

No. 11303

**FINLAND
and
PORTUGAL**

Agreement for air services between and beyond their respective territories (with annex). Signed at Lisbon on 14 June 1971

Authentic text: English.

Registered by Finland on 27 August 1971.

**FINLANDE
et
PORTUGAL**

Accord relatif aux transports aériens entre les territoires des deux pays et au-delà (avec annexe). Signé à Lisbonne le 14 juin 1971

Texte authentique: anglais.

Enregistré par la Finlande le 27 août 1971.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF PORTUGAL AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND FOR AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

The Government of Portugal and the Government of the Republic of Finland;

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944;²

Desiring to conclude an Agreement, supplementary to the said Convention, for the purpose of establishing air services between and beyond their respective territories;

Have agreed as follows:

Article 1

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

a) the term "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 so far as those Annexes and amendments have been adopted by both Contracting Parties;

b) the term "aeronautical authorities" means, in the case of Portugal, the Ministry of Communications—Directorate General of Civil Aviation and, in the case of Finland, the Ministry of Communications or, in both cases, any person or body authorized to perform any functions at present exercised by the said authorities or similar functions;

¹ Came into force on 14 July 1971, 30 days from the date of signature, in accordance with article 15.

² United Nations, *Treaty Series*, vol. 15, p. 295; for the texts of the Protocols amending this Convention, see vol. 320, pp. 209 and 217; vol. 418, p. 161; vol. 514, p. 209, and vol. 740, p. 21.

c) the term “designated airline” means an airline which has been designated and authorized in accordance with Article 3 of the present Agreement;

d) the term “territory” in relation to a State means the land areas and territorial waters adjacent thereto under the sovereignty of that State; and

e) the terms “air service”, “international air services”, “airline” and “stop for non-traffic purposes” have the meanings respectively assigned to them in Article 96 of the Convention.

Article 2

1) Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate Part of the Annex to the present Agreement. Such services and routes are hereafter called “the agreed services” and “the specified routes” respectively. The airline designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:

- a) to fly without landing across the territory of the other Contracting Party;
- b) to make stops in the said territory for non-traffic purposes; and
- c) to make stops in the said territory at the points specified for the routes in the Annex to the present Agreement for the purpose of putting down and taking up international traffic in passengers, cargo and mail in accordance with the appropriate Part of the Annex.

2) Nothing in paragraph 1) of this Article shall be deemed to confer on the airlines of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

Article 3

1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes.

2) On receipt of such designation, the other Contracting Party shall, subject to the provisions of paragraphs 3) and 4) of this Article, without delay grant to the designated airline the appropriate operating authorization.

3) The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.

4) Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2) of this Article, or to impose such conditions as it may deem necessary on the exercise by the designated airline of the rights specified in Article 2 of the present Agreement, in any case where the said Contracting Party 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.

5) When an airline has been so designated and authorized, it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of Article 9 of the present Agreement is in force in respect of that service.

Article 4

1) Each Contracting Party shall have the right to revoke the operating authorization or to suspend the exercise of the rights specified in Article 2 of the present Agreement by the airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of these rights;

- a) In any case 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 nationals of such Contracting Party, or
- b) in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights, or
- c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under the present Agreement.

2) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party. In such a case the consultation shall begin within a period of twenty (20) days of the date of request made by either Contracting Party for the consultation.

Article 5

1) Aircraft operated on international services by the designated airline of either Contracting Party, as well as their regular equipment, supplies of fuels and lubricants, and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other similar charges on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported or are used on the part of the journey performed over that territory.

2) There shall also be exempt from the same duties, fees and charges, with the exception of fees and charges corresponding to the service performed:

- a) aircraft stores taken on board in the territory of either Contracting Party, within limits fixed by the authorities of the said Contracting Party, and for use on board outbound aircraft engaged in an international service of the other Contracting Party;
- b) spare parts introduced into the territory of either Contracting Party for the maintenance or repair of aircraft used on international services by the designated airline of the other Contracting Party;
- c) fuel and lubricants destined to supply outbound aircraft operated on international services by the designated airline of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board.

Materials referred to in sub-paragraphs *a)*, *b)*, and *c)* above may be required to be kept under Customs supervision or control.

Article 6

The regular airborne equipment as well as materials and supplies retained on board the aircraft of the airline designated by either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that territory. In such case, they may be placed under the supervision of the said authorities up to such time as they are reexported or otherwise disposed of in accordance with Customs regulations.

Article 7

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

2) In operating the agreed services, the airline of each Contracting Party shall take into account the interests of the 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 routes.

3) The capacity to be provided by the designated airlines for the purpose of putting down and taking up international traffic in passengers, cargo and mail in accordance with the appropriate Part of the Annex shall be maintained in equilibrium with the traffic requirements between the terminals of the specified routes.

4) The total capacity shall be divided as far as possible equally between the designated airlines unless otherwise agreed upon in accordance with the provisions of paragraph 7 hereunder.

5) The capacity to be offered and the frequency of the services on the specified routes shall be discussed, agreed upon and reviewed from time to time between the aeronautical authorities of the two Contracting Parties.

6) In order to meet unexpected traffic demands of a temporary character the designated airlines may, notwithstanding the provisions of subparagraphs 3) and 4) above, agree between them to such temporary increases of capacity as are necessary to meet the traffic demand.

7) In so far as one of the Contracting Parties may not wish, permanently or temporarily, to operate, in full or in part, the capacity to which it is entitled under the preceding paragraphs, that Contracting Party may arrange with the other Contracting Party, under terms and conditions to be agreed between them, for the designated airline of such other Contracting Party to operate additional capacity so as to maintain the full capacity agreed upon between them in accordance with the preceding paragraphs. It shall, however, be a condition of any such arrangements that if the first Contracting Party should at any time decide to commence to operate, or to increase the capacity of its services, within the total capacity to which it is entitled under the preceding paragraphs, and gives in reasonable time advance notification thereof, the airline of the other Contracting Party shall withdraw correspondingly some or all of the additional capacity which it had been operating.

8) If a route or part of it referred to in Parts I and II of the Annex is served by the airlines of both Contracting Parties, these airlines may consult together to arrive at a formula of cooperation about the said route or part of it. Any agreed formula will be submitted for approval of the aeronautical authorities of both Contracting Parties.

9) Whenever a service of a designated airline of a Contracting Party is operated on a route via intermediate points and/or to points beyond the territory of the other Contracting Party, a capacity additional to that established in accordance with the preceding paragraphs 3) to 6) may be offered by that airline subject to agreement between the competent aeronautical authorities.

Article 8

1) In the following paragraphs, the term "tariff" means the prices to be paid for the carriage of passengers, baggage and freight and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail.

2) The tariffs to be charged by the airlines of one Party for carriage to or from the territory of the other Party shall be established at reasonable levels, due regard being to all relevant factors, including cost of operation, reasonable profit, and the tariffs of other airlines.

3) The tariffs referred to in paragraph 2) of this Article shall, if possible, be agreed by the airlines concerned of both Parties, after consultation with the other airlines operating over the whole or part of the route, and such agreement shall, wherever possible, be reached by the use of the procedures of the International Air Transport Association for the working out of tariffs.

4) The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Parties at least ninety days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.

5) This approval may be given expressly. If neither of the aeronautical authorities has expressed this approval within thirty days from the date of submission, in accordance with paragraph 4) of this Article, these tariffs shall

be considered as approved. In the event of the period for submission being reduced, as provided for in paragraph 4), the aeronautical authorities may agree that the period within which any disapproval must be notified shall be less than thirty days.

6) If a tariff cannot be agreed in accordance with paragraph 3) of this Article, or if, during the period applicable in accordance with paragraph 5) of this Article, one aeronautical authority gives the other aeronautical authority notice of its disapproval of any tariff agreed in accordance with the provisions of paragraph 3), the aeronautical authorities of the two Parties shall, after consultation with the aeronautical authorities of any other State whose advice they consider useful, endeavour to determine the tariff by mutual agreement.

7) If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph 4) of this Article, or on the determination of any tariff under paragraph 6) of this Article, the dispute shall be settled in accordance with the provisions of Article 12 of the present Agreement.

8) A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than twelve months after the date on which it otherwise would have expired.

Article 9

Each Contracting Party grants to the designated airline of the other Contracting Party the right of free transfer at the official rate of exchange of the excess of receipts over expenditure earned by that airline in its territory in connection with the carriage of passengers, mail and cargo.

Article 10

In a spirit of close co-operation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to insuring the implementation of, and satisfactory compliance with the provisions of the present Agreement and the Annex thereto.

Article 11

1) If either of the Contracting Parties considers it desirable to modify any provision of the present Agreement, it may request consultation with the other Contracting Party. Such consultation, which may be between aeronautical

authorities and which may be through discussion or by correspondence, shall begin within a period of sixty (60) days from the date of the request. Modifications so agreed upon shall come into force when they have been confirmed by an exchange of diplomatic notes.

2) Modifications to the Annex of this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting Parties and shall come into force upon notification through diplomatic channels.

Article 12

1) If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement including its Annex, the Contracting Parties shall in the first place endeavour to settle it by negotiation.

2) If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body; if they do not so agree, the dispute shall at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall be a national of a third State and shall act as President of the arbitral tribunal.

3) The Contracting Parties shall comply with any decision given under paragraph 2) of this Article.

Article 13

The present Agreement and its Annex shall be amended so as to conform with any multilateral convention which may become binding on both Contracting Parties.

Article 14

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate the present Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article 15

The present Agreement shall come into force 30 days from the date of signature.

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

DONE at Lisbon 14th of June 1971, in duplicate, in the English language.

For the Government of Finland:

M. SALOMIES

For the Government of Portugal:

RUI PATRICIO

ANNEX

TO THE AGREEMENT BETWEEN THE GOVERNMENT OF PORTUGAL AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND FOR AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

Part I

The airline designated by the Government of Finland may operate scheduled air services on the following route in both directions:

Finland – one or more intermediate stops – one point in Portugal and further points beyond.

While operating these services, it shall have the right:

- a) to put down in the territory of Portugal passengers, cargo and mail taken on in the territory of Finland;
- b) to take on in the territory of Portugal passengers, cargo and mail destined for the territory of Finland;
- c) to omit one or more intermediate stops and some or all of the points beyond on the specified route, provided the omissions are previously published in the timetables.

Part II

The airline designated by the Government of Portugal may operate scheduled air services on the following route in both directions:

Portugal – one or more intermediate stops – one point in Finland and further points beyond.

While operating these services it shall have the right:

- a) to put down on the territory of Finland passengers, cargo and mail taken on in the territory of Portugal;
- b) to take on in the territory of Finland passengers, cargo and mail destined for the territory of Portugal;
- c) to omit one or more intermediate stops and some or all of the points beyond on the specified route, provided the omissions are previously published in the timetables.

Part III

1. For the operation of the routes indicated in Parts I and II above, the aeronautical authorities of the Contracting Parties shall agree on the specification of the routes including the intermediate stops and points beyond.

2. The aeronautical authorities of the Contracting Parties may agree to grant to the airline of either Party traffic rights in addition to those contemplated in Parts I and II, establishing the conditions under which those rights may be exercised.