

No. 16518

**FINLAND
and
CANADA**

Agreement for air services between and beyond their respective territories (with annex). Signed at Ottawa on 16 May 1977

*Authentic texts: Finnish, Swedish, English and French.
Registered by Finland on 29 March 1978.*

**FINLANDE
et
CANADA**

Accord relatif aux services aériens entre leurs territoires respectifs et au-delà de ceux-ci (avec annexe). Signé à Ottawa le 16 mai 1977

*Textes authentiques : finnois, suédois, anglais et français.
Enregistré par la Finlande le 29 mars 1978.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF FINLAND AND THE GOVERNMENT OF CANADA FOR AIR SERVICES BE- TWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

The Government of Finland and the Government of Canada hereinafter referred to as the Contracting Parties,

Both being parties to the Convention on International Civil Aviation opened for signature at Chicago on the 7th day of December 1944,²

Desiring to conclude an agreement on air services between and beyond their respective territories,

Have agreed as follows:

Article I. For the purpose of this Agreement, unless otherwise stated:

a) "Aeronautical Authorities" means, in the case of Finland, the National Board of Aviation, and, in the case of Canada, the Minister of Transport and the Canadian Transport Commission, or, in both cases, any other authority or person empowered to perform the functions now exercised by the said authorities;

b) "Agreed services" means scheduled air services on the routes specified in the annex to this Agreement for the transport of passengers, cargo and mail, separately or in combination;

c) "Agreement" means this Agreement, the annex attached thereto, and any amendments thereto;

d) "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;

e) "Designated airline" means an airline which has been designated and authorized in accordance with articles III and IV of this Agreement;

f) "Tariffs" shall be deemed to include all rates, tolls, fares, charges for transportation, conditions of carriage, classifications, rules, regulations, practices and services related thereto, but excluding remuneration and conditions for the carriage of mail;

g) "Territory", "Air Service", "International Air Service", "Airline" and "Stop for non-traffic purposes" have the meaning respectively assigned to them in articles 2 and 96 of the Convention.

Article II. 1. Each Contracting Party grants to the other Contracting Party the following rights for the conduct of international air services by the airline designated by the other Contracting Party:

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

¹ Applied provisionally from 16 May 1977, the date of signature, and came into force definitively on 7 November 1977, the date on which the Contracting Parties notified each other, by diplomatic notes, of the completion of their constitutional requirements, in accordance with article XXI.

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; vol. 958, p. 217, and vol. 1008, p. 213.

c) to make stops in the said territory at the points named on the routes specified in the annex for the purpose of taking up and discharging international traffic in passengers, cargo and mail, separately or in combination.

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

Article III. Each Contracting Party shall have the right to designate, by diplomatic note, an airline to operate the agreed services on any route specified in the annex for such a Contracting Party and to substitute another airline for that previously designated.

Article IV. 1. Following receipt of a notice of designation or of substitution pursuant to article III the aeronautical authorities of the other Contracting Party shall, consistent with its laws and regulations, grant with a minimum of delay to an airline so designated the appropriate authorizations to operate agreed services for which that airline has been designated.

2. Upon receipt of such authorizations the airline may begin at any time to operate the agreed services, in whole or in part, provided that the tariffs established in accordance with the provisions of article XII of this Agreement are in force in respect of such services.

Article V. 1. The aeronautical authorities of each Contracting Party shall have the right to withhold the authorizations referred to in article IV with respect to an airline designated by the other Contracting Party, to revoke such authorizations or impose on them conditions, temporarily or permanently:

- a) in the event of failure by such airline to qualify before the aeronautical authorities of that Contracting Party under the laws and regulations normally and reasonably applied by these authorities in conformity with the Convention;
- b) in the event of failure by such airline to comply with the laws and regulations of that Contracting Party;
- c) in the event that they are not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or its nationals; and
- d) in case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to above, the rights enumerated in paragraph 1 of this article shall be exercised only after consultations with the aeronautical authorities of the other Contracting Party. Unless otherwise agreed by the Contracting Parties, such consultations shall begin within a period of thirty (30) days from the date the other Contracting Party receives the request.

Article VI. 1. The laws, regulations and procedures of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air navigation or to the operation and navigation of such aircraft shall be complied with by the designated airline of the other Contracting Party upon entrance into, departure from and while within the said territory.

2. The laws and regulations of a Contracting Party respecting entry, clearance, transit, immigration, passports, customs and quarantine shall be complied with by

the designated airline of the other Contracting Party and by or on behalf of its crews, passengers, cargo and mail upon transit of, admission to, departure from and while within the territory of such a Contracting Party.

Article VII. 1. 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 agreed services on the routes specified in the annex to this Agreement provided that such certificates or licences were issued or rendered valid pursuant to and in conformity with the standards established under the Convention. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licences or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Contracting Party to any person or designated airline operating the agreed services on the routes specified in the annex to this Agreement, should permit a difference from the standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the aeronautical authorities of the other Contracting Party may request consultations with the aeronautical authorities of that Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement in matters regarding flight safety will constitute grounds for the application of article V; in other cases article XVII applies.

Article VIII. 1. The charges imposed in the territory of either Contracting Party for the use of airports and other aviation facilities on the aircraft of the designated airline of the other Contracting Party shall not be higher than those imposed on aircraft of a national airline engaged in similar international air services.

2. Neither of the Contracting Parties shall give a preference to its own or any other airline over the airline of the other Contracting Party in the application of its customs, immigration, quarantine and similar regulations or in the use of airports, airways and air traffic services and associated facilities under its control.

Article IX. 1. There shall be fair and equal opportunity for the designated airline of each Contracting Party to operate the agreed services on the routes specified in the annex.

2. In operating the agreed services, the designated airline of each Contracting Party shall take into account the interest 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 route.

3. The agreed services provided by the designated airlines of the Contracting Parties shall bear reasonable relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objectives the provision, at a reasonable load factor, of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territory of the party which has designated the airline and the countries of ultimate destination of the traffic.

4. Provision for the carriage of passengers, cargo and mail both taken up and discharged at points on the specified routes in the territories of States other than that

designating the airline shall be made in accordance with the general principle that capacity shall be related to:

- a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- b) traffic requirements of the area through which the airline passes after taking account of other transport services established by airlines of the States comprising the area; and
- c) the requirements of through airline operation.

5. The capacity to be provided on the specified routes, i.e., frequency of services and type of aircraft, shall be agreed between the designated airlines in accordance with the principles laid down in this article and subject to the approval of the aeronautical authorities of the Contracting Parties. In the absence of an agreement between the designated airlines, the matter shall be referred to the aeronautical authorities of the Contracting Parties which will endeavour to resolve the problem, if necessary, pursuant to article XV of this Agreement. Pending an arrangement either at the airline level or between the aeronautical authorities the *status quo* shall be maintained.

Article X. 1. The aeronautical authorities of both Contracting Parties shall provide each other with monthly statements of statistics on a quarterly calendar basis, including all information required to determine the amount of traffic carried over the routes specified in the annex and the initial origins and final destinations of such traffic.

2. The details of the statistical data to be provided and the methods by which such data shall be provided by one Contracting Party to the other, shall be agreed upon between the aeronautical authorities and implemented not later than four (4) months after the designated airline of one or both of the Contracting Parties commence operations, in whole or in part, of agreed services accorded by the annex of the Agreement.

3. Failure to reach a satisfactory agreement regarding the supply of statistics may, at the discretion of either Contracting Party, constitute grounds for the application of article XV of the Agreement.

Article XI. 1. Each Contracting Party shall on a basis of reciprocity exempt the designated airline of the other Contracting Party to the fullest extent possible under its national law from import restrictions, customs duties, excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores (including liquor, tobacco and other products destined for sale to passengers in limited quantities during the flight) and other items intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Contracting Party operating the agreed services, as well as usual publicity material distributed without charge by that designated airline.

2. The exemptions granted by this article shall apply to the items referred to in paragraph 1 of this article:

- a) introduced into the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;
- b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party;

- c) taken on board aircraft of the designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services;

whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of the said Contracting Party.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of 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 re-exported or otherwise disposed of in accordance with Customs regulations.

Article XII. 1. The tariffs on any agreed service shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service (such as standards of speed and accommodation) and, where it is deemed suitable, the tariffs of other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this article.

2. The tariffs referred to in paragraph 1 of this article shall be agreed upon between the designated airlines of the Contracting Parties; such agreement shall be reached, whenever possible, through the rate-fixing procedures of the International Air Transport Association.

3. The tariffs so agreed shall be submitted to the aeronautical authorities of the Contracting Parties at least forty-five (45) days before the proposed date of their introduction; in special cases, a shorter period may be accepted by the aeronautical authorities. If within thirty (30) days from the date of submission the aeronautical authorities of one Contracting Party have not notified the aeronautical authorities of the other Contracting Party that they are dissatisfied with the tariff submitted to them, such tariff shall be considered to be acceptable and shall come into effect on the expiration of the forty-five (45)-day period mentioned above. In the event that a shorter period for the submission of a tariff is accepted by the aeronautical authorities, they may also agree that the period for giving notice of dissatisfaction be less than thirty (30) days.

4. If a tariff cannot be established in accordance with the provisions of paragraph 2 above, or, if during the period applicable in accordance with paragraph 3 above, a notice of dissatisfaction has been given, the aeronautical authorities of the Contracting Parties shall endeavour to determine the tariff by agreement between themselves.

5. If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph 3 of this article or on the determination of any tariff under paragraph 4, the dispute shall be settled in accordance with the provisions of article XVII of this Agreement.

6. a) No tariff shall come into force if the aeronautical authorities of either Contracting Party are dissatisfied with it except under the provisions of paragraph 3 of article XVII of this Agreement.

b) When tariffs have been established in accordance with the provisions of this article, those tariffs shall remain in force until new tariffs have been established in accordance with the provisions of this article or article XVII of this Agreement.

7. If the aeronautical authorities of one of the Contracting Parties become dissatisfied with or wish to review an established tariff they shall notify the aeronautical authorities of the other Contracting Party and the designated airlines shall attempt to reach an agreement.

Should the designated airlines fail to agree, the procedures as set out in paragraphs 4 and 5 shall apply.

8. The aeronautical authorities of both Contracting Parties shall endeavour to ensure that (1) the tariffs charged and collected conform to the tariffs approved by both aeronautical authorities and (2) no airline rebates any portion of such tariffs by any means, directly or indirectly, including the payment of excessive sales commissions to agents.

Article XIII. 1. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and, in its discretion, through its agents. Such airline shall have the right to sell such transportation, and any person shall be free to purchase such transportation in the currency of that territory or in freely convertible currencies of other countries.

2. Each Contracting Party grants to the airlines of the other Contracting Party the right of free transfer in conformity with the OECD's Code of Liberalization of Current Invisible Operations, signed by both Contracting Parties, of funds obtained by each in the normal course of its operations. Such transfers shall be effected on the basis of the foreign exchange market rates for current payments prevailing at the time of the transfer and shall not be subject to any charges except those normally collected by banks for such transactions.

Article XIV. The designated airline of one Contracting Party shall have the right to maintain in the territory of the other Contracting Party its representatives and commercial, operational and technical staff as required in connection with the operation of agreed services. These staff requirements may, at the option of the designated airline, be satisfied by its own personnel or by using the services of any other competent organization, company or airline operating in the territory of the other Contracting Party. Such representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party.

Article XV. In a spirit of close cooperation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of this Agreement and its annex.

Article XVI. If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may request consultations with the other Contracting Party. Such consultations, which would 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. Any modification agreed pursuant to such consultations shall come into force when it has been confirmed by an exchange of diplomatic notes.

Article XVII. 1. 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 negotiations.

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, or either Con-

tracting Party may submit the dispute 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 arbitrators. 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 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 all cases, the third arbitrator shall be a national of a third State, shall act as President of the Tribunal and shall determine the place where arbitration will be held.

3. The Contracting Parties undertake to comply with any decision given under paragraph 2 of this article.

4. The expenses of the Tribunal will be shared equally between the Contracting Parties.

5. If and so long as either Contracting Party fails to comply with a decision given under paragraph 2 of this article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default or to the designated airline in default.

Article XVIII. 1. This Agreement shall remain in force for four (4) years from the date of its signature. Thereafter the Agreement may be extended, for such future periods as may be mutually agreed, if the Contracting Parties agree thereto by an Exchange of Notes not less than twelve (12) months prior to the expiration of this Agreement.

2. Either Contracting Party may at any time from the entry into force of this Agreement give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement; such notice shall be communicated simultaneously to the International Civil Aviation Organization. The Agreement shall terminate one (1) year 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 or unless the Agreement is terminated in accordance with the provisions of paragraph 1. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article XIX. The present Agreement and any amendment thereto shall be registered with the International Civil Aviation Organization.

Article XX. If a general multilateral air convention comes into force in respect of both Contracting Parties, the provisions of such convention shall prevail. Consultations in accordance with article XVI of this Agreement may be held with a view to determining the extent to which the present Agreement is affected by the provisions of the said multilateral convention.

Article XXI. This Agreement shall be applied provisionally from the date of its signature, and shall enter into force on the later of dates on which the Contracting

Parties shall each have notified the other by diplomatic note that they have obtained whatever internal approval may be required to give effect to this Agreement.

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

DONE in two copies at Ottawa this 16th day of May in the year 1977 in the Finnish, Swedish, English and French languages, each version being equally authentic.

For the Government of Finland:

NILO PUSA

For the Government of Canada:

DON. JAMIESON

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF FINLAND AND
THE GOVERNMENT OF CANADA FOR AIR SERVICES BETWEEN AND
BEYOND THEIR RESPECTIVE TERRITORIES

SCHEDULE OF ROUTES

Section I

Routes to be operated by the designated airline of Finland:

<i>Points of departure</i>	<i>Intermediate points</i>	<i>Points in Canada</i>	<i>Points beyond</i>
Finland	Any point in Europe to be named by Finland	Montreal	*Any point to be named by Fin- land

NOTE*. The point chosen may be served as an intermediate or a beyond point. For the initial four (4)-year period of the Agreement the point beyond would remain as chosen.

In the operation of the agreed service on the specified route the airline designated by the Government of Finland shall have the following rights:

- a) to put down or take on at the point specified in the territory of Canada international traffic in passengers, cargo and mail coming from or destined for Finland;
- b) to carry into and out of the territory of Canada, on the same flight in-transit traffic coming from or destined for the point beyond;
- c) the intermediate and point beyond on the specified routes may at the option of the designated airline be omitted on any or all flights.

SCHEDULE OF ROUTES

Section II

Routes to be operated by the designated airline of Canada:

<i>Points of departure</i>	<i>Intermediate points</i>	<i>Points in Finland</i>	<i>Points beyond</i>
Canada	Any point in Europe to be named by Canada	Helsinki	*Any point to be named by Can- ada

NOTE*. For the initial four (4)-year period of the Agreement the point beyond would remain as chosen.

In the operation of the agreed service on the specified route the airline designated by the Government of Canada shall have the following rights:

- a) to put down or take on at the point specified in the territory of Finland international traffic in passengers, cargo and mail coming from or destined for Canada;
- b) to carry into and out of the territory of Finland, on the same flight in-transit traffic coming from or destined for the point beyond;
- c) the intermediate and point beyond on the specified routes may at the option of the designated airline be omitted on any or all flights.