

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE AERONAUTICAL AUTHORITIES OF
THE GOVERNMENT OF MALAYSIA
AND
THE ORIENTAL REPUBLIC OF URUGUAY**

On the occasion of the 16th ICAO Air Services Negotiations Conference 2024 (ICAN 2024), delegations representing the Aeronautical Authorities of the Government of Malaysia and the Oriental Republic of Uruguay met on 24th October 2024 in Kuala Lumpur, Malaysia to discuss matters pertaining to the establishment of Air Services Agreement (ASA) and air services arrangements between the two countries.

List of delegation members is attached as **Appendix I.**

The discussions were held in a cordial atmosphere reflecting the friendly relations between the two countries and the following were agreed by both delegations:

1. DRAFT OF AIR SERVICES AGREEMENT (ASA)

The delegation of Malaysia has provided the draft of ASA which was derived from the template developed by the International Civil Aviation Organisation (ICAO) to the delegation of Oriental Republic of Uruguay for consideration. The draft ASA is attached as **Appendix II.**

Both delegations agreed that the draft text of ASA shall be subjected to further internal consultations and approval from both countries.

2. ROUTE SCHEDULE

Both delegations agreed with the Route Schedule which is attached as **Appendix III.**

3. CAPACITY AND FREQUENCY

3.1 Passenger Services

The delegations agreed that the designated airline(s) of Malaysia and the Oriental Republic of Uruguay shall be entitled to operate full third and fourth freedom traffic rights for passenger services on the specified routes with no limitations on capacity, frequency and aircraft type.

3.2 Cargo Services

Both Delegations agreed that the designated airlines of both countries shall be entitled to operate full third, fourth and fifth freedom traffic rights for cargo services on the specified routes with no limitations on capacity, frequency and aircraft type.

4. CODESHARING/COOPERATIVE ARRANGEMENTS

In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into cooperative marketing arrangements such as joint venture, blocked space or codesharing arrangements, with:

- a) an airline or airlines of either Party;
- b) an airline or airlines of a third country; and

provided that all airlines in such arrangements shall have the appropriate authorization and meet the requirements normally applied to such arrangements.

The Parties agree to take the necessary action to ensure that consumers are fully informed and protected with respect to codeshare flights operating to or from their territory and that, as a minimum, passengers be provided with the necessary information in the following ways:

- a) orally and, if possible, in writing at the time of booking;
- b) in written form, on the ticket itself and/or (if not possible), on the itinerary document accompanying the ticket or on any other document replacing the ticket, such as a written confirmation, including information on whom to contact in case of a problem and a clear indication of which airline is responsible in case of damage or accident; and
- c) orally again, by the airline's ground staff at all stages of the journey.

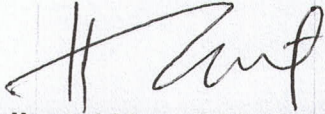
The airlines are required to file for approval any proposed cooperative arrangement with the aeronautical authorities of both Parties in the terms of the law of each State at least thirty (30) days before its proposed introduction.

5. COMING INTO FORCE

This MoU shall come into force from the date of signature.

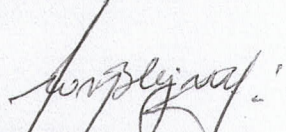
Signed in Kuala Lumpur, Malaysia on 24th October 2024.

**For the Aeronautical Authority of the
Government of Malaysia**



**Hadiyatul Hayati binti Khalil
Deputy Undersecretary (Aviation)
Ministry of Transport**

**For the Aeronautical Authority of the
Oriental Republic of Uruguay**



**Brig. Gral. (Av.) Lic. Leonardo
Blengini
Nacional Director of Civil Aviation and
Aeronautical Infrastructure**

DELEGATION OF MALAYSIA

Mdm. Hadiyatul Hayati Binti Khalil
Deputy Undersecretary
Aviation Division
Ministry of Transport of Malaysia

Head of Delegation

Mr. Nurulhakeem Bin Hasim
Senior Principal Assistant Secretary
Aviation Division
Ministry of Transport of Malaysia

Mdm. Naomi Zafaruz Binti Julkifle
Senior Assistant Secretary
Aviation Division
Ministry of Transport of Malaysia

Mr. Muhammad Afham Bin Syihabuddin
Assistant Secretary
Aviation Division
Ministry of Transport of Malaysia

Mdm. Aziatul Afrizan Binti Alias
Federal Counsel
Legal Advisor's Office
Ministry of Transport of Malaysia

Mr. Thirunaukaraser A/L Suppan
Director
Quality and Standard Division
Civil Aviation Authority of Malaysia

Mr. Mohamad Sathik Ali Bin Mohd Meera
Aviation Development,
Associate Director
Malaysian Aviation Commission (MAVCOM)

Mr. Farez Bin Adnan
Manager
Malaysia Aviation Group

Mr. Muhamad Nazmi Bin Mohd Ghazali
Assistant Manager, Government Relations
Malaysia Aviation Group

DELEGATION OF THE ORIENTAL REPUBLIC OF URUGUAY

Brig. Gral. (Av.) Lic. Leonardo Blengini
National Director of Civil Aviation and Aeronautical
Infrastructure

Head of Delegation

Esc. Pablo Seitun. Commercial Air Transport
Director

Delegate

Tte. 2do. (TP) Dra. Virginia Silvera. Advisor of
Aeronautical Policy and International Affairs

Delegate



Route Schedule

Airlines of each Party shall, in accordance with the terms of their designation, be entitled to perform scheduled international air transportation between points on the following routes:

A. Routes for the airline or airlines designated by the Government of Malaysia

Points of Departure	Intermediate Points	Points of Arrival	Beyond Points
Points in Malaysia	Any points	Points in the Oriental Republic of Uruguay	Any points

B. Routes for the airline or airlines designated by the Oriental Republic of Uruguay:

Points of Departure	Intermediate Points	Points of Arrival	Beyond Points
Points in Oriental Republic of Uruguay	Any points	Points in Malaysia	Any points




**AIR SERVICES AGREEMENT
BETWEEN
THE GOVERNMENT OF MALAYSIA
AND
THE ORIENTAL REPUBLIC OF URUGUAY**

**Article 1
Definitions**

For the purpose of this Agreement, unless otherwise stated, the term:

- a) "air transportation" means the public carriage by aircraft of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;
- b) "aeronautical authorities" means, in the case of the Government of Malaysia, the Minister of Transport and in the case of the Oriental Republic of Uruguay, the; or in both cases any other authority or person empowered to perform the functions now exercised by the said authorities;
- c) "agreement" means this Agreement, its Annex, and any amendments thereto;
- d) "capacity" is the amount(s) of services provided under the agreement, usually measured in the number of flights (frequencies) or seats or tons of cargo offered in a market (city pair, or country to country) or on route during specific period, such as daily, weekly, seasonally or annually;
- e) "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, insofar as such Annexes and amendments have become effective for both Parties;
- f) "designated airline" means an airline which has been designated and authorized in accordance with Article 3 of this Agreement;
- g) "domestic air transportation" is an air transportation in which passengers, baggage, cargo and mail which are taken on board in a State's territory are destined to another point in that same State's territory;
- h) "ICAO" means the International Civil Aviation Organisation;
- i) "intermodal air transportation" means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;

- j) "international air transportation" is air transportation in which the passengers, baggage, cargo and mail which are taken on board in the territory of one State are destined to another State;
- k) "Party" is a State which has formally agreed to be bound by this Agreement;
- l) "price" or "tariff" means any fare, rate or charge for the carriage of passengers, baggage and/or cargo (excluding mail) in air transportation (including any other mode of transportation in connection therewith) charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;
- m) "territory" in relation to a State means the land areas and territorial waters adjacent thereto and the airspace above them under the sovereignty of that State;
- n) "user charges" means a charge made to airlines by the competent authorities, or permitted by them to be made, for the provision of airport property facilities or of air navigation facilities, or aviation security facilities or services, including related services and facilities, for aircraft, their crews, passengers and cargo; and
- o) "air service", "international air service", "airline", and "stop for non-traffic purposes", have the meaning assigned to them in Article 96 of the Convention.

Article 2

Grant of Rights

1. Each Party grants to the other Party the rights specified in this Agreement for the purpose of operating international air services on the routes specified in the Annex hereto.
2. Subject to the provisions of this Agreement, the airlines(s) designated by each Party shall enjoy the following rights:
 - a) the right to fly without landing across the territory of the other Party;
 - b) the right to make stops in the territory of the other Party for non-traffic purposes;
 - c) the right to make stops at the point(s) on the route(s) specified in the Route Schedule to this Agreement for the purpose of taking on board and discharging international traffic in passengers, cargo and mail separately or in combination; and
 - d) any other rights that shall be agreed upon by both Contracting Parties.

3. The airlines of each Party, other than those designated under Article 3 (Designation and Authorisation) of this Agreement, shall also enjoy the rights specified in paragraphs 2 a) and b) of this Article.

Article 3 **Designation and Authorisation**

1. Each Party shall have the right to designate in writing to the other Party as many airlines as it wishes to operate the agreed services in accordance with this Agreement and to withdraw or alter such designation.
2. On receipt of such a designation, and on the application from the designated airline, in the form and manner prescribed for operating authorisation each Party shall grant the appropriate authorisation with minimum procedural delay, provided that:
 - a) it is satisfied that:
 - i) in the case of an airline designated by Malaysia, substantial ownership and effective regulatory control of that designated airline is vested in Malaysia and/or its nationals; and
 - ii) in the case of an airline designated by the Oriental Republic of Uruguay, the designated airline is incorporated and has its principal place of business in the territory of the Oriental Republic of Uruguay;
 - b) the Party designating the airline is in compliance with the provisions set forth in Article 8 (Safety) and Article 9 (Aviation Security); and
 - c) the designated airline is qualified to meet other conditions prescribed under the laws and regulations normally applied to the operation of international air transport services by the Party receiving the designation.
3. On receipt of the operating authorisation under paragraph 2, a designated airline may at any time begin to operate the agreed services for which it is so designated, provided that the airline complies with applicable provisions of this Agreement.

Article 4 **Withholding, Revocation and Limitation of Authorisation**

1. The aeronautical authorities of each Party shall have the right to withhold the authorisations referred to in Article 3 (Authorisation) of this Agreement with respect to an airline designated by the other Party, and to revoke, suspend or impose conditions on such authorisations, temporarily or permanently:

- a) in the event that they are not satisfied that:
 - i) in the case of an airline designated by Malaysia, substantial ownership and effective regulatory control of that designated airline is vested in Malaysia and/or its nationals; and
 - ii) in the case of an airline designated by the Oriental Republic of Uruguay, the designated airline is incorporated and has its principal place of business in the territory of the Oriental Republic of Uruguay;
 - b) in the event of failure of the Party designating the airline to comply with the provisions set forth in Article 8 (Safety) and Article 9 (Aviation Security); and
 - c) in the event of failure that such designated airline is qualified to meet other conditions prescribed under the laws and regulations normally applied to the operation of international air transport services by the Party receiving the designation.
2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to above or unless safety or security requires action in accordance with the provisions of Articles 8 (Safety) or Article 9 (Aviation Security), the rights enumerated in paragraph 1 of this Article shall be exercised only after consultations between the aeronautical authorities in conformity with Article 28 (Consultation) of this Agreement.

Article 5

Application of Laws

1. The laws and regulations of one Party governing entry into and departure from its territory of aircraft engaged in international air services, or the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the designated airline of the other party.
2. The laws and regulations of one Party relating to the entry into, stay in and departure from its territory of passengers, crew and cargo including mail such as those regarding immigration, customs, currency and health and quarantine shall apply to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Party while they are within the said territory.
3. Neither Party shall give preference to its own or any other airline over a designated airline of the other Party engaged in similar international air transportation in the application of its immigration, customs, quarantine and similar regulations.

Article 6

Direct Transit

Passengers, baggage, cargo and mail in direct transit through the territory of any Party and not leaving the area of the airport reserved for such purpose shall not undergo any examination except for reasons of aviation security, narcotics control, prevention of illegal entry or in special circumstances, subject to approval from other government agencies.

Article 7

Recognition of Certificates

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention.
2. If the privileges or condition of the licenses or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Party to any person or designated airline or in respect of an aircraft used in the operation of the agreed services, should permit a difference from the minimum standards established under the Convention, and which difference has been filed with International Civil Aviation Organisation, the other Party may request consultations between the aeronautical authorities with a view to clarifying the practice in question.
3. Each Party reserves the right, however, to refuse to recognize for the purpose of flights above are landing within its own territory, certificates of competency and licenses granted to its own nationals by the other Party.

Article 8

Safety

1. Each Party may request consultations at any time concerning the safety standards maintained by the other Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within thirty days of that request.
2. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 that meet the Standards established at that time pursuant to the Convention (Doc 7300), the other Party shall be informed of such findings and the steps considered necessary to conform with the ICAO Standards and that the other Party shall then take appropriate corrective action within an agreed time period.

3. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Party, on service to or from the territory of another Party, may while within the territory of the other Party be the subject of a search by the authorized representatives of the other Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations specified in Article 33 of the Chicago Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the Standards established at that time pursuant to the Convention.
4. When urgent action is essential to ensure the safety of an airline operation, each Party reserves the right to immediately suspend or vary the operating authorisation of an airline or airlines of the other Party.
5. Any action by one Party in accordance with paragraph 4 above shall be discontinued once the basis for taking of that action ceases to exist.
6. With reference to paragraph 2, if it is determined that one Party remains in non-compliance, ICAO should be advised thereof. The latter should be advised of the subsequent satisfactory resolution of the situation.

Article 9 Aviation Security

1. Consistent with their rights and obligations under international law, the 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 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 Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, its Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988 as well as with any other convention and protocol relating to the security of civil aviation which both Parties adhere to.
2. The 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 Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by ICAO and designated as Annexes to the Convention; 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 territory and the operators of airports in their territory act in conformity with such aviation security provisions. Each Party shall advise the other Party of any differences between its national regulations and practices and the aviation security standards of the Annexes. Either Party may request immediate consultations with the other Party at any time to discuss any such differences.

4. Each Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Party for entry into, departure from, or while within, the territory of that other Party. Each Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, and baggage, cargo and aircraft stores prior to and during boarding or loading. Each Party shall also give sympathetic consideration to any request from the other 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 Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
6. Each Party shall have the right, within sixty (60) days following notice (or such shorter period as may be agreed between the aeronautical authorities), for its aeronautical authorities to conduct an assessment in the territory of the other Party of the security measures being carried out, or planned to be carried out, by aircraft operators in respect of flights arriving from, or departing to the territory to the first Party. The administrative arrangements for the conduct of such assessment shall be agreed between the aeronautical authorities and implemented without delay so as to ensure that assessments will be conducted expeditiously.
7. When a Party has reasonable grounds to believe that the other Party has departed from the provisions of this Article. The first Party may request consultations. Such consultations shall start within fifteen (15) days of receipt of such a request from either Party. Failure to reach a satisfactory agreement within (15) days from the start of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the authorisations of the airlines designated by the other Party. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, the first Party may take interim action at any time.

Article 10

Security of Travel Documents

1. Each Party agrees to adopt measures to ensure the security of their passports and other travel documents.
2. In this regard, each Party agrees to establish controls on the lawful creation, issuance, verification and use of passports and other travel documents and identity documents issued by, or on behalf of, that Party.
3. Each Party also agrees to establish or improve procedures to ensure that travel and identity documents issued by it are of such quality that they cannot easily be misused and cannot readily be unlawfully altered, replicated or issued.
4. Pursuant to the objectives above, each Party shall issue their passports and other travel documents in accordance with ICAO *Doc 9303, Machine Readable Travel Documents: Part 1 B Machine Readable Passports, Part 2 B Machine Readable Visas, and/or Part 3 B Size 1 and Size 2 Machine Readable Official Travel Documents*.
5. Each Party further agrees to exchange operational information regarding forged or counterfeit travel documents, and to cooperate with the other to strengthen resistance to travel document fraud, including the forgery or counterfeiting of travel documents, the use of valid travel documents by imposters, the misuse of authentic travel documents by rightful holders in furtherance of the commission of an offence, the use of expired or revoked travel documents, and the use of fraudulently obtained travel documents.

Article 11 **Inadmissible and Undocumented Passengers and Deportees**

1. Each Party agrees to establish effective border controls.
2. In this regard, each Party agrees to implement the Standards and Recommended Practices of Annex 9 (Facilitation) to the Chicago Convention concerning inadmissible and undocumented passengers and deportees in order to enhance cooperation to combat illegal migration.
3. Pursuant to the objectives above, each Party agrees to issue, or to accept, as the case may be, the letter relating to "fraudulent, falsified or counterfeit travel documents or genuine documents presented by imposters" set out in Appendix 9 b) to Annex 9 (11th edition), when taking action under relevant paragraphs of Chapter 3 of the Annex regarding the seizure of fraudulent, falsified or counterfeit travel documents.

Article 12 **User Charges**

1. Neither Party shall impose or permit to be imposed on the designated airlines of the other Party user charges higher than those imposed on its airlines operating similar international services.
2. Each Party shall encourage consultations on user charges between its competent charging authority or airport or air navigation service provider and airlines using the service and facilities provided by those charging authorities or service provider, where practicable through those airlines' representative organisations. Reasonable notice of any proposals for changes in user charges should be given to such users to enable them to express their views before changes are made. Each Party shall further encourage its competent charging authority or service provider and such users to exchange appropriate information concerning user charges.
3. Each Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines using the services and facilities, and shall encourage the competent authorities or bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles in paragraphs 1 and Each Party shall encourage the competent charging authorities to 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 Party shall be held, in dispute resolution procedures pursuant to Article 29 (Settlement of Disputes), to be in breach of a provision of this Article, unless:
 - (a) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Party within thirty (30) days; 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.
5. Airports, airways, air traffic control and air navigation services, aviation security, and other related facilities and services that are provided in the territory of one Party shall be available for use by the airlines of the other Party on terms no less favourable than the most favourable terms available to any airline engaged in similar international air services at the time arrangements for use are made.

Article 13

Customs Duties

1. Each Party shall be on the basis of reciprocity exempt a designated airline of the other Party to the fullest extent possible under its national law from import restrictions, customs duties, excise taxes and charges not based on the cost of services provided on arrival on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and other items such as printed ticket stock, air waybills, any

printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that designated airline intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Party operating the agreed services.

2. The exemptions granted by this article shall apply to the items referred to in paragraph 1:
 - a) introduced into the territory of the Party by or on behalf of the designated airline of the other Party;
 - b) retained on board aircraft of the designated airline of one Party upon arrival in or leaving the territory of the other Party; or
 - c) taken on board aircraft of the designated airline of one Party in the territory of the other Party and intended for use in operating the agreed services;

whether or not such items are used or consumed wholly within the territory of the Party granting the exemption, provided the ownership of such items is not transferred in the territory of the said Party.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of a designated airline of either Party, may be unloaded in the territory of the other Party only with the approval of the customs authorities of that territory. In such case, they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

Article 14

Taxation

1. Profits or income from the operation of aircraft in international traffic derived by an airline of one Party, including participation in inter-airline commercial agreements or joint business ventures, shall be exempt from any tax on profits or income imposed by the Government of the other Party.
2. Capital and assets of an airline of one Party relating to the operation of aircraft in international traffic shall be exempt from all taxes on capital and assets imposed by the Government of the other Party.
3. Gains from the alienation of aircraft operated in international traffic and movable property pertaining to the operation of such aircraft which are received by an airline of one Party shall be exempt from any tax on gains imposed by the Government of the other Party.

4. Each Party shall on a reciprocal basis grant relief from value added tax or similar indirect taxes on goods and services supplied to the airline designated by the other Party and used for the purposes of its operation of international air services. The tax relief may take the form of an exemption or a refund. Nothing in this Agreement shall affect the rights and obligations if either country under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of inconsistency.

Article 15 Capacity

1. Each Party shall allow each designated airline to determine the frequency and capacity of the international air transportation it offers based on commercial considerations of the marketplace.
2. Neither 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 Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Convention.
3. Neither Party shall impose on the other Party's designated airlines a first refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to the capacity, frequency or traffic which would be inconsistent with the purposes of this Agreement.
4. Neither Party shall require the filing of schedules, programmes for charter flights, or operational plans by airlines of the other Party for approval, except as may be required on a non-discriminatory basis to enforce uniform conditions as foreseen by paragraph 2) of this Article or as may be specifically authorized in an Annex to this Agreement. If a Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air transportation intermediaries and on designated airlines of the other Party.

Article 16 Pricing (Tariffs)

1. Each Party shall allow prices for air transportation to be established by each designated airline based upon commercial considerations in the marketplace. Intervention by the Parties shall be limited to:
 - a) prevention of unreasonably discriminatory prices or practices;
 - b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and

- c) protection of airlines from prices that are artificially low due to direct or indirect governmental subsidy or support.
- 2. Each Party may require notification to or filing with its aeronautical authorities of prices to be charged to or from its territory by airlines of the other Party. Notification or filing by the airlines of both Parties may be required no more than thirty (30) days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required. Each designated airline may implement matching prices upon one day's notice. Neither Party shall require the notification or filing by airlines of the other of prices charged by charterers to the public, except as may be required on a non-discriminatory basis for information purpose.
- 3. Neither Party shall take unilateral action to prevent the inauguration or continuation of a price proposed to be charged or charged by (1) an airline of either Party for international air transportation between the territories of the Parties, or (2) an airline of one Party for international air transportation between the territory of the other Party and any other country, including in both cases transportation on an interline or interlines basis. If either Party believes that any such price is inconsistent with the considerations set forth in paragraph (1) of this Article, it shall request consultations and notify the other Party of the reasons for its dissatisfaction as soon as possible. These consultations shall be held not later than thirty (30) days after receipt of the request, and the Parties shall cooperate in securing information necessary for reasoned resolution of the issue. If the Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Party shall use its best efforts to put that agreement into effect. Without such mutual agreement, the price shall go into effect or continue in effect.

Article 17 Safeguards

- 1. The Parties agree that the following airline practices may be regarded as possible unfair competitive practices which may merit closer examination:
 - a) charging fares and rates on routes at levels which are, in the aggregate, insufficient to cover the costs of providing the services to which they relate;
 - b) the addition of excessive capacity or frequency of service;
 - c) the practices in question are sustained rather than temporary;
 - d) the practices in question have a serious negative economic effect on, or cause significant damage to, another airline;

- e) the practices in question reflect an apparent intent or have the probable effect, or crippling, excluding or driving another airline from the market; and
 - f) behavior indicating an abuse of dominant position on the route.
2. If the aeronautical authorities of one Party consider that an operation or operations intended or conducted by the designated airline of the other Party may constitute unfair competitive behavior in accordance with the indicators listed in paragraph 1, they may request consultation in accordance with Article 28 (Consultations) with a view to resolving the problem. Any such request shall be accompanied by notice of the reasons for the request, and the consultation shall begin within 15 days of the request. If the Parties fail to reach a resolution of the problem through consultations, either Party may invoke the dispute resolution mechanism under Article 29 (Settlement of Disputes) to resolve the dispute.

Article 18

Currency Conversion and Remittance of Earnings

Each Party shall permit airline(s) of the other Party to convert and transmit abroad to the airline's(s') choice of State, on demand, all local revenues from the sale of air transport services and associated activities directly linked to air transport in excess of sums locally disbursed, with conversion and remittance permitted promptly without restrictions, discrimination or taxation in respect thereof at the rate of exchange applicable as of the date of the request for conversion and remittance.

Article 19

Sale and Marketing of Air Service Products

- 1. Each Party shall accord airlines of the other Party the right to sell and market international air services and related products in its territory (directly or through agents or other intermediaries of the airline's choice), including the right to establish offices, both on-line and off-line.
- 2. Each airline shall have the right to sell transportation in the currency of that territory or, at its discretion, in freely convertible currencies or other countries, and any person shall be free to purchase such transportation in currencies accepted by that airline.

Article 20

Non-national Personnel and Access to Local Services

Each Party shall permit designated airlines of the other Party to:

- a) bring in to its territory and maintain non-national employees who perform managerial, commercial, technical, operational and other specialist duties which are required for the provision of air transport services, consistent with the laws and regulations of the receiving State concerning entry, residence and employment; and
- b) use the services and personnel of any other organisation, company or airline operating in its territory and authorized to provide such services.

Article 21 **Change of Gauge**

On any international segment or segments of the agreed routes, a designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated; provided that the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation from beyond such point.

Article 22 **Ground Handling**

- 1. Subject to applicable safety provisions, including ICAO Standards and Recommended Practices (SARPs) contained in Annex 6, each Party shall authorize airline(s) of the other Party, at each airline's choice, to:
 - a) perform its own ground handling services; and
 - b) select among competing service providers.
- 2. An air carrier is permitted to choose freely from among the alternatives available and to combine or change its option, except where this is demonstrably impractical and also where constrained by relevant, safety and security considerations, and (with the exception of self-handling in a) above by the scale of airport operations being too small to sustain competitive providers.
- 3. Parties would always be required to take the necessary measures to ensure reasonable cost-based pricing and fair and equal treatment for air carrier(s) of the other Party.

Article 23 **Codesharing/Cooperative Arrangements**

- 1. In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into cooperative marketing

arrangements such as joint venture, blocked space or codesharing arrangements, with:

- a) an airline or airlines of either Party;
- b) an airline or airlines of a third country; and
- c) a surface transportation provider of any country,

provided that all airlines in such arrangements hold the appropriate authority and meet the requirements normally applied to such arrangements.

- 2. The Parties agree to take the necessary action to ensure that consumers are fully informed and protected with respect to codeshared flights operating to or from their territory and that, as a minimum, passengers be provided with the necessary information in the following ways:
 - a) orally and, if possible, in writing at the time of booking;
 - b) in written form, on the ticket itself and/or (if not possible), on the itinerary document accompanying the ticket or on any other document replacing the ticket, such as a written confirmation, including information on whom to contact in case of a problem and a clear indication of which airline is responsible in case of damage or accident; and
 - c) orally again, by the airline's ground staff at all stages of the journey.
- 3. The airlines are required to file for approval any proposed cooperative arrangement with the aeronautical authorities of both Parties at least thirty (30) days before its proposed introduction.

Article 24 Aircraft Leasing

- 1. Either Party may prevent the use of leased aircraft for services under this Agreement which does not comply with Articles 8 (Safety) and 9 (Aviation Security).
- 2. Subject to paragraph 1, the designated airlines of each Party may operate services under this agreement by using leased aircraft which meets applicable safety and security requirements.

Article 25 Intermodal Services

Each designated airline may use surface modes of transport without restriction in conjunction with the international air transport of passengers and cargo.

Article 26 **Computer Reservation Systems (CRS)**

Each Party shall apply the ICAO Code of Conduct for the Regulation and Operation of Computer Reservation Systems within its territory consistent with other applicable regulations and obligations concerning computer reservation systems.

Article 27 **Ban on Smoking**

1. Each Party shall prohibit or cause their airlines to prohibit smoking on all flights carrying passengers operated by its airlines between the territories of the Parties. This prohibition shall apply to all locations within the aircraft and shall be in effect from the time an aircraft commences enplanement of passengers to the time deplanement of passengers is completed.
2. Each Party shall take all measures that it considers reasonable to secure compliance by its airlines and by their passengers and crew members with the provisions of this Article, including the imposition of appropriate penalties for non-compliance.

Article 28 **Environmental Protection**

The Parties support the need to protect the environment by promoting the sustainable development of aviation. The Parties agree with regard to operations between their respective territories to comply with the ICAO Standards and Recommended Practices (SARPs) of Annex 16 and the existing ICAO policy and guidance on environmental protection.

Article 29 **Consultations**

Either Party may at any time request consultations on any matter related to this Agreement. Such consultations shall begin within a period of thirty (30) days from the date the other Party receives the request, unless otherwise agreed by the Parties.

Article 30 **Settlement of Disputes**

Any difference or dispute between the Parties concerning the interpretation and/or implementation and/or application of any of the provisions of this Agreement shall be settled amicably through mutual consultation and/or negotiations between the Parties through diplomatic channels, without reference to any third party or international tribunal.

Article 31

Revision, Modification and Amendment

1. Either Party may request in writing a revision, modification or amendment of all or any part of this Agreement.
2. Any revision, modification or amendment agreed to by the Parties shall be reduced into writing and shall form part of Agreement.
3. Such revision, modification or amendment shall come into force on such date as may be determined by the Parties.
4. Any revision, modification or amendment shall not prejudice the rights and obligations arising from or based on this Agreement before or up to the date of such revision, modification or amendment.

Article 32

Multilateral Agreements

If a multilateral agreement concerning air transport comes into force in respect of both Parties, the present Agreement shall be amended so as to confirm with the provisions of that multilateral agreement.

Article 33

Termination

Notwithstanding anything in this Agreement, either Party may terminate this Agreement by notifying the other Party of its intention to terminate this Agreement by a notice in writing through diplomatic channels, at least twelve (12) months prior to its intention to do so. Such termination notice shall be simultaneously communicated to ICAO.

Article 34

Registration with ICAO

This Agreement and any amendment thereto shall be registered upon its entry into force with the ICAO.

Article 35

Confidentiality

Each Party shall undertake to observe the confidentiality and secrecy of documents, information and other data received from or supplied to the other Party during the implementation and after the termination of this Agreement.

Article 36 Suspension

Each Party reserves the right for reasons of national security, national interest, public order or public health to suspend temporarily, either in whole or in part, the implementation of this Agreement which suspension shall take effect immediately after notification has been given to the other Party through diplomatic channels.

Article 37 Entry into Force

This Agreement shall come into force on the date of the exchange of notes whereby a Party communicates to the other Party, through the diplomatic channels, that all necessary internal procedures have been complied with.

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

DONE at....., this day of, in the year, in two original copies, in the and English languages, both texts being equally authentic.

In case of any inconsistency between the two texts, the English text shall prevail.

For the Government of Malaysia

**For the Government of The Oriental
Republic of Uruguay**

**NAME
Minister of Transport**

**NAME
Minister of Transport**

ANNEX

Section 1 Scheduled Air Transportation

Routes

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, be entitled to perform scheduled international air transportation between points on the following routes:

A. Routes for the airline or airlines designated by the Government of Malaysia

Points of Departure	Intermediate Points	Points of Arrival	Beyond Points
Points in Malaysia	Any points	Points in Uruguay	Any points

B. Routes for the airline or airlines designated of The Oriental Republic of Uruguay

Points of Departure	Intermediate Points	Points of Arrival	Beyond Points
Points in Uruguay	Any points	Points in Malaysia	Any points

Section 2 Operational Flexibility

The designated airline of either Party may, on any or all flights and at its option:

1. operate flights in either or both directions;
2. combine different flight numbers within one aircraft operation;
3. serve behind, intermediate, and beyond points and points in the territories of the Parties on the routes in any combination and in any order;
4. omit stops at any point or points;
5. transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and
6. serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement; provided that, the service serves a point in the territory of the Party designating the airlines.

Section 3

Charter Air Transportation

Airlines of each Party designated pursuant to this Agreement to operate under this Annex shall have the right to operate non-scheduled international air transport over the routes specified and in accordance with the rights granted for scheduled services in this Agreement.