No. 15125

SPAIN
and
HUNGARY

Air Transport Agreement (with annex). Signed at Madrid on 30 April 1974

Authentic texts: Spanish and Hungarian.
Registered by Spain on 26 November 1976.

ESPAGNE
et
HONGRIE

Accord relatif aux transports aériens (avec annexe). Signé à Madrid le 30 avril 1974

Textes authentiques : espagnol et hongrois.
Enregistré par l'Espagne le 26 novembre 1976.

[TRANSLATION — TRADUCTION]

AIR TRANSPORT AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE SPANISH STATE AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC

The Government of the Spanish State and the Government of the Hungarian People's Republic;

Being both signatories of the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944;[2]

Being aware of the opportunities provided by commercial aviation as a means of transport and a means of promoting friendly understanding and good will among peoples;

Considering the desirability of establishing scheduled international air services between the two countries on a basis of equality, thereby strengthening their ties in the field of civil aviation;

Desiring to conclude an Agreement for the purpose of establishing air services between their respective territories and to points beyond;

Have agreed as follows:

Article I. For the purpose of this Agreement and the annex thereto:

(*a*) "Agreement" shall mean this Agreement, the annex and any subsequent amendments thereto, except where otherwise provided in the text;

(*b*) "Aeronautical authorities" shall mean, in the case of the Hungarian People's Republic, the Minister of Posts and Communications, or any other person or agency authorized to perform the functions of the aeronautical authorities, and, in the case of Spain, the Air Minister (Sub-Secretary of Civil Aviation), or any person or agency authorized to perform the functions of the aeronautical authorities;

(*c*) "Territory", in relation to a State, shall mean the land areas under the sovereignty of that State, and territorial waters adjacent thereto, together with the air space above the two;

(*d*) "Air service" shall mean any scheduled air flight performed by aircraft for the carriage of passengers, mail or cargo;

(*e*) "Scheduled service" shall mean air services operated regularly by a designated airline, in accordance with a previously published schedule and fixed time-table;

(*f*) "Agreed services" shall mean any scheduled air services which may be operated by virtue of this Agreement;

(*g*) "Specified routes" shall mean the air routes over which the agreed services may be operated, as established in the appropriate section of the annex;

(*h*) "Stop for non-traffic purposes" shall mean a landing for any purpose other than taking on or discharging passengers, mail or cargo for traffic purposes;

[1] Came into force provisionally on 30 April 1974, the date of signature, in accordance with article XVII.

[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; vol. 740, p. 21; vol. 893, p. 117; and vol. 958, p. 217.

(*i*) "Designated airline" shall mean an airline designated and authorized by the aeronautical authorities of the Contracting Parties in accordance with article III of this Agreement.

Article II. 1. Each Contracting Party shall grant to the other Contracting Party the rights specified in this Agreement and in the annex thereto for the purpose of establishing scheduled international air services on the routes specified in the annex. The airline designated by each Contracting Party shall, while operating an agreed service on a specified route, enjoy the following rights:

(*a*) the right to fly without landing over the territory of the other Contracting Party;

(*b*) the right to make stops in the said territory for non-traffic purposes;

(*c*) the right to make stops at the points in the territory of the other Contracting Party and on the routes specified in the annex to this Agreement, to the extent determined therein, for the purpose of picking up and setting down international traffic in passengers, mail and cargo originating in or destined for the other Contracting Party or other States.

2. This Agreement shall not grant to the designated airline of one Contracting Party the privilege of picking up in the territory of the other Contracting Party passengers, mail or cargo carried with or without payment or charter fees to another point in the territory of the said Contracting Party (cabotage).

Article III. 1. Each Contracting Party shall have the right to notify the other Contracting Party in writing of the designation of an airline for the operation of the agreed services on the specified routes.

2. On receiving notice of such designation, the other Contracting Party shall, without undue delay, grant to the designated airline the necessary authorizations for the operation of the service, in accordance with the provisions of paragraphs 3 and 4 below.

3. The aeronautical authorities of one Contracting Party may, before granting the authorization to operate the service to the designated airline of the other Contracting Party, require such designated airline to satisfy them:

(*a*) that it is able to fulfil the obligations prescribed by the laws and regulations normally and reasonably applied by the said authorities to the operation of international air services, in accordance with the provisions of the Chicago Convention of 1944;

(*b*) that substantial ownership and effective control of such airline are vested in the other Contracting Party or its nationals.

4. Each Contracting Party shall have the right to withhold the said authorization if it is not satisfied that the airline designated by the other Contracting Party fulfils the conditions laid down in paragraph 3 above.

5. The agreed services may be inaugurated in full or in part at any time by the designated and authorized airline, provided that a tariff fixed in accordance with article V of this Agreement is in effect for such services.

Article IV. 1. Each Contracting Party reserves the right to revoke the operating authorization granted to the designated airline of the other Contracting Party, or to suspend the exercise by the said airline of the rights specified in article II of this Agreement, or to impose whatever conditions it may deem necessary on the exercise of such rights if:

(*a*) it is not satisfied that ownership and effective control of the designated airline are vested in the Contracting Party designating the airline or in its nationals;

(*b*) the airline fails to comply with the laws and regulations of the Contracting Party granting those rights; or

(*c*) the airline fails to operate the agreed services in accordance with the conditions laid down in this Agreement.

2. Unless immediate action to withdraw the operating authorization mentioned in paragraph 1 of this article is essential in order to prevent further infringements of the laws and regulations, the right to withdraw or revoke such a licence shall be exercised only after consultation with the other Contracting Party.

Article V. 1. The term "tariff" as used in the following paragraphs shall mean the prices to be paid for the carriage of passengers, baggage and cargo, and the conditions under which such prices shall be charged, including prices and conditions for agencies and other auxiliary services, but excluding payment or conditions for the carriage of mail.

2. The tariffs to be charged by the airline of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be fixed at reasonable levels, due regard being paid 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 fixed by mutual consent by the designated airlines of the two Contracting Parties, after consultation with other airlines operating over all or part of the same route. Such agreement shall, where possible, be reached through the rate-fixing machinery established in accordance with international regulations.

4. The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties not less than ninety (90) days before the date laid down for their entry into force. In special cases, this time-limit may be reduced, subject to the agreement of the said authorities.

5. Explicit approval may be given. However, if during the forty (40) days following the date of notification in accordance with the provisions of paragraph 4 of this article, neither Contracting Party has given notice of its disapproval, the said tariffs shall be considered to have been approved. If, as provided in the said paragraph 4, the time-limit has been reduced, the aeronautical authorities may agree to a time-limit of less than forty (40) days for notification of any disagreement.

6. If no agreement is reached on a tariff in accordance with paragraph 3 of this article, or if during the period established in paragraph 5 of this article the aeronautical authority of either Contracting Party informs the aeronautical authority of the other Contracting Party of its disagreement with any tariff agreed in accordance with the provisions of paragraph 3, the aeronautical authorities of the two Contracting Parties shall endeavour to fix the tariff by mutual consent, following appropriate consultations.

7. If the aeronautical authorities cannot agree on the approval of any tariff submitted to them under paragraph 4 of this article or on the fixing of any tariff under paragraph 6, the dispute shall be settled in accordance with the provisions of article XIII of this Agreement.

8. Any tariff established in accordance with the provisions of this article shall remain in force until a new tariff has been fixed. However, no tariff shall remain in effect by virtue of the provisions of this paragraph for a period exceeding twelve (12) months from the date on which it should have expired.

Article VI. The frequency and time-tables for the operation of the agreed services shall be established by mutual consent of the designated airlines of the two Contracting Parties. The frequency and time-tables so established shall be submitted to the aeronautical authorities of the Contracting Parties for approval at least thirty (30) days before their entry into force. In special cases, this time-limit may be reduced by agreement between the said authorities.

Article VII. The designated airline of one Contracting Party shall have the right to establish and maintain in the territory of the other Contracting Party sufficient technical and sales staff to meet the operating requirements of the air services. However, the members of such staff must be nationals of one or the other of the Contracting Parties.

Article VIII. 1. Each Contracting Party shall grant to the designated airline of the other Contracting Party exemption from all taxes on profits or revenue derived from the operation of the agreed services.

2. Transfers of surplus revenue earned by the designated airline of either Contracting Party in the territory of the other shall take place in accordance with the exchange control regulations for convertible currencies in force in the territory of the said Contracting Party.

3. Each Contracting Party shall facilitate transfers of such funds to the other country; such transfers shall be made without delay.

Article IX. 1. Aircraft employed in international traffic by the designated airline of one Contracting Party and their regular equipment, supplies of fuel and lubricants and aircraft stores (including food, beverages and tobacco) shall be exempt, on entry into the territory of the other Contracting Party, from all customs duties, inspection fees and other duties and charges, provided that such equipment and supplies remain on board the aircraft until re-exported.

2. The following shall likewise be exempt from the same duties and charges, excluding payment for services rendered:

(*a*) aircraft stores taken on board in the territory of one Contracting Party, within the limits fixed by the authorities of the said Contracting Party and intended for use on board aircraft of the other Contracting Party engaged in international traffic.

(*b*) spare parts brought into the territory of one Contracting Party for the maintenance or repair of aircraft employed in international traffic by the designated airlines of the other Contracting Party.

(*c*) fuel and lubricants intended for aircraft employed in international traffic by the designated airlines of the other Contracting Party, even if such supplies are consumed during that part of the flight which takes place over the territory of the Contracting Party in which they were taken on board.

The stores referred to in subparagraphs (*a*), (*b*) and (*c*) above may be required to be kept under customs supervision or control.

3. Regular equipment, other supplies and stores on board the aircraft of one Contracting Party may not be unloaded in the territory of the other Contracting Party save with the consent of the customs authorities of that territory. When so unloaded, they may be placed under the supervision of the said authorities until they are re-exported or disposed of in any other duly authorized manner.

4. Each Contracting Party shall exempt the designated airline of the other Contracting Party from all customs duties, inspection fees and other duties on commercial publicity material to be used solely in connexion with the operation of the agreed services of the airline designated by the other Contracting Party.

5. Passengers, baggage and cargo in transit through the territory of either Contracting Party shall be subject to no more than routine control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar charges.

Article X. 1. The laws and regulations of one Contracting Party governing the entry into or departure from its territory of aircraft engaged in international traffic or governing the operation and navigation of such aircraft while within its territory, shall apply to the aircraft of the designated airline of the other Contracting Party.

2. The laws and regulations of one Contracting Party governing the entry into, stay in or departure from its territory of passengers, crews, baggage, mail and cargo, including the arrangements relating to entry into and departure from the country, emigration, customs, and health control, shall also apply in the said territory to the operations of the airline designated by the other Contracting Party.

3. For military reasons or in the interests of public safety, either Contracting Party may restrict or prohibit flights by aircraft of the airline designated by the other Contracting Party over certain parts of its territory, provided that such restrictions or prohibitions are equally applied to the aircraft of the airline designated by the first Contracting Party or airlines of third States which operate scheduled international air services.

Article XI. Certificates of airworthiness, certificates of competency, and licences issued or rendered valid by one Contracting Party, and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the routes defined in the annex to this Agreement, provided that the requirements under which such certificates or licences were issued or rendered valid are equal to or above the minimum standards which may be established in international civil aviation conventions. Each Contracting Party shall reserve the right, however, to refuse to recognize, for the purpose of flights over its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party.

Article XII. 1. The capacity offered by the designated airlines of the two Contracting Parties for the operation of the agreed services shall remain strictly commensurate with estimated traffic demand between the territories of the two Contracting Parties.

2. The aeronautical authorities of each Contracting Party shall provide the aeronautical authorities of the other, if requested, with any statistical reports which may reasonably be considered necessary for the purpose of reviewing the required capacity of the agreed services.

Article XIII. 1. In a spirit of close co-operation, the aeronautical authorities of the Contracting Parties shall consult together from time to time with a view to ensuring the satisfactory implementation of the provisions of this Agreement; the aeronautical authorities in question shall exchange information to this end.

2. The aeronautical authorities of either Contracting Party may request consultation with the other Contracting Party at any time with respect to the interpretation, application, amendment or any other problem relating to this Agreement. Such

consultation shall begin within sixty (60) days from the date of receipt of the request through the diplomatic channel by the other Contracting Party. Any amendment so agreed shall enter into force upon confirmation by an exchange of notes through the diplomatic channel.

3. If the problem cannot be resolved through negotiations between the aeronautical authorities of the Contracting Parties, in accordance with paragraph 2 of this article, the dispute shall be settled through the diplomatic channel.

Article XIV. 1. Any revision of or amendment to the annex to this Agreement shall be applicable from the date agreed by the aeronautical authorities of the two Contracting Parties and shall enter into force upon confirmation by an exchange of notes through the diplomatic channel.

2. This Agreement and the annex thereto shall be amended to conform to any multilateral convention which may be binding on the two Contracting Parties.

Article XV. Either Contracting Party may at any time give notice to the other Contracting Party of its decision to denounce this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. If such notice is given, the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by mutual consent before the expiry of that period. In the absence of any acknowledgement of receipt by the other Contracting Party, notice shall be considered to have been received 14 days after the date of its receipt by the International Civil Aviation Organization.

Article XVI. This Agreement and any amendment thereto, including any exchange of notes, shall be registered with the International Civil Aviation Organization (ICAO).

Article XVII. This Agreement shall enter into force provisionally upon signature and definitively on the date on which the Contracting Parties inform each other, by an exchange of notes which shall take place through the diplomatic channel at Budapest, of the completion of the respective constitutional formalities for its definitive entry into force.

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

DONE in duplicate, in the Spanish and Hungarian languages, both texts being equally authentic, at Madrid on this thirtieth day of April in the year one thousand nine hundred and seventy-four.

For the Government
of the Spanish State:

[*Signed*]

ENRIQUE LARROQUE
Director-General
of International Technical
Co-operation

For the Government
of the Hungarian People's
Republic:

[*Signed*]

SANDOR HUVOS
Director
of Civil Aviation

ANNEX

TO THE AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE SPANISH STATE AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC FOR SCHEDULED AIR SERVICES BETWEEN THEIR RESPECTIVE TERRITORIES

1. *Route schedule.* The agreed services and the specified routes to which article II of this Agreement refers are defined as follows:

A. Hungarian routes: Budapest–Zurich–Madrid or Barcelona and vice versa.

B. Spanish routes: Points in Spain–an intermediate point to be determined–Budapest and vice versa.

2. The intermediate point for the designated Spanish airline and points beyond in West Africa for the designated Hungarian airline and in Eastern Europe or the Middle East for the designated Spanish airline shall be agreed by the aeronautical authorities of the two Contracting Parties when the designated Spanish airline begins operations to Budapest.

3. At the option of the designated airline, one or more points on the routes indicated in paragraph 1 of this annex may be omitted on all or some services, provided that the point of departure of the route is situated in the territory of the Contracting Party which designated the said airline.

4. The designated airline of one Contracting Party may not, on any one service, make a stopover at more than one point in the territory of the other Contracting Party.