

**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC
OF CHINA AND THE GOVERNMENT OF THE
REPUBLIC OF CHILE
ON CIVIL AIR TRANSPORT**

The government of the People's Republic of China and the Government of the Republic of Chile (hereinafter referred to as "the Contracting Parties");

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

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on December 7, 1944;

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

**Article 1
Definitions**

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

(1) the term "aeronautical authorities" means, in the case of the People's Republic of China, the General Administration of Civil Aviation of China, or any person or agency authorized to perform any function presently exercised by the said Administration; and in the case of the Republic of Chile, the Junta de Aeronautical Civil, or any person or agency authorized to perform any function presently exercised by the said Authority.

(2) the term "Agreement" means this Agreement and its Annex as well as any amendment to this Agreement and/or its Annex made in accordance with Article 18 of this Agreement.

(3) the term "airline" means any air transport enterprise offering or operating international air services.

(4) the term "designated airline or airlines" means the airline or airlines having been designated and authorized in accordance with Article 3 of this Agreement.

(5) the term "aircraft" means civil aircraft.

(6) the term "air service" means any scheduled air service performed by aircraft for the public

transport of passengers, baggage, cargo or mail, separately or in combination.

(7) the term “international air service” means an air service which passes through the air space over the territory of more than one State.

(8) the term “stop for non-traffic purposes” means a landing for any purpose other than taking on or discharging passengers, baggage, cargo or mail.

(9) the term “capacity” means:

(a) in relation to an aircraft, the payload of that aircraft available on a route or section of a route;

(b) in relation to an air service, the capacity of the aircraft used on such service multiplied by the frequency operated by such aircraft over a given period on a route or section of a route.

(10) the term “tariff” means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary service, but excluding prices and conditions for the carriage of mail.

(11) the term “Route Schedule” means the Route Schedule annexed to this Agreement or as amended in accordance with the provisions of Article 18 of this Agreement. The Route Schedule forms an integral part of this Agreement.

(12) the term “specified route” means the route specified in the Route Schedule.

(13) the term “change of gauge” means a change of aircraft at any point in the specified routes.

(14) the term “code sharing” means any operation carried out by each designated airline using a letter code and the flight number of another airline in addition to its own letter code and flight number.

(15) the term “territory” has the meaning attached thereto in Article 2 of the Convention.

(16) the term “user charges” means a charge made to airlines for the provision of airport, air navigation or aviation security property or facilities.

Article 2

Grant of Rights

(1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to enable the designated airline or airlines of the other Contracting Party to establish and operate international air services on the route specified in the Annex (hereinafter called “the agreed services”).

(2) Subject to the provisions of this Agreement, the designated airline or airlines of each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:

(a) to fly without landing across the territory of the other Contracting Party along the air route(s) prescribed by the aeronautical authorities of the other Contracting Party; and

(b) to make stops for non-traffic purposes at point(s) on the specified route in the territory of the other Contracting Party; and

(c) to make stops at the point(s) on the specified route in the territory of the other Contracting Party for the purpose of taking on board and discharging international traffic in passengers, baggage, cargo and mail, originating in or destined for the first Contracting Party.

(3) The right of the designated airline or airlines of one Contracting Party to take on board and discharge at point(s) in the territory of the other Contracting Party international traffic to or from a third country shall be agreed upon between the aeronautical authorities of the two Contracting Parties.

Article 3

Airline Designation and Authorization

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines to operate the agreed services on the specified route, and to withdraw or alter such designations.

(2) The substantial ownership and effective control of the airline designated by each Contracting Party shall remain vested in such Contracting Party or its nationals.

(3) The aeronautical authorities of the other Contracting Party may require the airline or airlines designated by the first Contracting Party to satisfy them that it is qualified to meet the conditions and the obligations prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities.

(4) On receipt of such designation, the other Contracting Party shall, subject to the provisions of paragraphs (2) and (3) of this Article, grant to the airline or airlines so designated the appropriate operating authorization without unreasonable delay.

(5) The designated airline of one Contracting Party may commence, when it has required operating authorization, operation of the agreed services in accordance with the relevant provisions of this Agreement from the date prescribed in such authorization.

Article 4

Revocation, Suspension of Authorization or Imposition of Conditions

(1) Each Contracting Party shall have the right to revoke or suspend the operating authorization granted to the designated airline or airlines of the other Contracting Party or to impose such conditions as it may deem necessary on the exercise by the said designated airline of the rights specified in Article 2 of this Agreement, in any of the following cases:

(a) where it is not satisfied that the substantial ownership and effective control of the said designated airline are vested in the other Contracting Party designating that airline or its airlines; or

(b) where the said designated airline fails to comply with the laws and regulations of the first Contracting Party referred to in Article 5 of this Agreement; or

(c) where the said designated airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

(2) Unless immediate revocation, suspension of rights or imposition of conditions prescribed in paragraph (1) of this Article is essential to prevent further infringement of laws and regulations by the said designated airline, such right shall be exercised only after consultation with the other Contracting Party.

Article 5

Application of Laws and Regulations

(1) The laws and regulations of one Contracting Party relating to the admission to, departure from or operation and navigation in its territory of aircraft engaged in the international operation shall be applicable to the aircraft of the designated airline of the other Contracting Party, while entering, departing from or operating and navigating in the territory of the first Contracting Party.

(2) The laws and regulations of one Contracting Party relating to admission to, stay in or departure from its territory of passengers, crew, baggage, cargo or mail, such as laws and regulations relating to entry, clearance, aviation safety, immigration, passports, customs and quarantine, shall be applicable to the passengers, crew, baggage, cargo or mail carried by the aircraft of the designated airline of the other Contracting Party while entering, staying in and departing from the territory of the first Contracting Party.

(3) Other relevant laws and regulations relating to aircraft and provisions in respect of civil aviation of one Contracting Party shall be applicable to the designated airline of the other Contracting Party while operating the agreed services in the territory of the first Contracting Party.

(4) Passengers, baggage, cargo and mail in direct transit and not leaving the area of the airport reserved for such purpose shall be subject to no more than a simplified control.

Article 6

Capacity Provisions

(1) Capacity, frequency and flight schedules shall be agreed upon between the aeronautical authorities of the Contracting Parties.

(2) There shall be a fair and equal opportunity for the designated airlines of the Contracting Parties to operate the agreed services on the specified routes.

(3) In operating the agreed services the designated airline or airlines of each Contracting Party shall take into account the interests of the designated airline or airlines of the other Contracting Party so as not to affect unduly the services provided by the latter on the whole or part of the same route.

(4) The agreed services supplied by the designated airlines of the Contracting Parties shall provide at a reasonable load factor capacity adequate to meet the traffic requirements for the carriage of passengers, baggage, cargo and mail between the territories of the Contracting Parties.

(5) Provisions for taking on board and discharging passengers, baggage, cargo and mail by the designated airline of one Contracting Party at point(s) on the specified route other than point(s) in the territory of either Contracting Party shall be made in accordance with the general principles that capacity shall be related to:

(a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;

(b) traffic requirements of the country or region other than the Contracting Parties through which the agreed service passed, taking account of the other air services established by airline(s) of the State or that region;

(c) the requirements of through airline operation.

Article 7

Commercial Arrangements

(1) Matters relating to ground-handling in the operation of the agreed services by the designated airline or airlines of one Contracting Party shall be subject to the possible alternatives offered at each airport and subject to the pertinent regulations of the other Contracting Party.

(2) Each designated airline of either Contracting Party may engage in the sale of air transportation in the territory of the other Contracting Party directly and, at the airline's discretion, through its duly licensed agents.

(3) The designated airline of either Contracting Party may, according to traffic requirements, apply for operation of extra section on the specified route. The application for such flight shall be submitted to the aeronautical authorities of the other Contracting Party, at least three days before its proposed operation, and the flight can be operated only after approval has been obtained.

(4) The designated airlines of both Contracting Parties may use code sharing, blocked space or any joint operation formula between them while operating the agreed services on the specified routes or segments of the said routes.

Article 8

Tariffs

Each Contracting Party shall respect the tariff legislation of the other Contracting Party. However, either contracting Party shall have the right to intervene in order to avoid unfair competition in this connection.

Article 9

Technical Services and Rate of Charge

(1) Each Contracting Party shall provide regular airport(s), alternate airport(s) and air navigation facilities in its territory and relevant services including communications, navigational, meteorological and other auxiliary facilities and services for the operation of the agreed services by the designated airlines of the other Contracting Party.

(2) The designated airline of each Contracting Party shall be charged for the use of airports and air navigation facilities of the other Contracting Party at fair and reasonable rates prescribed by the appropriate authorities of the other Contracting Party. Such rate shall not be higher than those applicable to any airline of other States for the services and the use of similar airports and air navigational facilities in the territory of the other Contracting Party.

Article 10

Provision of Statistical Data

The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party, at their request, statistical data as may be reasonably required for the purpose of reviewing the capacity provided by the agreed services operated by the designated airline of the first Contracting Party on the specified route. Such data shall include all information

required to determine the amount of traffic carried by the said designated airline on the agreed services.

Article 11

Representation and Personnel

(1) For the operation of the agreed services on the specified route, the designated airline of each Contracting Party shall have the right, on the reciprocal basis, to set up representation at the point(s) on the specified route within the territory of the other Contracting Party.

(2) The staff members of the representation of the designated airline of each Contracting Party in the territory of the other Contracting Party shall be nationals of either Contracting Party. Such staff shall be subject to the laws and regulations of the other Contracting Party.

(3) Each Contracting Party shall extend assistance and facilities to the representation and its staff members of the designated airline of the other Contracting Party necessary for the efficient operation of the agreed services.

(4) The crew members of the designated airline of either Contracting Party on the agreed services will be nationals of the said Contracting Party. If a designated airline of either Contracting Party desires to employ crew members of any other nationality on the agreed services, prior approval shall be obtained from the other Contracting Party.

Article 12

Customs Duties and Taxation

(1) When an aircraft operated on the agreed services by the designated airline of one Contracting Party arrives in the territory of the other Contracting Party, the said aircraft and its regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt on the basis of reciprocity from all custom duties, taxes, inspection fees and other similar fees and charges, provided such equipment and items remain on board the aircraft up to such time as they are re-exported.

(2) The following equipment and items shall also be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, with the exception of charges corresponding to the services provided:

(a) regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) carried into the territory of the other Contracting Party and intended for use on aircraft operated on the agreed services by the designated airline, even when such equipment and items are to be used on part of the journey

performed over the territory of the other Contracting Party;

(b) spare parts (including engines) introduced into the territory of the other Contracting Party for the maintenance or repair of aircraft operated on the agreed services by the designated airline.

(3) The equipment and items referred to in paragraphs (1) and (2) of this Article may be unloaded in the territory of the other Contracting Party with the approval of the Customs authorities of the other Contracting Party. Such equipment and items shall be kept under the supervision or control of the Customs authorities of the other Contracting Party up to such time as they are re-exported, or otherwise disposed of in accordance with the customs regulations of the other Contracting Party.

(4) The exemption provided for in paragraphs (1) and (2) of this Article shall also be available where a designated airline of one Contracting Party has contracted with other airline(s), which similarly enjoy(s) such exemptions in the territory of the other Contracting Party, for the loan or transfer in the territory of the other Contracting Party of the equipment and items specified in paragraphs (1) and (2) of this Article.

(5) Printed ticket stock, air waybills and publicity materials introduced by the designated airline of one Contracting Party into the territory of the other Contracting Party, shall be exempt on the basis of reciprocity from all custom duties, taxes, inspection fees and other similar fees and charges.

(6) Office supplies, vehicles for office use, vehicles for special use at airport, bus-type vehicles (excluding cars) for carriage of crew members and their baggage, as well as computer reservation system and communication equipment including their spare parts of the representation of the designated airline of either Contracting Party shall, when introduced into the said territory of the other Contracting Party, be exempt from customs duties and other duties on importation on the basis of reciprocity provided these supplies are intended for the airline's own use and do not exceed reasonable limit.

(7) Baggage, cargo and mail in direct transit shall be exempt from all customs duties, taxes, inspection fees and other similar fees and charges on the basis of reciprocity with the exception of the charges corresponding to the services provided.

Article 13

Conversion and Remittance of Revenue

(1) The designated airline of each Contracting Party shall have, on the reciprocal basis, the right to remit its revenue received in the territory of the other Contracting Party to the territory of the first Contracting Party.

(2) The conversion and remittance of such revenue shall be effected in convertible currencies at the effective rate of exchange prevailing on the date of remittance.

(3) Each Contracting Party shall facilitate the conversion and remittance of the revenue received in its territory by the designated airline of the other Contracting Party, and assist promptly the said airline in attending to the relevant formalities.

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. The Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offenses 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.

(2) The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of 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 threat to the security of civil aviation.

(3) The Contracting Parties shall, in their mutual relations, act in conformity with the Standards and Recommended Practices relating to aviation security established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation to the extent that such Standards and Recommended Practices are applicable to the Contracting Parties. They shall require that operators of aircraft of their registry and operators of aircraft who have their principal place of business or permanent residence their territory and operators of airport or airports in their territory act in conformity with such aviation security provisions.

(4) Both Contracting Parties agree that such operators of aircraft may be required to observe the aviation security provisions established by the other Contracting Party as referred to in paragraph (3) of this Article for entry into, departure from, or while within the territory of that other Contracting Party. Both Contracting Parties shall ensure that adequate measures are effectively applied within its territory to protect the safety of the aircraft prior to and during boarding or loading, and to inspect passengers, crew, baggage, cargo and aircraft stores prior to 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 unlawful seizure of 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.

Article 15
Recognition of Certificates and Licenses

Each Contracting Party shall recognize the valid certificate of airworthiness, certificate of competency and licenses issued or validated by the other Contracting Party for the operation of the agreed services on the specified route, provided that the standards of such certificates and licenses are equivalent to or above the minimum standards established from time to time in accordance with the Convention on International Civil Aviation.

Article 16
Consultation

(1) The Contracting Parties shall, in the spirit of close cooperation and mutual support, ensure the correct implementation of and satisfactory compliance with the provisions of this Agreement. To this end, the aeronautical authorities of the Contracting Parties shall consult each from time to time.

(2) Either Contracting Party may at any time request consultation with the other Contracting Party concerning this Agreement. Such consultation shall begin as soon as possible, and at least within sixty days from the date of receipt of the request by the other Contracting Party unless otherwise agreed to.

Article 17
Settlement of Disputes

(1) If any dispute arises between the Contracting Parties relating to the interpretation or implementation of this Agreement, the aeronautical authorities of the two Contracting Parties shall in the first place settle the dispute by negotiation.

(2) If the aeronautical authorities of the Contracting Parties fail to reach a settlement of the said dispute, the Contracting Parties shall settle such dispute through diplomatic channels.

Article 18
Amendment and Modification

(1) If either of the Contracting Parties considers it desirable to amend any provision of this Agreement or its Annex, it may at any time request consultation with the other Contracting Party, and such consultation, which may be through discussion or by correspondence, shall begin within a period of ninety days from the date of receipt of the request by the other Contracting Party, unless both Parties agree to an extension of this period.

(2) The consultation referred to in paragraph (1) of this Article may also be held between the aeronautical authorities of the Contracting Parties.

(3) Any amendment to this Agreement or its Annex shall come into force when it has been confirmed by an exchange of notes through diplomatic channels. Notwithstanding the provision of paragraph (2) of Article 1, any amendment to the Annex of this Agreement shall be agreed upon only by the aeronautical authorities of both Contracting Parties.

Article 19

Termination

Either Contracting Party may at any time give notice to the other Contracting Party through diplomatic channels of its decision to terminate this Agreement. This Agreement shall then terminate twelve months after the date of receipt of the notice by the other Contracting Party unless such notice is withdrawn by agreement between the Contracting Parties before the expiry of this period.

Article 20

Registry

This Agreement or any amendment thereto shall be registered with the International Civil Aviation Organization.

Article 21

Titles

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

Article 22

Entry Into Force

This Agreement shall enter into force on the date of the last notice, sent by either Contracting Party through diplomatic channels, indicating that all the internal formalities required therefore have been complied with.

While the entry into force of this Agreement is pending, both Contracting Parties engage to apply its provisions as from the date of signature, according to their respective legal and administrative powers.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

Signed at Santiago, on this third day of June in the year one thousand nine hundred and ninety-six, in duplicate, in the Chinese, Spanish and English languages, all of them being equally authentic.

In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT
OF THE PEOPLE'S
REPUBLIC OF CHINA

FOR THE GOVERNMENT
OF THE REPUBLIC OF
CHILE

ANNEX
Route Schedule

(1) The points to be included in the Route Schedule and the operating conditions for the agreed services shall be determined by mutual agreement between the aeronautical authorities of both Contracting Parties.

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