

(EXCHANGE OF NOTES)

(Japanese Note)

Vientiane, January 16, 2015

Excellency,

I have the honour to refer to the Agreement between Japan and the Lao People's Democratic Republic for Air Services signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of Japan, the following understanding reached between the representatives of the Government of Japan and the Government of the Lao People's Democratic Republic to be implemented by the two Governments within the scope of the laws and regulations in force in the respective countries:

1. The designated airlines of either Contracting Party of the Agreement shall be permitted within the territory of the other Contracting Party to establish and maintain their branches and to engage in activities necessary for the operation of the agreed services.

2. The designated airlines of either Contracting Party of the Agreement shall be entitled to bring in and maintain at their branches in the territory of the other Contracting Party their own managerial, technical, operational and other specialist staff who are required for the provision of air services.

3. The designated airlines of either Contracting Party of the Agreement shall be permitted to transfer freely, in convertible currencies, at the prevailing rate of exchange in the official market at the time of remittance, the excess of receipts over expenditure earned by those airlines in the territory of the other Contracting Party in connection with the operation of the agreed services, and to establish and maintain, for the operation of such agreed services, deposit accounts in foreign currencies and in convertible domestic currency.

His Excellency  
Dr. Bounchan Sinthavong  
Minister of Public Works  
and Transport of the Lao People's  
Democratic Republic

4. The Government of each Contracting Party of the Agreement shall use its best efforts to ensure that the designated airlines of the other Contracting Party are offered the choice, subject to reasonable limitations which may be imposed by the competent authorities of the former Contracting Party, of providing their own services for ground handling operations; of having such operations performed entirely or in part by other airlines, organisations controlled by other airlines or servicing agents, as authorised by the competent authorities of the former Contracting Party; or of having such operations performed by such competent authorities.

5. For the purpose of this Note, the terms "territory", "designated airline" and "agreed service" have the meanings respectively assigned to them in paragraph 1 of Article 1 of the Agreement.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Lao People's Democratic Republic the foregoing understandings shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of entry into force of the Agreement.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

Hiroyuki Kishino  
Ambassador Extraordinary and  
Plenipotentiary of Japan  
to the Lao People's Democratic Republic

(Lao Note)

Vientiane, January 16, 2015

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

“(Japanese Note)”

I have further the honour to confirm on behalf of the Government of the Lao People's Democratic Republic the understandings contained in Your Excellency's Note and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of entry into force of the Agreement between the Lao People's Democratic Republic and Japan for Air Services.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

Bounchan Sinthavong  
Minister of Public Works  
and Transport of the Lao People's  
Democratic Republic

His Excellency  
Mr. Hiroyuki Kishino  
Ambassador Extraordinary  
and Plenipotentiary of Japan  
to the Lao People's Democratic Republic

