

INDONESIA RATIFIES MONTRÉAL CONVENTION 1999



On 20 March 2017, Indonesia deposited its instrument of accession to the Convention for the Unification of Certain Rules for International Carriage by Air, Montréal, 28 May 1999 (MC99) with the International Civil Aviation Organisation (ICAO) in Montréal (please [click here](#) to see tweet from the Indonesia Embassy in Ottawa). MC99 is expected to come into force formally in Indonesia on 19 May 2017. This development has come off the back of significant lobbying of the Indonesia State by the International Air Transport Association (IATA) who continue to push for global ratification and adoption of MC99.

This is a significant development for civil aviation in Indonesia which, with a population of 250 million and a full-time member of the G20 list of countries, is the most populous state in the South East Asia region. Indonesia had only ever previously signed up to the Warsaw Convention 1929, and had failed to sign up to the 1955 Hague Amendment or any of the Montréal Protocols. Ratification of MC99 really does, therefore, represent a huge leap forward for Indonesia and will no doubt be welcomed by most participants in the civil aviation industry. It remains to be seen, however, whether Indonesia will also apply MC99 to domestic carriage.

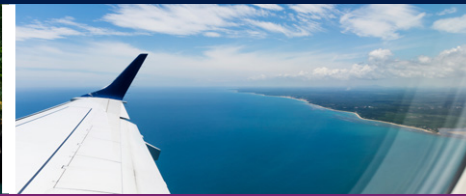
What does this mean for airlines?

This should hopefully spell the end of the uncertainty relating to liability limits for international carriage of passengers and cargo to and from Indonesia. There is currently some uncertainty in Indonesia relating to how the Poincare Franc liability limits stated in the Warsaw Convention 1929 should be converted into a traded currency. In relation to the carriage of cargo specifically, MC99 is a prerequisite for the industry's e-cargo initiatives, such as the e-air waybill and e-freight. The ascension of Indonesia to MC99 will, therefore, be a key piece in IATA's jigsaw to achieve 100% e-freight.

This development now means that Vietnam is the sole major trading nation in South East Asia not to ratify MC99 (or legislation resembling MC99 – see below for Thailand) although we understand that the process of ratification is currently being considered by the Vietnam government.

Other developments in Asia

A number of other nations in Asia are also close to ratification of MC99.



Thailand

In May 2015 a new International Carriage by Air Act came into force in Thailand which was set to pave the way for Thailand's ratification of MC99. The Act incorporated the provisions of MC99 (with some omissions such as jurisdiction and arbitration provisions) to domestic and international carriage,

overriding the application of the Thai Civil and Commercial Code. Recently, a new draft Act (prepared to amend the existing Act so that it properly incorporates all provisions of MC99) has been completed and the government has agreed to submit the draft Act urgently to the National Legislative Assembly.

Nepal

We understand the Nepalese authorities are considering ratifying MC99 with the current debate focusing on whether the provisions should also apply to domestic carriage where the current liability limits are significantly lower than international standards.

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