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**Published on the website on May 2024**

**Law No. (18) of 2019 ratifying the Convention Between the Government of the Kingdom of Bahrain and the Government of the Kingdom of Saudi Arabia in the Field of Air Transport Services**

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain

Having reviewed the Constitution

And the Convention between the Government of the Kingdom of Bahrain and the Government of the Kingdom of Saudi Arabia in the Field of Air Transport Services signed in Manama on 6 Rabi' al-awwal 1440 A.H., corresponding to 14 November 2018.

The Shura Council and the Council of Representatives have approved the following Law, which we have ratified and enacted:

**Article One**

The Convention between the Government of the Kingdom of Bahrain and the Government of the Kingdom of Saudi Arabia in the Field of Air Transport Services, signed in Manama on the sixth of Rabi' al-awwal 1440 A.H., corresponding to 14 November 2018, attached to this Law, has been ratified.

**Article Two**

The Prime Minister and the Ministers - each within his jurisdiction - shall implement the provisions of this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

King of the Kingdom of Bahrain

Hamad bin Isa Al Khalifa

Issued at Riffa Palace:

On 27 Shawwal 1440 A.H.

Corresponding to: 30 June 2019

**Convention between the Government of the Kingdom of Bahrain and the Government of the Kingdom of Saudi Arabia in the Field of Air Transport Services**

Introduction:

The Government of the Kingdom of Bahrain and the Government of the Kingdom of Saudi Arabia (hereinafter referred to as the Contracting Parties), as parties to the Convention on International Civil Aviation opened for signature in Chicago on 7 December 1944, desiring to develop a global aviation navigation system based on competition in the market among Air Transport Companies and with the least amount of government intervention, desiring to facilitate expansion and increase opportunities in the field of international air transport services, and believing that providing effective and competitive international air transport services shall enhance trade exchange and lead to consumer welfare and economic growth.

Desiring to enable Air Transport Companies to offer a range of options related to the types of services provided to passengers and air cargo workers - at the lowest prices that are non-discriminatory and do not harm the existing situation.

Desiring to encourage Designated Air Transport Companies to develop and implement competitive pricing. Desiring to ensure that the highest levels of safety and security in the field of air transport services are achieved, and reaffirming their strong commitment to addressing threats targeting aircraft security, jeopardise the safety of passengers and property, and negatively impact air transport services.

They have agreed as follows:

**Article One Definitions**

In applying this Convention, the following words and expressions shall have the meanings assigned to them below, unless the context requires otherwise:

The Convention on International Civil Aviation opened for signature in Chicago on 7 December (1944), along with any annexes, amendments thereto or to its annexes, under Articles (Ninety) and (Ninety-Four), agreed upon by the Contracting Parties.

Civil Aviation Authorities: For the Kingdom of Bahrain, it shall be the Ministry of Transportation and Telecommunications, represented by the Civil Aviation Affairs. For the Kingdom of Saudi Arabia, it shall be the General Authority of Civil Aviation, or any other person or authority authorised to exercise functions currently performed by the aforementioned authorities.

Designated Air Transport Company: The Designated Air Transport Company appointed by one of the Contracting Parties to the other Contracting Party, in accordance with Article (Three) of the Convention.

Tariffs: Fees paid for the transportation of passengers, goods, or baggage, as well as the conditions applicable to such fees, including agency fees and conditions, and any other additional service, excluding compensation for mail transport.

Territory: Shall have the same meaning as assigned in Article (Two) of the Convention.

(Air Services), (International Air Services), Air Transport Company, and Landing for Non-Commercial Purposes, shall have the meanings assigned to each one of them in Article (Ninety- Six) of the Convention.

Convention: This Convention, its Annex, and any amendment to any of them.

Schedule: The Route Schedule for operating air transport services attached to the Convention, as well as any amendment thereto resulting from compliance with the provisions of Article (Seventeen) of the Convention.

Capacity: The available load capacity of an aircraft on the Specified Routes in the Schedule.

Spare Parts: Materials or tools used for repair and replacement, which are integrated into or comprised in the aircraft, including engines.

Ordinary Equipment: Materials or tools - non-stored - and transportable spare parts used on board the aircraft during flight, including first aid and survival equipment.

Airport and Facility Use Fees: Fees or charges collected from the Air Transport Companies in exchange for providing facilitations for the aircraft, navigators, and passengers at the airport and navigational facilities, including related services and facilities.

Air Transport: Public transportation by aircraft for passengers, baggage, goods, and mail separately or collectively in exchange for a fee.

Domestic Air Transport: Transport of passengers, baggage, goods, and mail by air from one point within the territory of one State to another point within the same territory.

International Air Transport: Transport of passengers, baggage, goods, and mail by air from one point within the territory of one State to another point within the territory of another State.

Multi-modal Air Transport: Public transportation by aircraft, and by one or more other means of transport for passengers, baggage, goods, and mail separately or collectively in exchange for a fee.

Organization: The International Civil Aviation Organization (ICAO).

Common Codes: The commercial arrangements under which two or more Air Transport Companies agree to operate and use air transport jointly.

**Article Two**

**Rights Granted**

Each Contracting Party shall grant the other Contracting Party the rights specified in the Convention, in order to provide scheduled international air services on the Specified Routes in the Schedule, such services and routes being hereinafter referred to as (Agreed Upon Services) and (Specified Routes) respectively.

The Designated Air Transport Company by either of the Contracting Parties, when operating the Agreed Upon Services along the Specified Routes, shall enjoy the following rights:

Flying without landing through the territory of the other Contracting Party.

Landing in the territory of the other Contracting Party for Non-Commercial Purposes.

Landing in the territory of the other Contracting Party at the points specified in the Schedule for the purpose of disembarking and loading of passengers, goods, baggage, and mail.

That the exercise of the right of transportation on the (intermediate) and (beyond) points - as specified in the Schedule - shall be subject to the negotiation and agreement of the Designated Air Transport Companies appointed by the Contracting Parties, as well as the approval of the Civil Aviation authorities of each Contracting Party.

Nothing in the paragraphs (1) and (2) of this Article shall entitle the Designated Air Transport Company by one of the Contracting Parties to the privilege of loading passengers, goods, baggage, or mail from the territory of the other Contracting Party to another point in the territory of that Contracting Party for the purpose of financial compensation or in exchange for remuneration.

**Article Three**

**Designation and Licensing of Air Transportation Companies**

Either one of the Contracting Parties shall have the right to designate - in writing - to the other Contracting Party one or two Air Transport Companies for the purpose of operating regular air transport services for passengers, in addition to designating any number of Air Transport Companies for the purpose of operating air cargo flights on the Specified Routes in the Schedule. Each of the Contracting Parties shall have the right to withdraw or change such designation.

Upon receipt of the designation, each one of the Contracting Parties shall grant the Designated Air Transport Company the necessary operating permits, provided that:

The substantial ownership and effective control of the Designated Air Transport Company shall belong to the nationals of the Party designating that Company.

The Contracting Party making the designation shall comply with the conditions mentioned in Article (Thirteen) and Article (Fourteen) of the Convention.

Upon delivery of the designation request, the Designated Air Transport Company shall meet the conditions and regulations applicable to the operation of air transport services.

**Article Four**

**Rejection, Cancellation, or Suspension of Operating Permit**

Either one of the Contracting Parties shall have the right to reject, suspend, or cancel the granting of the operating permit referred to in Article (Three) of the Convention, temporarily or permanently in the following cases:

When not convinced of the substantial ownership and effective control of the Designated Air Transport Company by the other Contracting Party.

Failure of the Contracting Party designating the Air Transport Company to comply with the conditions mentioned in Article (Thirteen) and Article (Fourteen) of the Convention.

In case the Designated Air Transport Company does not comply with the conditions agreed upon in the Convention.

**Article Five**

**Airport and Facility Usage Fees**

Each of the Contracting Parties shall designate the airport(s) located within its territory for the use of the Designated Air Transport Companies appointed by the other Contracting Party, in accordance with the Convention, and shall facilitate the means of navigational communications, meteorology, and other services necessary for the operation of the Agreed Upon Services.

Neither one of the Contracting Parties shall impose fees on the Designated Air Transport Company appointed by the other Contracting Party that are higher than those imposed on its own Designated Air Transport Company, which operates the same international air services using similar aircraft and the same services and facilities.

The Contracting Parties shall conduct consultations regarding airport and facility usage fees, and any changes to those fees.

**Article Six**

**Exemption from Customs fees and Other Fees**

On the basis of reciprocity, each one of the Contracting Parties shall exempt the aircraft of the Designated Air Transport Company appointed by the other Contracting Party, which engages in international air transport, from customs duties and taxes on supplies, fuel, oil, and other consumable technical supplies, spare parts, and ordinary devices and equipment, provided that such devices, equipment, and supplies shall remain inside the aircraft until re-exported, re-used, or re-consumed by the same aircraft while flying over that territory.

With the exception of fees for services rendered, the following items shall be exempted from fees:

Aircraft stocks entering the territory of one of the Contracting Parties within the airport perimeter, within the limits of the quantities specified by the Civil Aviation authorities of the other Contracting Party, for use on board the departing aircraft and related to the international air services of the other Contracting Party.

Spare parts - which enter the territory of either one of the Contracting Parties within the airport perimeter for the maintenance or repair of the aircraft used in the operation of international air transport by the Designated Air Transport Company appointed by the other Contracting Party.

Fuel and oil used for supplying the aircraft engaged in international air transport by the Designated Air Transport Company appointed by the other Contracting Party, even if such materials are to be used in any part of the flight crossing over the territory of the other Contracting Party from which such materials were carried on board the aircraft.

It shall be permissible for the items referred to in paragraph (2) of this Article to be placed under the control or supervision of the customs authorities until they are re-exported or disposed of, in accordance with customs regulations.

On the basis of reciprocity, official documents bearing the distinctive mark of the Air Transport Company, such as baggage tags, flight tickets, bills of lading, boarding passes, take-off schedules, and flight schedules transferred to the territory of one of the Contracting Parties for use by the Designated Air Transport Company appointed by the other Contracting Party, shall be exempt from taxes and duties.

**Article Seven**

**Regulations Governing the Operation of the Agreed Upon Services**

Each of the Contracting Parties shall grant equal and fair opportunities to the Air Transport Company appointed by the other Contracting Party, in order to operate the Agreed Upon Services on the Specified Routes.

The Designated Air Transport Company appointed by each one of the Contracting Parties, when operating the Agreed Upon Services, shall take into account the interests of the Designated Air Transport Company appointed by the other Contracting Party, so that it does not inappropriately affect the services provided by the other Air Transport Company on the air service or part of it.

The Agreed Upon Services provided by the Designated Air Transport Company appointed by both Contracting Parties, shall aim to provide capacity with a suitable load in order to meet the current and future requirements for the transport of passengers, baggage, goods, and mail carried on board the aircraft and disembarked at stations on the line specified by an agreement between the Contracting Parties, and in accordance with the general controls as long as the capacity relates to the following:

Traffic requirements to and from the territory of the Contracting Party designating the Air Transport Company.

Traffic requirements to the area through which the Agreed Upon Services pass, after taking into account other transport services carried out by Air Transport Companies affiliated with the States situated in that area.

Traffic requirements to the Air Transport Company.

The rate and volume of services as well as flight schedules, shall be subject to the approval of the Civil Aviation authorities of the Contracting Parties, and these conditions shall be met in case of any change to the Agreed Upon Services, and in order to ensure fair and equal opportunities for the Designated Air Transport Company.

The Civil Aviation authorities of the Contracting Parties shall seek to consult (if necessary) in order to reach an appropriate agreement regarding the flight schedules, capacity, and number.

**Article Eight**

**Approval of Flight Schedules**

The Designated Air Transport Company appointed by each one of the Contracting Parties, shall submit the proposed flight schedules to the aviation authorities of the other Contracting Party for approval within a maximum period of sixty (60) days before the date of commencement of operation of the Agreed Upon Services, provided that such schedules shall include the type of services, aircraft used, the flight schedules, and any other relevant information. This shall apply to any change that occurs. In some special cases, it shall be permissible to reduce this period of time with the approval of the said authorities.

**Article Nine**

**Providing Statistics and Information**

The Civil Aviation authorities of each one of the Contracting Parties shall provide the authorities of the other Contracting Party – upon request – with information and statistics related to the operation of the Agreed Upon Services by the Designated Air Transport Company appointed by them, provided that such data shall include details of the volume, distribution, origin, and direction of ,traffic as well as any additional statistical information on traffic requested by the aviation authorities of either one of the Contracting Parties from the aviation authorities of the other Contracting Party, and shall be subject upon request to joint discussion and agreement between the Contracting Parties.

**Article Ten**

**Applied Laws and Regulations**

The laws and regulations of either Contracting Party shall apply to the navigation and operation of the aircraft of the Designated Air Transport Company appointed by the other Contracting Party, upon its entry into the airspace of the other Contracting Party as well as during its stay in its territory.

The laws, regulations, and procedures applicable in the territory of either one of the Contracting Parties regarding the arrival, stay, or departure of passengers, baggage, navigation crews, goods, or mail, as well as the laws and regulations on the entry, exit, immigration, settlement, customs, loss, health, and quarantine, all shall be observed when the aircraft of either one of the Contracting Parties - or the aircraft of the Designated Air Transport Company - crosses, arrives in, or leaves the territory of the other Contracting Party, or while in it.

Each of the Contracting Parties shall, upon request, provide the other Contracting Party with the relevant laws and regulations referred to in this Article.

Neither one of the Contracting Parties shall deny preferential treatment to the Air Transport Company they designate over the treatment accorded to the Air Transport Company designated by the other Contracting Party, with respect to the applicable laws and regulations described in this Article.

**Article Eleven**

**Income Transfer (Revenues)**

Each of the Contracting Parties shall grant the Designated Air Transport Company appointed by the other Contracting Party – the right to transfer the revenues earned in its territory by the said Air Transport Company, from the transport of passengers, mail, baggage, and goods, and shall not deduct any other fees on these transfers except for ordinary bank fees.

If one of the Contracting Parties imposes restrictions on the transfer of the revenues earned by the Designated Air Transport Company appointed by the other Contracting Party, such Party shall have the right to impose similar restrictions on the Air Transport Company appointed by that Contracting Party.

**Article Twelve**

**Recognition of Certificates and Licences**

Certificates of Airworthiness, certificates of eligibility, and licences issued - or considered valid by one of the Parties, which are still valid - shall be considered valid and applicable by the other Contracting Party, for the operation of the Agreed Upon Services on the Specified Routes, provided that such certificates or licences shall have been issued and are still valid, in accordance with the criteria specified in the Convention. However, each one of the Contracting Parties, and with regard to aviation over its own territory, shall retain the right to reject acknowledgement of the legitimacy of the certificates of eligibility and the licences granted by the other Contracting Party to its nationals.

If the privileges or conditions of the licences or certificates referred to in paragraph (1) above, which are issued by the Civil Aviation authorities of either of the Contracting Parties to any person, designated company, or to an aircraft used in the operation of the Agreed Upon Services, include a difference from the minimum standards in force under the Convention, and such difference reaches the Organization’s attention, the other Contracting Party shall have the right to consultation between the aviation authorities of both Contracting Parties with the aim of clarifying this difference.

**Article Thirteen**

**Aviation Safety**

Each of the Contracting Parties shall have the right to request consultations on the applicable Aviation Safety standards and rules in the other Contracting Party, which relate to navigational facilities, navigators, aircraft, and the operation of aircraft, provided that the consultations shall be held within thirty (30) days from the date of receiving the request to conduct them. If, as a result of these consultations, one of the Contracting Parties finds that the other Contracting Party does not have effective safety standards and requirements consistent with the minimum levels specified in the Convention, the other Contracting Party shall be notified of the deficiencies it has discovered, as well as of the procedures necessary to comply with Aviation Safety standards, provided that the other Contracting Party shall take appropriate corrective measures within (30) thirty days or within a period of time agreed upon by the Contracting Parties.

Pursuant to Article (Sixteen) of the (Convention), it shall be permissible to be subject to inspection any operating aircraft or aircraft not owned by the Designated Air Transport Company appointed by either one of the Contracting Parties under the designation provisions mentioned in the Convention. This inspection shall cover the operation of air transport services, in accordance with the provisions of the Convention, from and to the territory of the other Contracting Party, and under charter/lease arrangements from other Air Transport Companies of either Contracting Party or of a third-party State. The inspection shall be carried out by Aviation Safety inspectors authorised by the other Contracting Party, while the aircraft is in the territory of that other Contracting Party. Notwithstanding the obligations set forth in Article (33) of the Convention, the purpose of this inspection shall be to verify the validity of the relevant documents pertaining to the aircraft, the licences of its crew, the compliance of the aircraft equipment, and the condition of the aircraft with the standard rules in force at the time, pursuant to the Convention, provided that such inspection shall not cause an unacceptable delay in the operation of the aircraft.

Where urgent measures are to be taken to ensure the safe operation of an Air Transport Company, each Contracting Party shall reserve the right to – immediately – suspend the operating licence granted to one or more Air Transport Company of the other Contracting Party.

Either one of the Contracting Parties shall cease from taking any actions, in accordance with paragraph (3) of this Article, once the reasons that prompted such actions have ceased to exist.

**Article Fourteen**

**Aviation Security**

The Contracting Parties shall affirm their commitment to each other to protect the security of Civil Aviation from all forms of unlawful interference, and this commitment shall be considered an integral part of the Convention. In particular, the Contracting Parties shall undertake to act in accordance with the terms of the Convention on Offences and Certain Other Acts Committed on Board Aircraft signed in (Tokyo) on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft signed in The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation done in Montreal on 23 September 1971, the Protocol for the Suppression of Unlawful Acts of Violence at Airports serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation done in Montreal on 23 September 1971, signed in Montreal on 24 February 1988, and the Convention on the Marking of Plastic Explosives for the Purpose of Detection concluded in Montreal on 1 March 1991, as well as any Convention or protocol related to Civil Aviation Security, which shall be binding on the Contracting Parties.

Each of the Contracting Parties shall, upon request, provide the necessary assistance to the other Contracting Party, in order to prevent unlawful acts of seizure of civil aircraft and other unlawful acts done against the safety of aircraft, their passengers, crews, airports, air navigation facilities, and any other form of threat to the Civil Aviation Security.

The Contracting Parties shall act on the basis of their mutual relationship, in accordance with the Aviation Security provisions specified by the Organization set out in the Convention’s Annexes, to the extent that these security provisions apply to the Contracting Parties. Each of the Contracting Parties shall ensure that its registered aircraft operators, operators whose principal or permanent duties are located within its territory, as well as airport operators within its territory, operate in accordance with the conditions and provisions of Aviation Security.

Each of the Contracting Parties shall agree to require aircraft operators to apply the Aviation Security provisions - referred to in paragraph (3) of this Article - requested by the other Contracting Party when the aircraft enters, during its stay, or departure from its territory or airspace. Each of the Contracting Parties shall ensure that effective measures are taken in its territory to protect the aircraft and to inspect passengers, crew, passenger-carried materials, baggage, cargo, and the aircraft’s stored materials before or during boarding or loading of the aircraft. Each of the Contracting Parties shall respond to every request submitted by the other Contracting Party to take the special security measures required to confront any threat.

Upon the occurrence of a civil aircraft hijacking or threat thereof, or other unlawful acts committed against the safety of the aircraft, its passengers, crew, airports, or air navigation devices, the Contracting Parties shall assist each other by facilitating communications between them or other appropriate actions necessary to bring such incident or threat to a speedy and safe conclusion.

**Article Fifteen**

**Commercial Representation of Air Transport Companies**

The Designated Air Transport Company appointed by one of the Contracting Parties, and according to the systems and regulations of the other Contracting Party - related to entry, residence, and employment - shall have the right to bring its employees and keep them in the territory of the other Contracting Party, including administrators, technicians, operators, and other competent employees it needs to provide its services.

It shall be permissible, according to the test of the Designated Air Transport Company appointed by one of the Contracting Parties, to use its employees or to benefit from the services of any other Air Transport Company operating within the territory of the other Contracting Party, authorised to provide these services to another Air Transport Company.

The employees referred to in paragraph (1) of this Article shall be subject to the applicable laws and regulations of the other Contracting Party, taking into account the following:

Each of the Contracting Parties shall, on the basis of reciprocity and with the least amount of delay, grant the necessary service licences, visit visas, and similar documents to the above-mentioned employees**.**

The Contracting Parties shall facilitate and expedite the issuance of work permits to individuals performing successful tasks.

**Article Sixteen**

**Tariffs**

The prescribed tariff to be collected from any Designated Air Transport Company appointed by one of the Contracting Parties for the Agreed Upon Services shall be – within reasonable limits – taking into account all relevant elements, including the cost of operation, reasonable profit, the service advantages, and the tariff of the other Air Transport Company that operates scheduled services on all or part of the concerned line.

The agreement (if possible) on the tariff - referred to in paragraph (1) of this Article - shall be between the Designated Air Transport Company appointed by the Contracting Parties on the basis of supply and demand.

The applicable tariff shall be submitted to the competent Civil Aviation authorities of the Contracting Parties for the purposes of registration and the intervention of the authorities in case of any unfair competitive practices arising in the market.

If any dispute arises between the two Designated Air Transport Companies appointed by either one of the Contracting Parties as a result of any unfair competitive practice arising in the market that relate to the application of the tariff, then such disputes shall be subject to settlement in accordance with the provisions of Article Thirty-Two of the Convention.

The Contracting Parties shall endeavour to ensure that there is a clear and effective mechanism within their competences in order to investigate violations committed by any Air Transport Company, passenger, freight forwarder, travel agent, or shipping contractor related to the tariff established in accordance with this Article. They shall also emphasise that violations of this tariff shall be punishable with deterrent measures on a non-discriminatory basis.

**Article Seventeen**

**Consultation and Amendment**

In order to enhance cooperation, the Contracting Parties or their Civil Aviation authorities shall consult with each other from time to time, in order to ensure that the provisions of the Convention and its Annex are applied and adhered to.

If either one of the Contracting Parties wishes to amend any of the provisions of the Convention, it shall have the right to request consultation with the other Contracting Party, provided that the consultation shall begin within sixty days from the date of the request. Any amendment agreed upon shall become effective when confirmed by exchanging diplomatic notes, after the completion of legal or other required procedures.

Amendments relating to the provisions of the Convention without the Memorandum of Understanding annexed thereto, shall be approved by the Contracting Parties and in accordance to their constitutional procedures.

The amendment of the Schedule and the Memorandum of Understanding between the Civil Aviation authorities of each of the Contracting Parties, shall be by agreement between them. These amendments shall become effective upon the approval of the Civil Aviation authorities of each of the Contracting Parties.

**Article Eighteen**

**Security of Travel Documents**

Each of the Contracting Parties shall agree to adopt procedures, in order to ensure the security of passports and other travel documents.

Each of the Contracting Parties shall agree to take control measures over the issuance and verification of the legitimate use of passports, other travel documents, and identification documents issued by or on behalf of that Contracting Party.

Each of the Contracting Parties shall agree to take or improve the necessary measures, in order to ensure that the travel and identification documents it issues are of such quality that they cannot be easily misused, replaced, or copied if issued illegally.

In accordance with the above objectives, each one of the Contracting Parties shall issue its own passports and other travel documents, in accordance with the relevant forms of the Organization.

Each of the Contracting Parties shall agree to exchange information regarding forged travel documents, and cooperate with each other to combat all types of fraud in travel documents, including forgery of documents or use of legitimate travel documents by fraudsters, misuse of travel documents by their legitimate bearer in supporting the commission of crimes, use of expired or cancelled travel documents, and use of documents obtained by fraud.

**Article Nineteen**

**Refused Entry Passengers, Travellers without Documents, and Deportees**

Each of the Contracting Parties shall agree to take effective controls at the borders.

The Contracting Parties shall agree to apply the recommended standards and practices in Annex No. 9 (Facilities) of the Convention, which is related to refused entry passengers, travellers without documents, and deportees, in order to enhance cooperation in combating against illegal immigration.

Under the above objectives, each of the Contracting Parties shall agree to issue or approve – as the case may be – the form relating to deported passengers arriving unlawfully, and holders of fraudulent travel documents or original travel documents produced by fraudsters contained in Annex No. 9 of the Convention, when taking action under the paragraphs contained in Chapter Three of the Annex on Confiscation of Fraudulent Travel Documents.

**Article Twenty**

**Direct Transit**

Passengers in transit and continuing to other points (transit), luggage, and cargo through the territory of either Party, located on the airport perimeter and have not left the area designated for this, shall not be subject to any examination except for reasons related to customs procedures, Aviation Security, drug control, or to prevent illegal entry. Luggage and cargo during the transit period shall be exempt from taxes and fees.

**Article Twenty-One**

**Fair Competition**

Each of the Contracting Parties shall agree to the following:

Each Designated Air Transport Company shall have a fair and equal opportunity to compete in providing air transport services governed by the Convention.

Taking the necessary action to get rid of all kinds of discrimination or unfair competition methods that negatively affect the competitive position of the Designated Air Transport Company appointed by the other Contracting Party.

**Article Twenty-Two**

**Preventive Measures**

The Contracting Parties shall agree that the competitive practices carried out by the Designated Air Transport Company appointed by one of the Contracting Parties, shall be considered illegal and may require a thorough investigation, in the following cases:

(A) Imposing prices and fees on air routes, which, in their entirety, are insufficient to cover the costs of providing services related to them.

(B) Adding extra capacity, or increasing flight frequency.

(C) If the practices in question are sustainable and not temporary.

(D) The practices in question shall have an adverse economic impact on, or cause substantial damage to, the Designated Air Transport Company.

(E) Such practices shall reflect a clear intention, or have the potential effect of disrupting or excluding any Designated Air Transport Company from the market.

If the Civil Aviation authorities of one of the Contracting Parties consider that the operation(s) carried out or intended to be carried out by the Designated Air Transport Company appointed by the other Contracting Party may involve unfair competitive practices, in accordance with paragraph (1) of this Article, these authorities shall have the right to request consultation, in accordance with the provisions of Article (Seventeen) of the Convention, provided that this request shall be accompanied by a statement of the reasons that necessitated its submission, and provided that the consultations shall begin within fifteen (15) days from the date of the request.

If the Contracting Parties fail to reach a solution to the problem through (consultation), each Contracting Party shall have the right to resort to the Settlement of Disputes mechanism provided for in Article Thirty-Two of the Convention.

**Article Twenty-Three**

**Competition Laws**

The Contracting Parties shall inform each other of their competition laws, policies, and practices or any amendments thereto, as well as of the objectives relating thereto, which may affect the operation of Air Transport Services under the Convention. They shall also specify the authorities responsible for their implementation.

The Contracting Parties shall, to the extent permitted by their respective laws and regulations, assist their respective Air Transport Companies, by directing them regarding the practices and methods followed in the respective competition laws of the other Contracting Party.

Each of Contracting Parties shall inform the other when it considers that there is a lack of compatibility between the application of its competition laws, policies, and practices, and the matters related to the implementation of the Convention. Consultation provided for in Article (Seventeen) of the Convention shall be resorted to, if requested by any of the Contracting Parties, in order to determine whether or not such conflict exists, to find ways to resolve or limit it.

In case no agreement is reached between them, the Contracting Parties shall apply their respective competition laws, and each Contracting Party shall pay sufficient and appropriate attention to the views presented by the other Contracting Party, taking into account international rules in terms of courtesy and moderation.

**Article Twenty-Four**

**Sale and Marketing of Air Service Products**

Each Contracting Party shall grant the Designated Air Transport Company appointed by the other Contracting Party the right to sell and market international air services and related products within its territory (whether directly or through representatives or other intermediaries, at the choice of the Designated Air Transport Company), including the right to establish offices.

Each Air Transport Company shall have the right to sell transport services in the currency used in that territory or – at its own choice – in the exchangeable currencies of other States. Any person shall be free to purchase these services in currencies acceptable to those Air Transport Companies.

**Article Twenty-Five**

**Changing Aircraft Specification Standards**

The Designated Air Transport Company appointed by either Contracting Parties shall have the right to, on any or all flights related to the Agreed Upon Services and at its own choice, change the aircraft in the territory of the other Contracting Party or at any point on the Specified air Routes, provided that:

Scheduling the used aircraft after the change point of the aircraft, in accordance with the movement of incoming or outgoing aircraft, as the case may be.

In case an aircraft is changed in the territory of the other Contracting Party and there is more than one aircraft operating beyond the change point, it shall not be permissible for this aircraft to be larger than the aircraft used within the (Third) and (Fourth) freedoms.

For the purpose of changing operations, it shall be permissible for the Designated Air Transport Company to use its own equipment and leased equipment, in accordance with the applicable national regulations, it shall also be permissible for it to operate with another Air Transport Company, under commercial arrangements.

It shall be permissible for the Designated Air Transport Company to use different or identical flight numbers for sectors where the aircraft type has changed.

**Article Twenty-Six**

**Ground Handling**

In accordance with the applicable safety conditions, including the standards and methods recommended by the Organization in Annex No. 6, it shall be permissible for the Designated Air Transport Company to select from among competing ground handling service providers as it deems appropriate.

**Article Twenty-Seven**

**Aircraft Leasing**

Either of the Contracting Parties shall have the right to prohibit the use of a leased aircraft for providing services specified in the Convention, which does not meet the provisions of Article Thirteen (Aviation Safety) and Article Fourteen (Aviation Security).

Subject to the provisions of paragraph (1) above, a Designated Air Transport Company appointed by each Contracting Party shall have the right to provide the services set out in the Convention, by:

Using a leased aircraft without navigators, from any Air Transport Company.

Using a leased aircraft with navigators, from another Air Transport Company of the same Contracting Party.

Using a leased aircraft with navigators, from an Air Transport Company of the other Contracting Party.

Using a leased aircraft with navigators, from an Air Transport Company of other States.

This is provided that all Air Transport Companies participating in the Conventions referred to in paragraphs (B), (C), and (D) above have the necessary authorisation and meet the conditions that are usually applied to such Conventions.

Taking into account the provisions of paragraph 2 (D) above, the Designated Air Transport Company appointed by each of the Contracting Parties shall have the right to provide services stipulated in the Convention, using aircraft leased with navigators, for a short period for this particular purpose, from an Air Transport Company of other States.

**Article Twenty-Eight**

**Multi-modal Transport Services**

Each Designated Air Transport Company shall have the right to employ its own services, or use other services for land transportation.

**Article Twenty-Nine**

**Automated Booking System**

Each of the Contracting Parties shall apply the rules of conduct established by the Organization, for the organisation and operation of automated booking systems within its territory.

**Article Thirty**

**Environmental Protection**

The Contracting Parties shall support the environmental protection by promoting the continuous development in the field of Air Navigation. The Contracting Parties shall also agree with regard to the operations between their territories, to abide by the standards and methods recommended by the Organization contained in Annex No. 16, and the policy and directives of the Organization currently in force for the protection of the environment.

**Article Thirty-One**

**Smoking Ban**

Each Contracting Party shall ban smoking on all flights carrying passengers between the territories of the Contracting Parties. This ban shall apply to all places within the aircraft, and shall be effective from the time the passengers are loaded on board the aircraft, until they have fully disembarked.

Each of the Contracting Parties shall take all necessary action it deems appropriate in order to ensure that the Air Transport Company, its passengers, and its navigation crews comply with the provisions of this Article, including the imposition of appropriate fines for non-compliance.

**Article Thirty-Two**

**Settlement of Disputes**

In case of a dispute arising between the Contracting Parties relating to the interpretation or application of the Convention and its Annex, the Contracting Parties shall settle it first by negotiation.

If the Contracting Parties do not reach a settlement through negotiation, either one of them shall have the right to request the referral of the dispute to arbitration by a panel composed of three arbitrators. Each Contracting Party shall select an arbitrator to represent it within a maximum period of sixty (60) days from the date of receipt of notification from the other Contracting Party - through diplomatic channels - requesting the submission of the dispute for arbitration. The arbitrators selected by the Contracting Parties shall agree on the selection of a neutral arbitrator to preside over the Arbitral Tribunal within a maximum period of (60) sixty days. If either of the Contracting Parties does not appoint an arbitrator within the period specified above, or if the two arbitrators selected by the Contracting Parties do not agree to appoint the (third) neutral arbitrator to preside over the Arbitral Tribunal, within a period of (60) days from the date of their appointment - either of the Contracting Parties shall have the right to request the President of the Organization’s Council to select the arbitrator of the second Contracting Party or the (third) neutral arbitrator to preside over the Arbitral Tribunal, provided that the neutral arbitrator selected is from a State that has diplomatic relations with both Contracting Parties at the time of appointment.

If the President of the Organization’s Council rejects to select the other arbitrator or the (third) neutral arbitrator, or if he selects a person who does not meet the previous conditions, the selection order shall be entrusted to the Vice-President of the Organization’s Council, If he rejects to do so, or if he holds the nationality of one of the Contracting Parties, the appointment shall be made by a senior member of the Council who does not hold the nationality of either one of the Contracting Parties.

In accordance with the terms of arbitration agreed upon by the Contracting Parties, the Arbitral Tribunal shall determine the procedure to be followed during the arbitration process, as well as the place of arbitration.

After the Arbitral Tribunal’s decision has been rendered, it shall be final and binding on both Contracting Parties, and they shall promptly implement it without dispute as to its validity.

The Contracting Parties shall equally bear the fees and expenses of the arbitration as well as other expenses incurred as a result of resorting to the Organization’s Council or because of it.

**Article Thirty-Three**

**Conformity with International Conventions**

Any international convention binding on the Contracting Parties, as well as the amendments that may be made thereto, shall apply to the Convention.

**Article Thirty-Four**

**Termination of the Convention**

Either of the Contracting Parties shall have the right to request the termination of the Convention at any time, by a written notice sent to the other Contracting Party, provided that it shall be communicated at the same time to the Organization.

In this case, the Convention shall terminate within (12) twelve months from the date of receipt of the notification by the other Contracting Party, unless it is withdrawn - by mutual agreement - before the end of this period. In case the other Contracting Party does not acknowledge receipt of the notification, it shall be deemed received after (14) fourteen days from its receipt by the Organization.

**Article Thirty-Five**

**Registration with the International Civil Aviation Organization**

The Convention and any future amendment thereto shall be registered with the International Civil Aviation Organization.

**Article Thirty-Six**

**Entry Into Force of the Convention**

The Convention shall enter into force from the date of the last notification through diplomatic channels from one of the Contracting Parties to the other Contracting Party, stating that it has completed the necessary constitutional procedures, in accordance with the laws and regulations in force in this regard. And to replace any previous arrangements.

Accordingly, the undersigned, with the authorisation of their respective governments, have signed the Convention, and the Appendix of the Route Schedule shall be deemed an integral part of the Convention.

Done in Manama on 6 Rabi' al-awwal 1440 A.H., corresponding to 14 November 2018, in two original copies in the Arabic language. The two texts shall be considered equally authentic.

For the Government of the Kingdom of Bahrain For Government of the Kingdom of Saudi Arabia

Nabil bin Mohammed Al-Amoudi

Minister of Transportation and Telecommunications Minister of Transport

The President of the Board of Directors of the General Aviation Authority

Annex

Route Schedule

Section One:

The Designated Air Transport Company or Companies appointed by the Kingdom of Saudi Arabia shall have the right to operate scheduled international air services in both directions, on the air routes indicated below:

Points of Origin

Intermediate Points

Points in the Kingdom of Bahrain

Beyond Points

Any Points

Any Points

Any Points

Any Points

Section Two:

The Designated Air Transport Company or Companies appointed by the Kingdom of Bahrain shall have the right to operate scheduled international air services in both directions, on the air routes indicated below:

Points of Origin

Intermediate Points

Points in the Kingdom of Saudi Arabia

Beyond Points

Any Points

Any Points

Any Points

Any Points

Section Three:

Comments on the Route Schedule under which air transport services shall be operated by the Air Transport Company appointed by each Contracting Party.

The Designated Air Transport Companies appointed by the Contracting Parties shall have the right to remove any point specified in the Route Schedule, whether this point is intermediate, beyond any of their flights, or beyond all of their flights.

It shall not be permissible to exercise the Fifth freedom of air traffic rights, unless an agreement is reached in this regard between the Contracting Parties.