on any agreed service shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of services (such as standards of speed and accommodation) and the tariffs of other airlines for any part of the specified route.

2. These tariffs shall be fixed in accordance with the following provisions and the aeronautical authorities of each Contracting Party shall, in accordance with the procedures in each Contracting Party, ensure that the designated airlines conform to the tariffs thus fixed.

(a) The aeronautical authorities of either Contracting Party shall not require the designated airlines of the Contracting Parties to consult with other airlines about the tariffs those designated airlines charge or propose to charge for agreed services.

(b) The aeronautical authorities of each Contracting Party shall have the right to approve or disapprove tariffs for one-way or round-trip carriage on the specified routes originating in the area of that Contracting Party. The aeronautical authorities of neither Contracting Party shall take unilateral action to prevent the inauguration of proposed tariffs or the continuation of effective tariffs for one-way or round-trip carriage on the specified routes originating in the area of the other Contracting Party.

(c) The aeronautical authorities of each Contracting Party may require the designated airlines of the Contracting Parties to submit proposed tariffs for approval for carriage to or from the area of the first-mentioned Contracting Party in accordance with the applicable procedures of the first-mentioned Contracting Party, provided that such submission shall not be required to be made more than 30 days before the proposed date of introduction of the tariffs.

(d) The aeronautical authorities of either Contracting Party may request consultations with the aeronautical authorities of the other Contracting Party regarding any tariffs of the designated airlines of the Contracting Parties for agreed services. Such consultations shall be held not later than 30 days after receipt of the request. The Contracting Parties shall cooperate in securing information necessary for reasonable resolution of the issues. If the aeronautical authorities of the Contracting Parties reach agreement, the aeronautical authorities of each Contracting Party shall use their best efforts to cause the agreement to be reflected on the tariffs of the designated airlines of that Contracting Party. If no agreement is reached, the decision of the aeronautical authorities of the Contracting Party, in whose area the carriage originates shall prevail.

ARTICLE 13

The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party, upon request, such information and statistics relating to traffic carried on the agreed services by the designated airlines of the former Contracting Party to and from the area of the other Contracting Party as may normally be prepared and submitted by the designated airlines to their own aeronautical authorities for publication. Any additional statistical traffic data which the aeronautical authorities of one Contracting Party may desire from the aeronautical authorities of the other Contracting Party shall, upon request, be a subject of mutual discussion between the aeronautical authorities of the Contracting Parties.

ARTICLE 14

1. The Contracting Parties reaffirm their obligation to each other to protect the security of civil aviation against acts of unlawful interference. The Contracting Parties shall in particular act in conformity with the aviation security 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 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.

2. The Contracting Parties shall provide, upon request, all necessary assistance in accordance with their respective laws and regulations 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 should, 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. Each Contracting Party should require that its airlines and the operators of airports in its area act in conformity with such aviation security provisions.

4. Each Contracting Party agrees that its airlines 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 area of that other Contracting Party. Each Contracting Party should take appropriate measures within its area 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.

6. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the former Contracting Party may request consultations with the latter Contracting Party. Such consultations shall take place within 15 days from the date of receipt of the request. Failure to reach a satisfactory agreement within 15 days from the initiation of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the operating permission of the designated airlines of the latter Contracting Party. When justified by an emergency to protect aviation security, or to prevent further non-compliance with the provisions of this Article, the former Contracting Party may provisionally withhold, revoke, suspend or impose conditions on the operating permission at any time.

ARTICLE 15

1. If a Contracting Party finds that the regulations or practices on aviation safety

maintained by the other Contracting Party in areas relating to aeronautical facilities, flight crew, aircraft and the operations of aircraft are not likely to conform to the international standards designated as Annexes to the Convention (hereinafter referred to as "the International Standards"), the former Contracting Party may request consultations with the latter Contracting Party. Such consultations shall take place within 30 days from the date of receipt of the request. If, following such consultations, the latter Contracting Party confirms that its regulations or practices on aviation safety do not conform to the International Standards, it shall take steps considered necessary to conform its regulations or practices to the International Standards. The former Contracting Party may advise the Secretary General of the International Civil Aviation Organization, if the former Contracting Party finds that the latter Contracting Party fails to take steps considered necessary to conform its regulations or practices to the International Standards within a reasonable period.

2. The competent authorities of each Contracting Party may search aircraft engaged in the agreed services operated by the designated airlines of the other Contracting Party, in the area of the first-mentioned Contracting Party except during flight, and without causing the operation of the aircraft unreasonable delay, to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and condition of aircraft conform to the International Standards.

3. When it is essential to ensure the safety of air navigation, each Contracting Party may immediately suspend or vary the operating permission of the designated airlines of the other Contracting Party.

ARTICLE 16

It is the intention of both Contracting Parties that there should be regular and frequent consultations between the aeronautical authorities of the Contracting Parties to ensure close collaboration in all matters affecting the fulfilment of the present Agreement.

ARTICLE 17

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, the dispute may, at the request of either Contracting Party, be submitted for decision to a tribunal of three arbitrators, one to be named by each Contracting Party and the third to be agreed upon by the two arbitrators so chosen, provided that such third arbitrator shall not be a person who cannot be regarded as neutral in relation to the dispute by virtue of his or her nationality or residence. Such third arbitrator shall act as the President of the tribunal. Each of the Contracting Parties shall designate an arbitrator within a period of 60 days from the date of receipt by either Contracting Party from the other Contracting Party of a note requesting arbitration of the dispute and the third arbitrator shall be agreed upon within a further period of 60 days. If either of the Contracting Parties fails to designate its own arbitrator or the third arbitrator is not agreed upon within the period indicated, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators.

3. The Contracting Parties undertake to comply with any decision of the tribunal referred to in paragraph 2 of this Article.

ARTICLE 18

1. Either Contracting Party may at any time request consultations with the other Contracting Party for the purpose of amending the present Agreement. Such consultations shall take place within a period of 60 days from the date of receipt of the request.
2. If the amendment relates to the provisions of the present Agreement other than those of the Schedule, the amendment shall be approved by each Contracting Party in accordance with its legal procedures and shall enter into force on the date of exchange of notes between the Governments of the Contracting Parties indicating such approval.
3. If the amendment relates only to the Schedule, the consultations shall be between the aeronautical authorities of both Contracting Parties. When these authorities agree on a new or revised Schedule, the agreed amendments on the matter shall enter into force after they have been confirmed by exchange of notes between the Governments of the Contracting Parties.

ARTICLE 19

Each Contracting Party may at any time notify the other Contracting Party of its intention to terminate the present Agreement. If such notice is given, the present Agreement shall terminate one year after the date of receipt by the latter Contracting Party of the notice, unless by agreement between the Contracting Parties the notice is withdrawn before the expiry of that period.

ARTICLE 20

The present Agreement and any amendment thereto shall be registered with the International Civil Aviation Organization.

ARTICLE 21

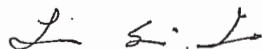
The present Agreement shall be approved by each Contracting Party in accordance with its legal procedures and shall enter into force on the date of exchange of notes between the Governments of the Contracting Parties indicating such approval.

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

DONE in duplicate, in the English language, at Macao, this 10th day of February, 2010.

For the Macao Special
Administrative Region of the
People's Republic of China

For Japan



Lau Si Io
Secretary for Transport and Public Works



Shigekazu Sato
Consul-General and Ambassador of Japan

SCHEDULE

1. Routes to be operated in both directions by the designated airline or airlines of Japan:

Points in Japan – Macao – Points to be specified later

The agreed services provided by the designated airline or airlines of Japan shall begin at a point in the area of Japan, but other points on the route may at the option of the designated airline be omitted on any or all flights.

2. Routes to be operated in both directions by the designated airline or airlines of the Macao Special Administrative Region:

Macao – Points in Japan

The agreed services provided by the designated airline or airlines of the Macao Special Administrative Region shall begin at Macao.

3. No points in mainland of China, Taiwan and Hong Kong may be served either as intermediate points or beyond points.