



**PROTOCOL TO AMEND THE MEMORANDUM OF UNDERSTANDING BETWEEN  
THE GOVERNMENTS OF INDONESIA, MALAYSIA AND THAILAND ON  
EXPANSION OF AIR LINKAGES**

The Governments of Indonesia, Malaysia and Thailand, hereinafter referred to as the Participating Parties, having subscribed to the establishment of Indonesia-Malaysia- Thailand Growth Triangle (IMT-GT);

**RECALLING** the Memorandum of Understanding between the Governments of Indonesia, Malaysia and Thailand on Expansion of Air Linkages (hereinafter referred to as “MOU on Air Linkages”) signed and entered into force on 10 April 1995 which seeks to promote and enhance trade, investment, commerce, tourism and cultural exchange among Indonesia, Malaysia and Thailand through expansion and strengthening of air services;

**RECALLING** also the Indonesia-Malaysia-Thailand Growth Triangle 23<sup>rd</sup> Ministerial Meeting held in Bangka Belitung, Indonesia on 28 September 2017 which had agreed in enhancing the air connectivity within IMT-GT region;

**RECOGNISING** the importance to expand and strengthen air services within the IMT-GT and to develop the mechanism thereof;

**DESIRING** to amend the MOU on Air Linkages to provide for an increased intra IMT-GT air services.

Without prejudice to the existing agreements, national laws, relevant policies and regulations, the Participating Parties have hereby reached the following understanding:

## Article 1

Points of the IMT-GT as listed in the Schedule A (Designated Points) of the MOU on Air Linkages shall be substituted with the following:

### Schedule A: Designated Points

Participating Parties	Points
Indonesia	Medan Banda Aceh Padang *Siborong-Borong Tanjung Pandan
Malaysia	Penang Alor Setar Ipoh Kota Bharu Langkawi Melaka *Subang (only turbo-prop aircraft is allowed due to airport restriction)
Thailand	Hat Yai Pattani Narathiwat Trang Nakon Si Thammarat *Surat Thani

Note: \* new designated points

## **Article 2**

- (i) Clause 6.2.1 shall be amended and replaced by the following paragraph:

Immediate cooperation plans have to be developed to establish air linkages and provide air services (scheduled and non-scheduled) to connect points in the IMT-GT with full third, fourth and fifth freedom traffic rights without any restrictions on capacity, frequency and aircraft type.

- (ii) The following paragraph shall form the fourth paragraph under Clause 6.2 of the MOU on Air Linkages:

6.2.4 The designated airline(s) of each Participating Party shall be allowed to exercise domestic code-share rights as marketing airline(s) provided that there shall be no exercise of cabotage rights. For the avoidance of doubt, the term “cabotage rights” in the aforementioned sentence includes the holding out of air services for sale on purely domestic routes by the marketing airline(s) of that Participating Party. In operating or holding out the code-share services on the specified route(s), the designated airline(s) of each Participating Party may, market and sell, in addition to the points mentioned in Schedule A MOU on Air Linkages, any other points within the territory of the other Participating Parties. The domestic route, subject of the code-share rights, shall be operated by the airline(s) designated by those Participating Parties. For avoidance of doubt, Schedule A MOU on Air Linkages shall apply in the exercise of domestic code-share rights.

6.2.5 Noting the definition domestic code-share rights is a code-sharing arrangement where a marketing carrier applies its own flight code on a domestic carrier that is operating a domestic leg, and shall only be available as part of an international journey.

### Article 3

The following paragraph shall replace Clause 7 of the MOU on Air Linkages:

- 3.1 Each Participating Party shall have the right to designate as many airlines as it wishes for the purpose of conducting international air services in accordance with this MOU on Air Linkages and to withdraw or alter such designation. Such designation shall be transmitted in writing through diplomatic channels to the Centre for IMT-GT Subregional Cooperation (CIMT) who shall subsequently inform all the Participating Parties.
- 3.2 On receipt of such a designation, and of application from the designated airline(s), in the form and manner prescribed for operating authorisation and technical permission, each Participating Party shall grant the appropriate authorisation and technical permission with minimum procedural delay, provided that:
- (a) substantial ownership and effective control of that airline are vested in the Participating Party designating the airline, nationals of that Participating Party, or both; or
  - (b) the Party designating the airline is in compliance with the safety and security standard as required by the International Civil Aviation Organisation; and
  - (c) the designated airline is qualified to meet other conditions prescribed under the laws, regulations and rules normally applied to the operation of international air services by the Participating Party considering the application.
- 3.3 The Participating Parties granting operating authorisations in accordance with paragraph 3.2 of this Article shall notify such action to the CIMT who will subsequently inform all the Participating Parties.

**Article 4**  
**Revision, Modification and Amendment**

The MOU on Air Linkages shall be amended by:

- 4.1 Either Participating Party may request in writing a revision, modification or amendment of all or any part of this Memorandum of Understanding.
- 4.2 Any revision, modification or amendment agreed to by the Participating Parties shall be in writing and shall form an integral part of this Memorandum of Understanding.
- 4.3 Such amendments, if agreed among all the Participating Parties shall come into effect on the date of the second notification by the Participating Parties through diplomatic channel to all other Participating Parties that they have complied with domestic requirements for its entry into force, and shall become effective only among Participating Parties that have submitted their notification.

**Article 5**  
**Entry Into Force**

- 5.1 This Protocol shall enter into force on the date of the second notification by the Participating Parties through diplomatic channel to all other Participating Parties that they have complied with domestic requirements for its entry into force, and shall become effective only among Participating Parties that have submitted their notification.

**Article 6**  
**Application**

6. This Protocol shall modify and form an integral part of the Memorandum of Understanding between the Governments of Indonesia, Malaysia and Thailand on Expansion of Air Linkages signed on 10 April 1995 at Bangkok, Thailand.

**IN WITNESS WHEREOF**, the undersigned being duly authorised to sign by their respective Governments, have signed this Protocol to Amend the Memorandum of Understanding between the Governments of Indonesia, Malaysia and Thailand on Expansion of Air Linkages.

Done at Bangkok, Thailand, on 9 November 2018.

**For the Government of the Republic of Indonesia**

**BUDI KARYA SUMADI**  
Minister for Transportation

**For the Government of Malaysia**

**LOKE SIEW FOOK**  
Minister of Transport

**For the Government of the Kingdom of Thailand**

**ARKHOM TERMPITTAYAPASITH**  
Minister of Transport