No. 17876

SWITZERLAND and YUGOSLAVIA

Agreement relating to airline traffic (with annex). Signed at Belgrade on 26 October 1977

Authentic text: French.

Registered by the International Civil Aviation Organization on 2 July 1979.

SUISSE et YOUGOSLAVIE

Accord relatif au trafic aérien de lignes (avec annexe). Signé à Belgrade le 26 octobre 1977

Texte authentique : français.

Enregistré par l'Organisation de l'aviation civile internationale le 2 juillet 1979.

[Translation — Traduction]

AGREEMENT¹ BETWEEN THE SWISS CONFEDERATION AND THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA RELATING TO AIRLINE TRAFFIC

Switzerland and the Socialist Federal Republic of Yugoslavia,

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944,²

With a view to developing international co-operation in the field of air transport, and

With a view to creating the necessary bases for establishing scheduled air service,

The Swiss Federal Council and the Government of the Socialist Federal Republic of Yugoslavia have appointed their plenipotentiaries, duly authorized thereto, who have agreed as follows:

Article 1. Definitions

- 1. For the purpose of this Agreement and its annex:
- (a) The term "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944.
- (b) The term "aeronautical authorities" means, in the case of Switzerland, the Federal Air Office, and in the case of the Socialist Federal Republic of Yugoslavia, The Federal Transport and Communications Committee, or, in both cases, any person or agency authorized to exercise the functions at present assigned to the said authorities.
- (c) The term "designated airline" means an airline which one of the Contracting Parties has designated, in accordance with article 3 of this Agreement, for the operation of the agreed air services.
- (d) The term "tariff" means the prices which must be paid for the carriage of passengers, baggage and cargo, and the conditions under which they apply, including commissions and other additional remuneration for the issue or sale of traffic documents, except for remuneration and conditions relating to the carriage of mail.
- 2. The annex to this Agreement is an integral part thereof. Any reference to the Agreement likewise pertains to the annex, unless otherwise specifically stated.

Article 2. Traffic rights

1. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement with a view to establishing air services on the routes specified in the tables contained in the annex. These services and routes are hereinafter referred as "agreed services" and "specified routes".

¹ Came into force on 21 November 1978, upon notification by the Contracting Parties of the completion of their respective constitutional formalities, in accordance with article 20 (1).

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.

- 2. Subject to the provisions of this Agreement, in the operation of international air service the designated airline of each Contracting Party shall enjoy:
- (a) The right to fly over the territory of the other Contracting Party, without landing in it:
- (b) The right to make stops for non-traffic purposes in the said territory;
- (c) The right to uplift and put down passengers, cargo and mail in international traffic in the said territory, at the points specified in the annex.
- 3. Nothing in this article shall confer on the designated airline of a Contracting Party the right to take up, for valuable consideration, in the territory of the other Contracting Party, passengers, baggage, cargo or mail destined for another point within the territory of such other Contracting Party.

Article 3. Designation and authorization

- 1. Each Contracting Party shall have the right to designate an airline to operate the agreed services. Such designation shall form the subject of a written notification between the aeronautical authorities of the two Contracting Parties.
- 2. Subject to the provisions of paragraphs 3 and 4 of this article, the aeronautical authorities which have received the notification of designation shall without delay grant the necessary operating authorization to the airline designated by the other Contracting Party.
- 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 applied by those authorities in the operation of international air services in accordance with the provisions of the Convention.
- 4. Each Contracting Party shall have the right to refuse to grant the operating authorization provided for in paragraph 2 of this article, or to impose such conditions as it may deem necessary for the exercise of the rights specified in article 2 of this Agreement, whenever, as relates to Switzerland, it is not satisfied that the ownership and effective control of the company are vested in the Basic Organization of Associated Labour in the Field of Air Traffic, which is designated as the airline operating the agreed services, and, as relates to the Socialist Federal Republic of Yugoslovia, it is not satisfied that substantial ownership and effective control of the airline designated by Switzerland is vested in Switzerland or Swiss nationals.
- 5. Upon receipt of the operating authorization provided for in paragraph 2 of this article, the designated airline may at any time begin operating any agreed service, provided that a tariff established in accordance with the provisions of article 11 of this Agreement is in force.

Article 4. Suspension and Revocation

- 1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in article 2 of this Agreement by the designated airline of the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of such rights, if:
- (a) As relates to Switzerland, it is not satisfied that the ownership of the company and effective control are vested in the Basic Organization of Associated Labour in the Field of Air Traffic which is designated as the airline operating the agreed services and, as relates to the Socialist Federal Republic of Yugoslavia, it is not

- satisfied that substantial ownership and effective control of the airline designated by Switzerland are vested in Switzerland or Swiss nationals, or if
- (b) The airline has failed to observe or has seriously neglected the laws and regulations of the Contracting Party which granted such rights, or if
- (c) The airline fails to operate the agreed services in the manner prescribed in this Agreement.
- 2. Such a right may be exercised only after consultation with the other Contracting Party, unless the revocation, suspension or imposition of conditions referred to in paragraph 1 of this article is imperative in order to prevent further infringements of the laws and regulations.

Article 5. Prescriptions concerning capacity

- 1. The designated airlines shall have the benefit of equal and equitable opportunities for operating the agreed services between the territories of the Contracting Parties.
- 2. 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 latter airline's services.
- 3. The capacity provided by the designated airlines shall be related to traffic requirements.
- 4. The agreed services shall have as their primary objectives the provision of capacity corresponding to traffic requirements between the territory of the Contracting Party which designated the airline and the points served on the specified routes.
- 5. The right of each of the designated airlines to provide transportation in international traffic between the territory of the other Contracting Party and the territories of third-party countries shall be exercised in accordance with the general principles of normal development affirmed by the two Contracting Parties, with the proviso that the capacity shall be related to:
- (a) Traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (b) The traffic requirements of the areas traversed, taking into account local and regional services;
- (c) The requirements of economic operation of the agreed services.

Article 6. Exemption from customs duties and other taxes

- 1. Aircraft operated in international service by the designated airline of a Contracting Party, as well as their regular equipment and their fuel, lubricants and other stores, including food, beverages and tobacco, shall be exempt, upon entering the territory of the other Contracting Party, from all duties or taxes, provided that such equipment and stores remain aboard the aircraft until they are re-exported.
 - 2. The following shall also be exempt from the same duties and taxes:
- (a) 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 operated in international service by the designated airline of the other Contracting Party;
- (b) Spare parts and regular aircraft equipment imported into the territory of one of the Contracting Parties for the maintenance or repair of aircraft operated in international service;

- (c) Fuel and lubricants destined to supply aircraft operated in international service by the designated airline of the other Contracting Party, even when these supplies are to be used on the part of the journey made over the territory of the Contracting Party in which they have been taken on board.
- 3. Regular aircraft equipment and products and stores existing on board aircraft operated by the designated airline of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the consent of the customs authorities of such territory. In such cases they may be placed under the supervision of the said authorities until such time as they are re-exported or have been assigned another destination in accordance with customs regulations.

Article 7. DIRECT TRANSIT

Passengers, baggage and cargo in direct transit across the territory of a Contracting Party and not leaving the area of the airport reserved for such purpose shall be subject, if necessary, to a very simplified control, at most. Baggage and cargo in direct transit shall be exempt from taxes and duties, including customs duties.

Article 8. APPLICATION OF LAWS AND REGULATIONS

- 1. The laws and regulations of one Contracting Party governing, in its territory, the entry and departure of aircraft assigned to international air navigation or flights of such aircraft over that territory shall apply to the designated airline of the other Contracting Party.
- 2. The laws and regulations of one Contracting Party governing, in its territory, the entry, sojourn and departure of passengers, crews, baggage, cargo or mail, such as those pertaining to the formalities of entry, exit, emigration and immigration, customs and sanitary measures, shall apply to the passengers, crews, baggage, cargo or mail carried by the aircraft of the designated airline of the other Contracting Party while they are within the said territory.

Article 9. Principle of equal treatment

- 1. Neither Contracting Party shall have the right to give preference to its own airline over the designated airline of the other Contracting Party in the application of the laws and regulations mentioned in article 8 of this Agreement.
- 2. For the use of airports and other facilities made available by one Contracting Party, the designated airline of the other Contracting Party shall not be required to pay charges greater than those payable in the case of national aircraft assigned to scheduled international service.
- 3. The designated airline of one Contracting Party shall have the right to maintain agencies in the territory of the other Contracting Party. Such agencies may include commercial, operational and technical staff.

Article 10. RECOGNITION OF CERTIFICATES AND LICENCES

- 1. Certificates of airworthiness, certificates of competency and licences issued or validated by one Contracting Party shall be recognised as valid by the other Contracting Party during the period of their validity.
- 2. Each Contracting Party reserves the right, however, to refuse to recognize as valid, for the purpose of flight over its own territory, certificates of competency and licences issued to its own nationals or validated by the other Contracting Party or by any other State.

Article 11. TARIFFS

- 1. The tariffs which each designated airline must apply in connection with transport from or to the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, reasonable profit, the characteristics of each service and the tariffs of other airlines.
- 2. The tariffs referred to in paragraph 1 of this article shall, if possible, be agreed by the designated airlines of both Contracting Parties, after consultation with the other airlines operating over the whole or part of the same route. In so far as possible, the designated airlines shall, for this purpose, apply the procedure for the fixing of tariffs established by the international agency which formulates proposals in this respect.
- 3. The tariffs thus fixed shall be submitted for approval to the aeronautical authorities or other competent authorities of the other Contracting Party at least 60 days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities. If neither of the aeronautical authorities or other competent authorities gives notice of its non-approval within a period of 30 days from submission, these tariffs shall be considered approved.
- 4. If the designated airlines are unable to reach agreement, or if the tariffs are not approved by the aeronautical authorities or other competent authorities of a Contracting Party, the said authorities shall endeavour to fix the tariffs by mutual consent. Such negotiations shall commence within a period of 30 days after it is manifestly established that the designated airlines are unable to reach an agreement or after the aeronautical authorities or other competent authorities of one Contracting Party have notified the said aeronautical authorities of the other Contracting Party of their non-approval of the tariffs.
- 5. Tariffs already established shall remain in force until new tariffs have been established in accordance with the provisions of this article, but for not more than 12 months from the date on which the aeronautical authorities or other competent authorities of one of the Contracting Parties refuse to give their approval.

Article 12. TIMETABLES AND ADDITIONAL FLIGHTS

- 1. The designated airline of a Contracting Party shall submit its timetables to the aeronautical authorities of the other Contracting Party for approval at least 30 days before the agreed services are put into operation. The same regulation shall likewise apply to any subsequent change in timetable.
- 2. The designated airline of a Contracting Party must request the authorization of the aeronautical authorities of the other Contracting Party for additional flights which it wishes to make on agreed services outside of the approved timetables. As a general rule, such a request shall be made at least two working-days before the beginning of the flight.

Article 13. Transfer of revenue

Each Contracting Party shall grant to the designated airline of the other Contracting Party the right to transfer, at the official rate, excess revenue accruing to the said airline in the territory of the first Contracting Party from the carriage of passengers, cargo and mail in accordance with the regulations of each Contracting Party which are in force.

Article 14. STATISTICS

The aeronautical authorities of the Contracting Parties shall supply each other, upon request, with periodic statistics or other similar information relating to traffic on the agreed services.

Article 15. Consultations

- 1. Each Contracting Party or its aeronautical authorities may request a consultation with the other Contracting Party or with its aeronautical authorities.
- 2. A consultation requested by a Contracting Party or its aeronautical authorities shall begin within a period of 60 days from the receipt of the request.

Article 16. SETTLEMENT OF DISPUTES

- 1. Disputes between the Contracting Parties relating to the interpretation or application of this Agreement which cannot be eliminated by way of direct negotiations or through the diplomatic channel shall be referred to an arbitral tribunal at the request of either of the Contracting Parties.
- 2. For this purpose, each of the Contracting Parties shall appoint an arbitrator and the two arbitrators shall appoint a chairman, who shall be a national of a third State. If, within a period of two months after one of the Contracting Parties has appointed its arbitrator, the other Contracting Party does not designate its own, or if the two arbitrators do not agree on the choice of a chairman during the month following the appointment of the second arbitrator, either Contracting Party may request the President of the Council of the International Civil Aviation Organization to make the necessary appointments. If the latter is a national of either of the Contracting Parties, the Vice-President of the Council, provided that he is a national of a third State, shall be requested to appoint the arbitrators referred to above.
- 3. The arbitral tribunal shall determine its own procedure. Each Contracting Party shall defray the costs of the arbitrator which it has appointed. Other arbitration costs shall be borne equally by the Contracting Parties.
- 4. The Contracting Parties shall comply with any award handed down in this article.

Article 17. REGISTRATION

This Agreement and subsequent amendments thereto shall be registered with the International Civil Aviation Organization.

Article 18. Conformity with multilateral conventions

This Agreement shall be brought into line with any multilateral convention which becomes binding on the two Contracting Parties.

Article 19. DENUNCIATION

- 1. Each Contracting Party may at any time denounce this Agreement by giving written notice, which shall be communicated simultaneously to the International Civil Aviation Organization.
- 2. The denunciation shall take effect at the end of a timetable period, provided that 12 months shall have elapsed following the receipt of the denunciation. The denunciation may, however, be withdrawn by mutual consent before the end of such period.
- 3. In the absence of acknowledgement of receipt by the other Contracting Party, the denunciation shall be deemed to have been received by it 14 days after the

date on which the International Civil Aviation Organization will have been informed thereof.

Article 20. ENTRY INTO FORCE AND AMENDMENTS

- This Agreement shall enter into force when the Contracting Parties notify each other of the fulfilment of their constitutional formalities concerning the conclusion and entry into force of international agreements.
- As of the date of entry into force of this Agreement, the Agreement between Switzerland and the Federal People's Republic of Yugoslavia, signed at Belgrade on 28 May 1953, as well as the exchange of notes made in Belgrade on the same date, shall cease to be in force.
- 3. Any amendment to this Agreement shall enter into force as soon as the Contracting Parties notify each other of the fulfilment of the constitutional formalities.
- 4. Amendments to the annex may be agreed upon directly between the aeronautical authorities of the Contracting Parties. They shall enter into force after they have been confirmed by an exchange of diplomatic notes.

In WITNESS WHEREOF the plenipotentiaries of the two Contracting Parties have signed this Agreement.

Done at Belgrade, on 26 October 1977, in duplicate in the French language.

For the Swiss Federal Council:

For the Government of the Socialist Federal Republic of Yugoslavia:

H. HESS

M. SLIIVAR

ANNEX

ROUTE SCHEDULES

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Routes on which air service may be operated in both directions

by the airline designated by Switzerland				
Points of departure	Intermediate points	Points in Yugoslavia	Points beyond	
Points in Switzerland	Vienna Salzburg Klagenfurt Graz Innsbruck Venice Milan	Belgrade Zagreb Ljubljana Dubrovnik	Sofia Bucharest Istanbul Ankara Tel Aviv Damascus Baghdad Tehran Abu Dhabi Dubai Az Zahran Cairo Khartoum	

¹ United Nations, Treaty Series, vol. 232, p. 45.

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Routes on which air service may be operated in both directions by the airline designated by Yugoslavia

Points		Points	
of departure	Intermediate points	in Switzerland	Points beyond
Points in Yugoslavia	Vienna Salzburg Klagenfurt Graz Innsbruck Venice Milan	Zurich Geneva Basel	Frankfurt Copenhagen Stockholm Oslo Paris Brussels Amsterdam London Madrid Barcelona Lisbon

Notes

- 1. Points on the specified routes may, at the option of the designated airlines, be omitted on all or some flights.
- 2. Points on the specified routes need not be served in the order indicated, provided that the service in question is operated on a route that is to a certain extent direct.
- 3. Each designated airline may terminate any agreed service in the territory of the other Contracting Party.
- 4. Each designated airline may serve points not mentioned, provided that no traffic rights are exercised between such points and the territory of the other Contracting Party.