

No. 6724

**PAKISTAN
and
CANADA**

**Agreement relating to air services (with annex). Signed at
Karachi, on 21 December 1960**

Official text: English.

Registered by the International Civil Aviation Organization on 15 May 1963.

**PAKISTAN
et
CANADA**

**Accord relatif aux services aériens (avec annexe). Signé à
Karachi, le 21 décembre 1960**

Texte officiel anglais.

Enregistré par l'Organisation de l'aviation civile internationale le 15 mai 1963.

No. 6724. AGREEMENT¹ BETWEEN THE GOVERNMENT OF PAKISTAN AND THE GOVERNMENT OF CANADA RELATING TO AIR SERVICES. SIGNED AT KARACHI, ON 21 DECEMBER 1960

The Government of Pakistan and the Government of Canada, hereinafter described as the Contracting Parties,

Being Parties to the Convention on International Civil Aviation² and the International Air Services Transit Agreement,³ opened for signature at Chicago on the seventh day of December 1944, the terms of which Convention and Agreement are binding on both Parties,

And desiring to conclude an agreement for the purpose of establishing air services between their respective territories and beyond,

Have agreed as follows :

Article I

For the purpose of this Agreement, unless the context otherwise requires :

- (i) "the Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or Convention under Articles 90 and 94 thereof ;
- (ii) "aeronautical authorities" means, in the case of Pakistan, the Director-General of Civil Aviation and any person or body authorized to perform any functions presently exercised by the said Director-General, and in the case of Canada, the Minister of Transport, the Air Transport Board and any person or body authorized to perform any functions presently exercised by the said Minister or Board or similar functions ;
- (iii) "territory" in relation to a Contracting Party means the land areas and territorial waters adjacent thereto under the sovereignty, suzerainty, protection or trusteeship of that Contracting Party ;

¹ Came into force on 21 December 1960, upon signature, in accordance with article XV (B).

² See footnote 2, p. 22 of this volume.

³ See footnote 3, p. 42 of this volume.

- (iv) "air services", "international air service", "airline" and "stop for non-traffic purposes have the meanings respectively assigned to them in Article 96 of the Convention ; and
- (v) "designated airline" means an airline which one Contracting Party shall have designated, by written notification to the other Contracting Party, in accordance with Article IV of this Agreement.

Article II

Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing the air services to be operated by virtue of the said Agreement on the routes specified in the appropriate Section of the Annex thereto (hereinafter called "the agreed services" and "the specified routes").

Article III

The airline designated by each Contracting Party shall enjoy, while operating the agreed services, the rights :

- (i) to fly its aircraft across the territory of the other Contracting Party ;
- (ii) to make stops in the said territory for non-traffic purposes ; and
- (iii) subject to the provisions of Article VI, to make stops in the said territory at the points specified in the Annex to this Agreement for the purposes of setting down and picking up international traffic in passengers, cargo and mail.

Article IV

(A) Each of the agreed services may be inaugurated immediately or at a later date at the option of the Contracting Party to whom the rights are granted, on condition that :

- (i) the Contracting Party to whom the rights have been granted shall have designated an airline (hereinafter referred to as a "designated airline") for the specified routes ;
- (ii) the Contracting Party which grants the rights shall have given to the designated airline the appropriate operating permission in accordance with its laws and regulations, and it shall do so with the least possible delay.

(B) The designated airline may be required to satisfy the aeronautical authorities of the Contracting Party granting the rights that it is qualified to fulfil the conditions prescribed by or under the laws and regulations normally applied by those authorities to the operation of international air services.

Article V

(A) Each Contracting Party shall have the right to refuse to accept the designation of an airline and to withhold or revoke the grant to a designated airline of the rights specified in Article III of this Agreement, or to impose such conditions as it may deem necessary on the exercise by the designated airline of those rights where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

(B) Each Contracting Party shall have the authority to suspend the exercise by a designated airline of the rights specified in Article III of this Agreement, or to impose such conditions as it may deem necessary on the exercise by that airline of those rights where the airline fails to comply with the laws or regulations of the Contracting Party granting those rights or otherwise fails to operate in accordance with the conditions prescribed in this Agreement, provided that, unless immediate suspension is considered necessary in the interest of safety, this authority shall be exercised only after consultation with the other Contracting Party.

(C) In the event of action by one Contracting Party under this Article, the rights of the other Contracting Party under Article XII shall not be prejudiced.

Article VI

(A) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.

(B) In operating the agreed services, the designated airline of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same route.

(C) On any specified route the capacity provided by the designated airline of one Contracting Party together with the capacity provided by the designated airline of the other Contracting Party shall be maintained in reasonable relationship to the requirements of the public for air transport on that route.

(D) In the application of the principles stated in the preceding paragraphs of this Article :

- (i) the agreed services provided by each designated airline shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to the current and reasonably expected requirements of that airline for the carriage of traffic originating in the territory of either Contracting Party and destined for the territory of the other Contracting Party ;

- (ii) the right of the designated airline of either Contracting Party to embark and to disembark at points in the territory of the other Contracting Party international traffic destined for or coming from third countries shall be in accordance with the principle that such traffic will be of a supplementary character and that capacity provided shall be related to :
- (a) the air transport needs between the country of origin and the countries of destination and the air transport needs of the area through which the designated airline passes, after taking account of local and regional air services ; and
 - (b) the economics of through airline operation.

(E) The capacity to be provided at the outset shall be agreed between both Contracting Parties before the agreed services are inaugurated. Thereafter, the capacity to be provided shall be discussed from time to time between the aeronautical authorities of the Contracting Parties and any changes in capacity agreed upon shall be confirmed by an Exchange of Notes.

Article VII

(A) The aeronautical authorities of both Contracting Parties shall exchange information, as promptly as possible, concerning the current authorisations extended to their respective designated airlines to render service to, through and from the territory of the other Contracting Party. This will include copies of current certificates and authorisations for service on the specified routes, together with amendments, exemption orders and authorised service patterns.

(B) Each Contracting Party shall cause its designated airline to provide to the aeronautical authorities of the other Contracting Party, as long in advance as practicable, copies of tariffs schedules, including any modification thereof, and all other relevant information concerning the operation of the agreed services, including information about the capacity provided on each of the specified routes and any further information as may be required to satisfy the aeronautical authorities of the other Contracting Party that the requirements of this Agreement are being duly observed.

(C) Each Contracting Party shall cause its designated airline to provide to the aeronautical authorities of the other Contracting Party statistics relating to the traffic carried on the agreed services showing the origin and destination of the traffic.

Article VIII

(A) Fares and rates shall be established at reasonable levels, due regard being paid to all relevant factors, including costs of comparable economical operation, reasonable profit and differences of characteristics of service.

(B) The fares and rates to be charged by the designated airline of each Contracting Party in respect of traffic carried under this Agreement to or from the territory of the other Contracting Party shall be agreed in the first instance between the designated airlines of both Contracting Parties and shall have regard to relevant fares and rates adopted by the International Air Transport Association. Any fares and rates so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties. In the event of disagreement between the airlines and/or the aeronautical authorities, the Contracting Parties themselves shall endeavour to reach agreement and will take all necessary steps to give effect to such agreement. Should the Contracting Parties fail to agree, the dispute shall be dealt with in accordance with Article XII.

(C) No new or amended fares and rates shall come into effect unless they are approved by the aeronautical authorities of both Contracting Parties in accordance with paragraph (B) of this Article or are determined in accordance with the provisions of Article XII of this Agreement. Pending determination, of the fares and rates in accordance with the provisions of this Article, the fares and rates already in force shall prevail.

Article IX

(A) Fuel, lubricating oils, spare parts, regular aircraft equipment and aircraft stores introduced into the territory of one Contracting Party, or taken on board aircraft in that territory, by or on behalf of the other Contracting Party or its designated airline and intended solely for use by or in the aircraft of that airline shall be accorded by the first Contracting Party, in respect of customs duties, inspection fees and other similar national or local duties and charges, treatment not less favourable than that granted to its national airlines engaged in the operation of international air services or to the airlines of the most favoured nation.

(B) Supplies of fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board aircraft of the designated airline of one Contracting Party shall be exempt in the territory of the other Contracting Party from customs duties, inspection fees or similar duties or charges, even though such supplies be used by such aircraft on flights in that territory. Goods so exempted may only be unloaded with the approval of the customs authorities of the other Contracting Party. Those goods, which are to be re-exported, shall be kept inbond, until re-exportation under customs supervision.

Article X

(A) In a spirit of close collaboration, the aeronautical authorities of the two Contracting Parties will consult regularly with a view to assuring the observance of the principles and the implementation of the provisions outlined in this Agreement.

(B) Either Contracting Party may, at any time, request consultation with the other Contracting Party with a view to initiating any amendments of this Agreement

which it may deem desirable. Such consultation shall begin within a period of sixty days from the date of the request. Any modification of this Agreement agreed to as a result of such consultation shall come into effect when it has been confirmed by an Exchange of Notes.

Article XI

Either Contracting Party may, at any time, give notice to the other Contracting Party of its desire to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. This Agreement shall terminate one year after the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the expiration of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen days after the receipt of the notice by the International Civil Aviation Organization.

Article XII

(A) If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall, in the first place, endeavour to settle it by negotiation between themselves.

(B) If the Contracting Parties fail to reach a settlement by negotiation,

- (i) they may agree to refer the dispute for decision to an arbitral tribunal or some other person or body appointed by agreement between them ; or
- (ii) if they do not so agree, or, if having agreed to refer the dispute to an arbitral tribunal, they cannot reach agreement as to its composition, either Contracting Party may submit the dispute for decision to any tribunal competent to decide it which hereafter may be established within the International Civil Aviation Organization, or, if there is no such tribunal, to the council of the said organization.

(C) The Contracting Parties undertake to comply with any decision given, including any interim recommendation made, under paragraph (B) of this Article.

(D) If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with the requirements of paragraph (C) of this Article, the other Contracting Party may limit, withhold or revoke any rights which it has granted by virtue of this Agreement.

Article XIII

In the event of the conclusion of a multilateral convention or agreement concerning air transport to which both Contracting Parties adhere, this Agreement shall be modified to conform with the provisions of such convention or agreement.

Article XIV

This Agreement and any Exchange of Notes in accordance with Article X shall be registered with the International Civil Aviation Organization.

Article XV

(A) The Annex to this Agreement shall be deemed to be part of the Agreement and all references to the Agreement shall include references to the Annex except where otherwise expressly provided.

(B) This Agreement shall come into force on the day it is signed.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE this 21st day of December 1960 in duplicate at Karachi in the English language.

For the Government
of Canada :
(Signed) V. C. MOORE

For the Government
of Pakistan :
(Signed) Hameeduddin AHMED

A N N E X

(1) The designated airline of the Government of Pakistan may put down or take on at Montreal, Canada, international traffic in passengers, mail and cargo,

- (a) coming from or destined for Pakistan ;
- (b) coming from or destined for points in third countries to be agreed upon between the Contracting Parties.

(2) The designated airline of the Government of Canada may put down or take on at Karachi, Pakistan, international traffic in passengers, mail and cargo,

- (a) coming from or destined for Canada ;
- (b) coming from or destined for points in third countries to be agreed upon between the Contracting Parties.

(3) It is understood that the designated airline of either Contracting Party shall be entitled, subject to the laws and regulations of the other Contracting Party, to extend to passengers destined for points beyond, in both directions, stopover privileges, that is, the privilege of breaking their journey for a limited period in the territory of that other Contracting Party.

(4) It is also understood that the designated airline of either Contracting Party shall enjoy the privilege of carrying, on the same flight, into and out of the territory of the other Contracting Party, in transit traffic originating in or destined for points in third countries.

(5) Points on any of the specified routes may, at the option of the designated airline, be omitted on any or all flights.