

## A r t i c l e 12

### Transfer of Funds

1. The designated airline of the Contracting Parties shall be free to transfer to their home territory the excess of receipts over expenditure generated in the territory of the other contracting Party. Included in such net transfer shall be revenues from sales of air transport services, in any currency, made directly or through agents, ancillary or supplemental services and normal commercial interest earned on such revenues while on deposit awaiting transfer.
2. The designated airline of the Contracting Parties shall receive approval for such transfer within, at most, thirty (30) days of application, into a freely convertible currency as at the date of transfer.
3. The airline of the Contracting Parties shall be free to effect the actual transfer immediately on receipt of approval.

## A r t i c l e 13

### Consultations

1. In a spirit of close cooperation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with the provision of this Agreement and the Annex thereto.
2. Either Contracting Party may at any time request consultations on the interpretation, application, amendment or any dispute relating to this Agreement. Such consultation may be either oral or in writing and shall begin within a period of thirty (30) days from the date of receipt through diplomatic channels of the request, unless the aeronautical authorities of the Contracting Parties agree to an extension of this period.

## A r t i c l e 14

### Settlement of Disputes

- (1) Any dispute arising in connection with the interpretation or implementation of this Agreement or its Annex has to be settled by the aeronautical authorities of the Contracting Parties through direct negotiations.  
In case the dispute can not be settled by the authorities mentioned above or in a diplomatic way, the dispute shall at the request of either Contracting Party be submitted to arbitration in accordance with the procedures set forth below.
- (2) Arbitration shall be by a tribunal of three arbitrators to be constituted as follows:
  - (a) within thirty (30) days after the receipt of a request for arbitration, each Contracting Party shall name one arbitrator. Within sixty (60) days after these two arbitrators have been named, they shall by agreement appoint a third arbitrator, who shall act as President of the arbitral tribunal.
  - (b) if either Contracting Party fails to name an arbitrator, or if the third arbitrator is not appointed in accordance with subparagraph (a) of this paragraph, either Contracting Party may request the President of the Council of the International Civil Aviation Organization to appoint the necessary arbitrator of arbitrators within thirty (30) days. If the President of the Council is of the same nationality as one of the Contracting Parties, the most senior Vice President who is not disqualified on that ground shall make the appointment.
- (3) Except as otherwise agreed, the arbitral tribunal shall determine the limits of its jurisdiction in accordance with this Agreement and shall establish its own procedure. At the direction of the tribunal or at the request of either of the

Contracting Parties, a conference to determine the precise issues to be arbitrated and the specific procedures to be followed shall be held no later than fifteen (15) days the tribunal is fully constituted.

- (4) Except as otherwise agreed, each Contracting Party shall submit a memorandum within forty-five (45) days of the time the tribunal is fully constituted. Replies shall be due sixty (60) days later. The tribunal shall hold a hearing at the request of either Contracting Party or at its discretion within fifteen (15) days after replies are due.
- (5) The tribunal shall attempt to render a written decision within thirthy (30) days after completion of the hearing or, if no hearing is held, after the date both replies are submitted. The decision of the majority of the tribunal shall prevail.
- (6) The Contracting Parties may submit request for clarification of the decision within fifteen (15) days it is rendered and any clarification given shall be issued within fifteen (15) days of such request.
- (7) Each Contracting Party shall, consistent with its national law, give full effect to any decision or award of the arbitral tribunal.
- (8) The expenses of the arbitral tribunal, including the fees and expenses of the arbitrator, shall be shared equally by the Contracting Parties. Any expenses incurred by the President of the Council in connection with the procedures of paragraph (2) (b) of this Article shall be considered to be part of the expenses of the arbitral tribunal.

## Article 15

### Aviation Security

1. The Contracting Parties reaffirm their rights and obligations under international law, including the Convention on International Civil Aviation, signed at Chicago on 7 December 1944, and including 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 Convention for the Suppression of Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971. The Contracting Parties affirms that their obligations to protect the security of civil aviation against acts of unlawful interference form an integral part of their mutual relations under the present Agreement.
2. The Contracting Parties shall provide upon request all possible assistance to each other to prevent acts of unlawful seizure of aircraft and other unlawful acts against the safety of passengers, crew, aircraft, airports and air navigation facilities and any other threat to aviation security.
3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security standards established by the International Civil Aviation Organization and designated as Annexes to the Convention to the extent that such security standards are applicable to the Contracting Parties; and require that operators of aircraft of their registry or operators who have their principal place of business or permanent residence in their territory, and the operators of airports in their territory, act in the conformity with such aviation security standards.
4. Each Contracting Party agrees that its airline(s) may be required to observe the aviation security standards referred to in paragraph 3 required by the other Contracting

Party, for entrance into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that effective measures are taken within its territory to protect aircraft to screen passengers and their carry on items, and to carry out appropriate checks on crew, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also act favourably upon 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, their passengers and crew, airports or air navigation facilities occur, 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.

## A r t i c l e 16

### Airworthiness

- (1) Each Contracting Party shall recognize as valid, for the purpose of operating the air transportation provided for in this Agreement, certificates of airworthiness, certificates of competency, and licenses issues or validated by the other Contracting Party and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards which may be established pursuant to the Chicago Convention. Each Contracting Party may, however, refuse to recognize as valid for the purpose of flight above its own territory, certificates of competency and licenses granted to or validated for its own nationals by the other Contracting Party.
  
- (2) Each Contracting Party may request consultations concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew, aircraft, and security requirements for operation of the designated airlines. 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 at least equal the minimum standards which may be established pursuant to the Chicago Convention, the other Contracting Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards, and the other Contracting Party shall take appropriate corrective action. Each Contracting Party reserves the rights to withhold, revoke, or limit the operating authorization or technical permission of an airline or airlines designated by the other Contracting Party in the event the other Contracting Party does not take such appropriate action within a reasonable time.



A r t i c l e 17

Exchange of Statistical Data

The aeronautical authority of either Contracting Party shall supply to the aeronautical authority of the other Contracting Party upon their request such periodics or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airlines of the Contracting Parties.



A r t i c l e 18

Modification

1. Either Contracting Party may in any time propose to the other Contracting Party any amendment it considers desirable to bring to this Agreement. The consultation between the Contracting Parties concerning the proposed amendments shall begin within a period sixty days from the date of the presentation of the request for such consultation by one Contracting Party.
2. If either Contracting Party considers it desirable to amend the Annex to this Agreement, the aeronautical authorities of both Contracting Parties may agree upon any such amendment.
3. Any amendments to this Agreement or its Annex pursuant to paragraph 1 or 2 of this Article shall come into effects when confirmed by an exchange of notes between the Contracting Parties.

A r t i c l e 19

Termination

This agreement is concluded for indefinite time.

Either Contracting Party may at any time denounce it by notification. In such a case this Agreement shall terminate twelve months after the date of receipt of notification by the other Contracting Party.

A r t i c l e 20

Registration with ICAO

The Agreement and every amendment to it has to be registered with the International Civil Aviation Organization (ICAO).

A r t i c l e 21

T i t l e s

Titles to the Articles in this Agreement are for convenience of reference only and shall not in any way affect the interpretation of the Articles.

A r t i c l e 22

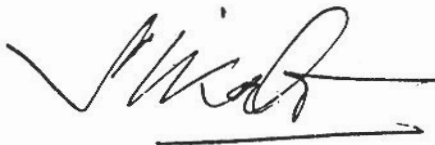
Entry into Force

This Agreement shall apply provisionally from the date of its signature and enter into force as soon as both Contracting Parties give written notification to each other by exchange of diplomatic notes that their respective constitutional requirements for definite entry into force have been fulfilled.

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE in duplicate at Jakarta, this twenty day of September 1994 in the English language.

For the Government of  
the Republic of Indonesia

A handwritten signature in black ink, appearing to be 'M. Widada', written over a horizontal line.

For the Government of  
the Republic of Hungary

A handwritten signature in black ink, appearing to be 'László Csizmadia', written over a horizontal line.

## A N N E X

### Section I

Routes to be served by the designated airline of the Republic of Indonesia in both directions:

Points of Departure	Intermediate points	Points of Destination	Points beyond
Points in Indonesia	to be agreed later	Budapest	to be agreed later

by the designated airlines.

### Section II

Routes to be served by the designated airline of the Republic of Hungary

Points of Departure	Intermediate points	Points of Destination	Points beyond
Points in Hungary	to be agreed later	Jakarta	to be agreed later

by the designated airlines.



### Section III

The designated airline of the Contracting Parties may agree to operate scheduled flights other points than the capitals mentioned above in the territory of the respective Contracting Party. These new destinations are subject to the approval of the aeronautical authorities.

### Section IV

The designated airline of either Contracting Party may, on any or all flights, omit calling at any of the above points, provided that the agreed services on this route start and terminate in the territory of that Contracting Parties.

### Section V

Intermediate points and points beyond will be agreed by both designated airlines and are subject to aeronautical authorities approval.