

**Response of MALAYSIA
to questions concerning its current policy, position and practice
on air carrier ownership and control**

(Date of response: 17/09/07)

| No. | Question | Yes | No | Case by Case | Note/Comment |
|-----|--|-----|----|--------------------|--|
| 1. | When designating your airline to operate the agreed services under an air services agreement, do you require it to be substantially (or majority) owned and effectively controlled by nationals of your country? | X | | | |
| 2. | In dealing with the designation of foreign airlines, which of the following criteria do you accept: | | | | |
| | a) substantially (or majority) owned and effectively controlled by the designating party or its nationals (the traditional approach) | X | | | |
| | b) substantially (or majority) owned and effectively controlled by one or more States that are parties to an agreement or within a predefined regional grouping (e.g. a “community of interest” carrier) | X | | | e.g. Horizontal agreement between Malaysia and European Union on 22.3.07 |
| | c) incorporated and having its principal place of business or permanent residence in the territory of the designating party | | | X | |
| | d) having its principal place of business in the territory of and effective control by the designating party (without the ownership requirement) | | | X | |
| | e) having its principal place of business in the territory of and effective regulatory control by the designating party | X | | | |
| | f) any other criteria (please describe) | | | | |
| | | | | | |

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|-------------------------------------|---|-----|----|--------------|--|
| 3. | In dealing with airline designations in the future, are you willing to accept criteria other than the traditional national ownership and control: | | | | |
| | a) for both yourself and the foreign partner? | | | | |
| | b) for the foreign partner but maintain traditional criteria for yourself? | X | | | |
| | c) What economic regulatory conditions will you impose for such acceptance? (please describe) | | | | Effect control of the airlines are still under the designating countries |
| 4. | Are you willing to consider the following positive action in facilitating liberalization of air carrier ownership and control: | | | | |
| | a) issuing an individual statement of policy for accepting designations of foreign air carriers? | | | | |
| | b) developing a common policy with partner States? (please indicate, if possible, with which partner(s)) | | X | | ASEAN |
| | c) any other action? (please describe) | | | | |
| Any other comments on your answers: | | | | | |