

AGREEMENT
BETWEEN THE CZECH REPUBLIC
AND
THE KINGDOM OF SAUDI ARABIA
RELATING TO AIR TRANSPORT SERVICES

PREAMBLE

The Czech Republic and the Kingdom of Saudi Arabia (hereinafter referred to in this Agreement as the Contracting Parties) being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944;

Desiring to conclude the Air Services Agreement between the Czech Republic and the Kingdom of Saudi Arabia hereinafter referred to as the "Agreement" for the purpose of establishing air services between and beyond their respective territories;

Have agreed on the following provisions:

ARTICLE 1
DEFINITIONS

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

- (1) The term "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944 and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or Convention under Articles 90 and 94 thereof so far as those Annexes and amendments have become effective for or been ratified by both Contracting Parties;
- (2) The term "Aeronautical Authorities" means in the case of the Czech Republic the Ministry of Transport and in the case of the Kingdom of Saudi Arabia, the General Authority of Civil Aviation, or, in both cases, any other person or body authorised to perform any functions presently exercised by the said Aeronautical Authorities;
- (3) The term "designated airline" means each airline, which has been designated and authorised in accordance with Article 3 of this Agreement;
- (4) The term "tariff" means the prices to be paid for the carriage of passengers and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail;
- (5) The term "territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention;
- (6) The terms "air service", "International air service", "airline" and "stop for non-traffic purposes" have the meaning respectively assigned to them in Article 96 of the Convention;
- (7) The term "Agreement" means this Agreement, its Annexes and any amendments thereto;
- (8) The term "Schedule" means the Schedule of the routes to operate air transportation services annexed to this Agreement and any amendments thereto as agreed in accordance with the provisions of Article 19 of this Agreement. The Schedule forms an integral part of this Agreement;
- (9) The term "capacity" in relation to "an aircraft" means the payload of that aircraft available on a route or section of a route;
- (10) The term "capacity" in relation to agreed services means the available seat capacity of the aircraft used on such services, multiplied by the frequency operated by such aircraft over a given period on a route or section of a route;
- (11) The term "spare parts" means articles of a repair or replacement nature for incorporation in an aircraft, including engines;

- (12) The term "regular equipment" means articles, other than stores and Spare parts of a removable nature, for use on board of an aircraft during Flight, including first aid and survival equipment;
- (13) The term "facilities and airport Charges" means Charges made to airlines for the provision of aircraft, their crews and passengers of airport and air navigation facilities, including related services and facilities;
- (14) The term "EU Treaties" means the Treaty on European Union and the Treaty on the functioning of the European Union;
- (15) References in this Agreement to nationals of the Czech Republic shall be understood as referring to nationals of European Union Member States. References in this Agreement to airlines of the Czech Republic shall be understood as referring to airlines designated by the Czech Republic.

ARTICLE 2

GRANTING OF RIGHTS

1. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing and operating scheduled international air services on the routes specified in the Schedule annexed to this Agreement. Such services and routes are hereinafter called "the agreed services" and "the specified routes" respectively.
2. An airline designated by each Contracting Party shall enjoy exercising, whilst operating an agreed service on a specified route, the following rights:
 - (a) To fly, without landing, across the territory of the other Contracting Party;
 - (b) To make stops in the said territory for non-traffic purposes; and
 - (c) To make stops in the said territory at the points specified for that route in the Schedule annexed to this Agreement, for the purpose of putting down and taking on international traffic in passengers, cargo and mail.
3. The exercise of traffic rights in intermediate and beyond points specified in the Schedule annexed to this Agreement is subject to the approval of the Aeronautical Authorities.
4. The airlines of each Contracting Party, other than those designated under Article 3 of this Agreement, shall also enjoy the rights specified in paragraph 2 (a) and (b) of this Article.
5. Nothing in paragraphs 1 and 2 of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking on, 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 AND OPERATING AUTHORIZATION

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline or more for the purpose of operating the agreed services on the specified routes and to withdraw the designation of any airline or to substitute another airline for one previously designated.

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, grant without delay, to the airlines designated the appropriate operating authorisations.

3. The Aeronautical Authorities of one Contracting Party may require the airline designated by the other Contracting Party to satisfy them that it is qualified to fulfill the conditions prescribed under the laws and regulations normally applied to the operation of international air services by such authorities in conformity to the provisions of the Convention.

4. The Aeronautical Authorities of each Contracting Party shall have the right to refuse to accept the designation of an airline and to refuse to grant the operating authorisation referred to in paragraph 2 of this Article, or to impose such conditions as it may deem necessary for the exercise of the rights specified in Article 2 of this Agreement, whenever the Contracting Party has no proof that:

(a) in the case of an airline designated by the Czech Republic

- (i) the airline is established in the territory of the Czech Republic under the EU Treaties and has a valid Operating Licence in accordance with European Union law; and
- (ii) effective regulatory control of the airline is exercised and maintained by the European Union Member State responsible for issuing its Air Operator's Certificate and the relevant Aeronautical Authorities are clearly identified in the designation;

(b) in the case of an airline designated by the Kingdom of Saudi Arabia

- (i) the airline has a valid Operating Licence and Air Operator's Certificate issued by the Kingdom of Saudi Arabia and effective regulatory control of the airline is exercised and maintained by the Kingdom of Saudi Arabia; and
- (ii) the airline has its principal place of business in the territory of the Kingdom of Saudi Arabia.

5. When an airline has been so designated and authorised it may begin at any time to operate the agreed services, provided that the airline complies with the applicable provisions of this Agreement.

ARTICLE 4
REFUSAL, REVOCATION OR SUSPENSION
OF OPERATING AUTHORISATION

1. The Aeronautical Authorities of each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of this Agreement of the designated airline of the other Contracting Party or to impose such conditions, temporary or permanent, as it may deem necessary on the exercise of such rights, if:

(a) in the case of an airline designated by the Czech Republic

- (i) the airline is not established in the territory of the Czech Republic under the EU Treaties or does not have a valid Operating Licence in accordance with European Union law; or
- (ii) effective regulatory control of the airline is not exercised or not maintained by the European Union Member State responsible for issuing its Air Operator's Certificate or the relevant Aeronautical Authorities are not clearly identified in the designation;

(b) in the case of an airline designated by the Kingdom of Saudi Arabia

- (i) the airline does not have a valid Operating Licence or Air Operator's Certificate issued by the Kingdom of Saudi Arabia or effective regulatory control of the airline is not exercised or not maintained by the Kingdom of Saudi Arabia; or
- (ii) the airline does not have its principal place of business in the territory of the Kingdom of Saudi Arabia;

(c) an airline fails to prove before the Aeronautical Authorities of that Contracting Party granting those rights an ability to fulfil the conditions under the laws and regulations applied by these authorities in conformity with the provisions of the Convention; or

(d) an airline otherwise fails to operate the agreed services in accordance with the conditions prescribed by 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 and/or regulations, such right shall be exercised only after consultation with the other Contracting Party. Unless otherwise agreed by the Aeronautical Authorities, such consultations between the Aeronautical Authorities of both Contracting Parties shall begin within a period of sixty (60)

days from the date of request made by either Aeronautical Authorities.

3. In the event of action by one Contracting Party under the provisions of this Article, the rights of the other Contracting Party under Article 21 of this Agreement shall not be prejudiced.

ARTICLE 5

FACILITIES AND AIRPORT CHARGES

1. Neither Contracting Party shall impose or permit to be imposed on the designated airline of the other Contracting Party user charges higher than those imposed on an airline operating similar international air services using an aircraft of the same class.

2. In the use of airports, airways, air traffic services and associated facilities under its control, neither Contracting Party shall give preference to its own or any other airline over an airline of the other Contracting Party engaged in similar international air services.

3. Each Contracting Party shall encourage consultations on user charges between its competent charging authorities and the airlines using the services and facilities provided by those charging authorities, where practicable through those airlines' representative organizations. Reasonable notice of any proposals for changes in such charges should be given to such airlines to enable them to express their views before changes are made. Each Contracting Party shall further encourage its competent charging authorities and such airlines to exchange appropriate information concerning such charges.

ARTICLE 6

EXEMPTION FROM CUSTOMS AND OTHER DUTIES

1. Each Contracting Party shall exempt the designated airline of the other Contracting Party from import restrictions, customs duties, indirect taxes, inspection fees and other national and local duties and charges on aircraft, fuel, lubricants, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and food (including tobacco, beverages and other products destined for sale to passengers in limited quantities during the flight) and other items intended for use solely in connection with the operation or servicing of aircraft of the designated airline of such Contracting Party operating the agreed services, as well as printed tickets stock, air way bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that designated airline.

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article:

(a) introduced into the territory of one Contracting Party by or on behalf of the designated

airline of the other Contracting Party;

(b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in and until leaving the territory of the other Contracting Party; and

(c) taken on board aircraft of the designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services; whether or not such items are used or consumed wholly or partly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of the said Contracting Party.

3. Materials referred to in paragraph 1 above normally retained on board may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that territory and placed under the supervision or control of the said authorities up to such time as they may be re-exported or otherwise disposed of in accordance with customs regulations.

4. Except in respect of security provisions referred in Article 14 of this Agreement and prevention of criminal activities, passengers, baggage and cargo in direct transit across the territory of one Contracting Party and not leaving the area of the airport reserved for such purpose, shall only be subject to a simplified control. Baggage and cargo shall, up to such time that they are on direct transit, be exempted from customs duties and any taxes.

5. The exemptions provided for by this Article shall also apply in respect of consumable technical supplies, spare parts including engines and regular airborne equipment in situations where the designated airline of either Contracting Party has entered into arrangements with another airlines for the loan or transfer in the territory of the other Contracting Party provided such other airlines similarly enjoy such exemptions from such Contracting Party. Such loans and transfer shall be announced by airline to respective customs authorities.

6. Nothing in this Agreement shall prevent the Czech Republic from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated airline of the Kingdom of Saudi Arabia that operates between a point in the territory of the Czech Republic and another point in the territory of the Czech Republic or in the territory of another European Union Member State.

7. Nothing in this Agreement shall prevent the Kingdom of Saudi Arabia from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated airline of the Czech Republic that operates between a point in the territory of the Kingdom of Saudi Arabia and another point in the territory of the Kingdom of Saudi Arabia.

ARTICLE 7
PRINCIPLES GOVERNING OPERATION
OF THE AGREED SERVICES

1. The designated airlines of the two Contracting Parties shall be afforded fair and equal opportunity in the operation of the agreed services on the specified routes.
2. In operating the agreed services, the designated airlines of each Contracting Party shall take into account the interests of the 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 airlines of the Contracting Parties 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, cargo and mail between the territory of the Contracting Party designating the airline and the territory of the other Contracting Party. Provision for the carriage of passengers and cargo including mail both taken on board and discharged at points on the specified routes in the territories of states other than that designating the airline shall be agreed between the two Contracting Parties since capacity is related to:
 - (a) Traffic requirements to and from the territory of the Contracting Party, which has designated the airline;
 - (b) Traffic requirements of the area through which the agreed service passes, after taking account of other transport services established by airlines of the states comprising the area;
 - (c) The requirements of through airline operation.
4. The number of frequencies and the capacity to be provided on the agreed services by the designated airlines of both Contracting Parties shall be agreed between the Aeronautical Authorities of both Contracting Parties.

ARTICLE 8
APPROVAL OF TIMETABLES

The designated airlines of either Contracting Party shall, not later than sixty (60) days prior to the date of operation of any agreed services, submit its proposed timetables to the Aeronautical Authorities of the other Contracting Party for approval. Such timetables shall include the type of service and aircraft to be used, the flight schedule, configuration and number of seats available to the public and period of timetable validity. This shall, likewise, apply to any subsequent changes. In special cases this time limit may be reduced subject to the approval of the said authorities.

ARTICLE 9

SUPPLY OF STATISTICS

The Aeronautical Authorities of either Contracting Party shall supply to the Aeronautical Authorities of the other Contracting Party, at their request, such information and statistics relating to the traffic carried on the agreed services by their designated airlines to and from the territory of the other Contracting Party as may be reasonably required for the purpose of reviewing the operation of the agreed services. Such data shall include details on volume, distribution, origin and destination of the traffic. Any additional statistical traffic data which the Aeronautical Authorities of the Contracting Party may desire from the Aeronautical Authorities of the other Contracting Party shall, upon request, be a subject of mutual discussion and agreement between the two Contracting Parties.

ARTICLE 10

APPLICABILITY OF LAWS AND REGULATIONS

1. The laws and regulations of one Contracting Party shall apply to the navigation and operation of the aircraft of the airlines designated by the other Contracting Party during entry into, stay in and departure from the territory of the other Contracting Party.
2. The laws and regulations of one Contracting Party governing entry into, stay in and departure from its territory of passengers, crew, cargo or mail such as formalities regarding entry, exit, emigration, immigration, passports, customs, currency, health, quarantine, veterinary or sanitary measures shall apply to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party while they are within the said territory.
3. Neither Contracting Party may grant any preference to its own airline with regard to the designated airline of the other Contracting Party in the application of the laws and regulations provided for in this Article.

ARTICLE 11

TRANSFER OF EARNINGS

1. Each Contracting Party grants to the designated airline of the other Contracting Party the right of flexible transfer, in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued, in connection with the carriage of passengers, mail and cargo. No charges other than normal bank charges shall be applicable to such transfers.
2. If a Contracting Party imposes restrictions on the transfer of revenue accrued by the

designated airline of the other Contracting Party, the latter have the right to impose reciprocal restrictions on the designated airline of that Contracting Party.

3. In the event that payments between the Contracting Parties are governed by an agreement on avoidance of double taxation, such an agreement shall apply.

ARTICLE 12

AVIATION SAFETY

1. Certificates of airworthiness, certificates of competency and licences, issued or rendered valid by one Contracting Party and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services on the specified routes provided that such certificates or licences were issued or rendered valid in conformity to 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.

2. Each Contracting Party may request consultancy procedures concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew, aircraft and operations of aircraft provided that such consultancy procedures to be performed within thirty (30) days from the date the request is delivered. If following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards and requirements in these areas that are at least equal the minimum standards which may be established pursuant to the Convention on International Civil Aviation, the other Contracting Party shall be notified of such findings of deficiencies and the steps considered necessary to conform to these safety standards, and the other Contracting party shall take appropriate corrective action during thirty (30) days or during an agreed upon time period between the two Contracting Parties.

3. Each Party reserves the right to suspend, refuse or revoke the operating authorization for the airline designated by the other Contracting Party in case no appropriate action has been taken during the appropriate time.

4. Pursuant to Article 16 of the Convention, any aircraft operated, or any aircraft which its ownership does not belong to the designated airlines of either of the Contracting Party in accordance with the designation provision of this Agreement and is utilized to conduct air services operation in accordance with the provisions of this Agreement to and from the territory of the other Contracting Party through leasing arrangements from another air carrier of either Contracting Party or third party, be the subject of a search by the authorized representatives of the other Contracting Party. Notwithstanding the obligations mentioned in Article 33 of the 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, provided this does not cause unreasonable delay in the operation of the aircraft.

5. When an urgent action is essential to ensure the safety of an airline operation, as a result of a ramp inspection, a series of ramp inspection, a denial of access for ramp inspection, consultations or otherwise, each Contracting Party reserves the right to immediately suspend or vary the operating authorization of an airline or airlines of the other Contracting Party.

6. Any action by one Contracting Party in accordance with paragraph 5 above shall be discontinued once the basis of that action ceases to exist.

7. Where the Czech Republic has designated an airline whose regulatory control is exercised and maintained by another European Union Member State, the rights of the Kingdom of Saudi Arabia under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other European Union Member State and in respect of the operating authorisation of that airline.

ARTICLE 13

AIRLINE COMMERCIAL REPRESENTATION AND SALE OF SERVICES

1. The designated airlines of one Contracting Party shall be entitled, in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, and on the basis of reciprocity, to bring in and maintain in the territory of the other Contracting Party those of its own managerial, technical, operational and other specialist staff who are required for the provisions of the present air services.

2. The representative and staff shall be subject to the laws and regulations in force in the territory of the other Contracting Party.

3. Subject to the laws and regulations in force in the respective territory, the designated airlines of both Contracting Parties shall have the right to establish in the territory of the other Contracting Party an office or offices for promotion of air transport and sale of the air services.

4. Upon filing with the Aeronautical Authorities of the first Contracting Party and subject to appropriate commercial registration in accordance with the respective laws and regulations in force in the territory of this first Contracting Party each Contracting Party shall grant the designated airline of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at the airline's discretion, through agents. Any person shall be free to purchase such services in the local currency or in any freely convertible currency normally purchased by banks in that territory.

ARTICLE 14

AVIATION 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. Without limiting the generality of their rights and obligations under international law the Contracting Parties shall, in particular, act in conformity to 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 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation signed at Montreal on 23 September 1971 and the 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 any other convention or protocol relating to the security of civil aviation which both Contracting Parties adhere to.
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 to 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; 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 or, in the case of the Czech Republic operators of aircraft who are established in its territory under the EU Treaties and have valid Operating Licences in accordance with European Union law and the operators of airports in their territory act in conformity to 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 above in conformity with laws and regulations in force in that country, including, in the case of the Czech Republic, European Union law, 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, occurs to their passengers and crew, airport or air navigation facilities, 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 aviation security provisions of this Article, the Aeronautical Authorities of that Contracting Party may request immediate consultations with the Aeronautical Authorities of the other Contracting Party. Failure to reach a satisfactory agreement within thirty (30) days of the date of such request shall constitute grounds for application of Article 4 of this Agreement. If required by a serious emergency, either Contracting Party may take interim action prior to the expiry of this period.

ARTICLE 15

TARIFFS

1. The tariffs to be charged by the airlines of the Contracting Parties for the agreed services shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service and the tariffs of the other airlines operating scheduled services over the whole or part of the same routes.

2. The tariffs referred to in paragraph 1 of this Article shall, if possible, be determined on the basis of the forces of supply and demand in the market.

3. The tariffs implemented shall be filed to the Aeronautical Authorities of both Contracting Parties for record keeping purposes and proper reaction against any unfair competitive behaviour in the market. With this regard, each Contracting Party shall have the right to intervene so as to:

- (a) prevent unreasonably discriminatory tariffs or practices;
- (b) protect consumers from tariffs that are unreasonably high or restrictive due to abuse of a dominant position; and
- (c) protect airlines from tariffs that are artificially low due to direct or indirect subsidy or support, or where evidence exists as to an intent to eliminate competition.

4. If any dispute arises between the designated airline of either of the Contracting Parties due to unfair competitive practice in the market related to tariff implications, it should be settled in accordance with the provisions of Article 21 of this Agreement.

ARTICLE 16

CODE-SHARING

In operating or holding out air services on the specified routes any designated airline of the Contracting Parties may enter into code-sharing and blocked-space arrangements subject to the agreement of the Aeronautical Authorities of both Contracting Parties.

ARTICLE 17

INTERMODAL SERVICES

The designated airlines of each Contracting Party shall have the right to employ, in connection with air transport of passengers and cargo, any surface transport to or from any point in the territories of the Contracting Parties or third countries. The designated airlines may elect to perform their own surface transport or to provide it through arrangements, including code-share, with other surface carriers, subject to laws and regulations in force in the territory of a Contracting Party concerned. The intermodal services may be offered as a through service and at a single price for the air and surface transport combined, provided that passengers and shippers are informed as to the facts concerning such transport.

ARTICLE 18

GROUND HANDLING

Subject to the laws and regulations in force in the territory of the respective Contracting Party including, in the case of the Czech Republic, European Union law, each designated airline shall have in the territory of the other Contracting Party the right to perform its own ground handling (self-handling) or, at its option, the right to select among competing suppliers that provide ground handling services in whole or in part. Where such laws and regulations limit or preclude self-handling and where there is no effective competition between suppliers that provide ground handling services, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground handling services provided by a supplier or suppliers.

ARTICLE 19

CONSULTATIONS AND AMENDMENTS

1. In a spirit of close co-operation the two Contracting Parties or their Aeronautical Authorities shall consult each other from time to time with a view to ensuring the

implementation of and satisfactory compliance with the provisions of this Agreement and Annexes thereto.

2. If either Contracting Party considers it desirable to amend any of the provisions of this Agreement, it may request consultation with the other Contracting Party. Such consultation shall begin within a period of sixty (60) days from the date of the request. Any amendments so agreed shall come into force on the sixtieth (60) day after delivery of the latter of diplomatic notes confirming that formalities constitutionally required for approval of this amendment have been complied with.

3. Amendments of this Agreement shall be approved by each Contracting Party in accordance with its constitutional procedures.

4. Issues relating to traffic rights and route rights shall be discussed and enter into force in accordance with the internal procedures of the Contracting Parties.

ARTICLE 20

CONFORMITY TO MULTILATERAL CONVENTIONS OR AGREEMENTS

This Agreement and its Annexes will be amended so as to conform to any multilateral conventions or agreements, which may become binding upon the Contracting Parties.

ARTICLE 21

SETTLEMENT OF DISPUTES

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement and its Annexes the Contracting Parties shall in the first place endeavour to settle it by negotiation.

2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for an advisory opinion to some person or body.

3. If the Contracting Parties fail to reach a settlement pursuant to paragraphs 1 and 2 above, either Contracting Party may in accordance with its relevant laws and regulations refer the dispute to an arbitral tribunal of three arbitrators, two of whom to be nominated by the Contracting Parties and one umpire. In case the dispute is referred to arbitration, each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt a notice in respect of reference of the dispute to arbitration and the umpire shall be appointed within a further period of sixty (60) days from the last appointment by the two so nominated. If either Contracting Party fails to nominate its arbitrator within the specified period, or nominated arbitrators fail to agree on the umpire within the said period, the President of the

Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint the arbitrator of failing Contracting Party or the umpire as the case may require. However, the umpire shall be a national of a state having diplomatic relations with both Contracting Parties at the time of the appointment.

4. In the case of the appointment of the umpire by the President of the Council of International Civil Aviation Organization, if the President of the Council of International Civil Aviation Organization is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the Vice President and if the Vice President is also prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by senior member of the Council who is not a national of either Contracting Party.

5. Subject to other provisions agreed by the Contracting Parties, the arbitral tribunal shall determine its procedure and the place of arbitration.

6. The decisions of the arbitral tribunal shall be binding for the Contracting Parties.

7. Each Contracting Party shall bear the cost of its own member as well as of its representation in the arbitral proceedings. The cost of the chairman and any other expenses of the arbitral tribunal shall be shared equally by the Contracting Parties. Any expenses incurred by the Council in connection with the appointment of the umpire and/or the arbitrator of the failing Contracting Party as referred to in paragraph 3 of this Article shall be considered to be part of the expenses of the arbitral tribunal.

ARTICLE 22

TERMINATION

1. Either Contracting Party may, at any time, give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall simultaneously be communicated to International Civil Aviation Organization.

2. 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 mutual agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

ARTICLE 23

REGISTRATION WITH ICAO

This Agreement and any amendments thereto shall be registered with the International Civil Aviation Organization.

ARTICLE 24

ENTRY INTO FORCE

Each Contracting Party shall notify the other Contracting Party by diplomatic note that the formalities constitutionally required in their respective country for approval of this Agreement have been complied with. This Agreement shall enter into force on the sixtieth (60) day after delivery of the latter of these two notifications.

In witness whereof the undersigned plenipotentiaries being duly authorized have signed this Agreement.

Done in Nassau on 7th December 2016 AD, corresponding to 8 Rabi Awwal 1438 AH, in two original copies, in the Czech, Arabic and English languages. All texts are being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

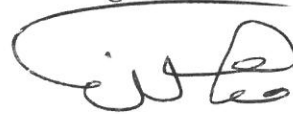
For

The Czech Republic



For

The Kingdom of Saudi Arabia



ANNEX

ROUTE SCHEDULE

Section (1): Routes on which air services may be operated by the designated airline (airlines) of the Czech Republic

Points of Origin	Intermediate Points	Points in the Kingdom of Saudi Arabia	Points Beyond
Points in the Czech Republic	Any points agreed to by Aeronautical Authorities	Riyadh Jeddah Dammam	Any points agreed to by Aeronautical Authorities

Section (2): Routes on which air services may be operated by the designated airline (airlines) of the Kingdom of Saudi Arabia

Points of Origin	Intermediate Points	Points in the Czech Republic	Points Beyond
Points in the Kingdom of Saudi Arabia	Any points agreed to by Aeronautical Authorities	Prague Brno Ostrava Pardubice Karlovy Vary	Any points agreed to by Aeronautical Authorities

Section (3): Notes on the routes to be operated by the designated airlines of both Contracting Parties.

1. Each designated airline may serve intermediate points and points beyond specified in the Annex of the present Agreement on condition that no fifth freedom traffic rights shall be exercised between these points and the territory of the other Contracting Party, unless an agreement to that effect is made between the Contracting Parties.

2. The designated airlines of each Contracting Party may on any or all flights:

- (a) omit calling at any of the above mentioned points, provided that the agreed services on these routes begin at the point in the territory of the Contracting Party designating the airline;

- (b) combine different flight numbers within the one aircraft operation;
- (c) transfer traffic from any of its aircraft to any of its other aircraft at any point; and
- (d) serve the intermediate points, beyond points and points in the territories of the Contracting Parties in any order.