No. 20574

FINLAND and EGYPT

Air Transport Agreement (with annex). Signed at Cairo on 10 October 1979

Authentic text: English. Registered by Finland on 23 November 1981.

FINLANDE et ÉGYPTE

Accord relatif aux transports aériens (avec annexe). Signé au Caire le 10 octobre 1979

Texte authentique : anglais. Enregistré par la Finlande le 23 novembre 1981.

AIR TRANSPORT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

The Government of the Republic of Finland and the Government of the Arab Republic of Egypt;

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 for the purpose of establishing air services between and beyond their respective territories;

Have agreed as follows:

Article 1. DEFINITIONS

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

a) The term "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 the Convention and any amendment of the Annexes or the Convention under Articles 90 and 94 thereof so far as those Annexes and amendments have been ratified and or adopted by both Contracting Parties;

b) The terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;

c) The term "aeronautical authorities" means, in the case of the Republic of Finland, the National Board of Aviation and in the case of the Arab Republic of Egypt, the President of the Civil Aviation Authority and in both cases any person or body authorized to perform a particular function to which this Agreement relates;

d) The term "designated airline" means an airline which has been designated and authorized to operate the agreed services in accordance with Article 3 of this Agreement;

e) The term "tariff" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply including prices and conditions of agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail; and

f) The term "territory" has the meaning assigned to it in Article 2 of the Convention.

2) The Annex to this Agreement shall form an integral part of the Agreement and all references to this Agreement, unless otherwise expressly provided, shall apply to the Annex.

¹ Applied provisionally from 10 October 1979, the date of signature, and came into force definitively on 23 January 1981, i.e., 30 days after the Contracting Parties notified each other (on 24 December 1980) of the completion of their constitutional procedures, in accordance with article 18.

completion of their constitutional procedures, in accordance with article 18. 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; vol. 1008, p. 213, and vol. 1175, p. 297.

Article 2. GRANT OF RIGHTS

1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate Part of the Annex to this Agreement. Such services and routes are hereafter called "the agreed services" and "the specified routes" respectively.

2) 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 route and 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.

3) Nothing in this Article shall be deemed to confer on the designated airline of one Contracting Party the privilege of taking on board, in the territory of the other Contracting Party, passengers, cargo and mail, whether for remunerations or not and destined for another point in the territory of that other Contracting Party.

Article 3. Designation of Airlines

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

2) On receipt of such designation, the aeronautical authorities of the other Contracting Party shall without delay, subject to the provisions of paragraphs (3) and (4) of this Article, grant to the airline designated in accordance with paragraph (1) of this Article 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 the regulations normally and reasonably applied to the operation of international air services by such authorities.

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 a designated airline of the rights specified in Article 2 of this 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 operate the agreed services for which it is designated provided that a tariff established in accordance with the provisions of Article 9 of this Agreement is in force in respect of that service.

Article 4. **Revocation or Suspension of Operating Authorization**

1) Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights granted under this Agreement

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by any 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 its nationals; or
- b) In the case of failure by that airline to comply with the laws or the regulations in force in the territory of the Contracting Party granting these rights; or
- c) In case the airline otherwise fails to operate in accordance with the conditions prescribed under this 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 or the provisions of this Agreement, such right shall be exercised only after consultation with the aeronautical authorities of the other Contracting Party. In such a case the consultation shall begin within a period of thirty (30) days from the date of request made by either Contracting Party for the consultation.

Article 5. APPLICABILITY OF NATIONAL LAWS AND REGULATIONS

1) The laws and regulations of one Contracting Party relating to admission to, flight within or departure from its territory of aircraft of its designated airline engaged in international air navigation, or to the operation or navigation of such aircraft while within its territory shall likewise apply to the aircraft of the designated airline of the other Contracting Party and shall be complied with by such aircraft upon entering or departing from or while within the territory of that Contracting Party.

2) The laws and regulations of one Contracting Party relating to admission to, stay in, or departure from its territory of passengers, crew and cargo including mail, such as regulations relating to entry, exit, emigration, immigration, passports as well as customs and sanitary measures, shall apply to passengers, crew and cargo including mail carried by the aircraft of the designated airline of the other Contracting Party upon entrance into or departure from or while within the territory of the said Contracting Party.

Article 6. APPROVAL OF TIMETABLES

1) The designated airline of either Contracting Party shall, not later than thirty (30) days prior to the beginning date of operation of any agreed service, submit its proposed timetables to the aeronautical authorities of the other Contracting Party for their approval. Such timetables shall include all relevant information, including the type of service and aircraft to be used, the flight schedules, etc.

2) If either designated airline wishes to operate additional flights besides those covered in the approved timetable, it shall first seek the prior permission of the aeronautical authorities of the Contracting Party concerned.

Article 7. PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

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. 1981

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 (8) 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) If either Contracting Party considers that the operation of its designated airline on third and fourth freedom traffic rights between it and States other than the Contracting Parties on common sectors are affected by the operations of the designated airline of the other Contracting Party it may request consultations in accordance with Article 12 of this Agreement aimed at reaching a mutual agreement intended to rectify the situation. Pending such an agreement, the existing arrangements in this regard shall continue to apply.

7) In order to meet unexpected traffic demands of a temporary character the designated airlines shall, notwithstanding the provisions of paragraphs (3) and (4) above, agree between them to such temporary increases of capacity as are necessary to meet the traffic demand. Any agreement between the designated airlines and any amendments thereto shall be submitted for the approval of the aeronautical authorities of the two Contracting Parties.

In so far as the designated airline of one of the Contracting Parties may 8) 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 airline of 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 notification thereof at least ninety (90) days prior to the traffic period during which it intends to commence to operate or to increase the capacity of its services. In such a case the airline of the other Contracting Party shall withdraw correspondingly some or all of the additional capacity which it had been operating, unless both airlines agree to maintain the remaining additional capacity at terms and conditions to be agreed upon.

9) 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.

10) 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 (8) may be offered by that airline subject to agreement between the competent aeronautical authorities.

Article 8. Exemption from Customs Duties, Inspection Fees and Other Similar Charges

1) Aircraft operated on international air services by the designated airline of either Contracting Party, as well as their regular equipment, supplies of fuel and lubricants, and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspections 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 journey performed over that territory.

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

- a) Aircraft stores taken on board in the territory of a Contracting Party within limits fixed by the customs authorities of the said territory and for use on board outbound aircraft of the other Contracting Party engaged on an international air service;
- b) Spare parts introduced into the territory of either Contracting Party for maintenance or repair of aircraft used on international air services by the designated airline of the other Contracting Party;
- c) Fuels and lubricants supplied to an aircraft of the designated airline of a Contracting Party, engaged on international air services, in the territory of the other Contracting Party and used on an inward flight until that flight is completed, on an outward flight from the time that flight commences or on a through-transiting flight, notwithstanding that on all such flights the aircraft may make intermediate landings in that territory.

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

4) The regular airborne equipment as well as the materials and supplies 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 cases 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 9. TARIFFS

1) 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 established at reasonable levels; due regard being paid to all relevant factors, including cost of operation, reasonable profit and the tariffs of other airlines.

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 airline operating over the whole or part of the route, and such agreement shall, whenever possible, be reached by the use of the procedures of the International Air Transport Association for the working out of tariffs.

The tariffs so agreed on shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least ninety (90) days before the proposed date of their introduction. In special cases, this period may be reduced subject to the agreement of the said authorities.

The approval referred to in paragraph (3) of this Article may be given expressly. If neither of the aeronautical authorities has expressed disapproval within thirty (30) days from the date of submission in accordance with paragraph (3) 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 (3) the aeronautical authorities may agree that the period within which any disapproval must be notified shall be less than thirty (30) days.

If a tariff cannot be agreed on in accordance with paragraph (2) of this Article or if, during the period applicable in accordance with paragraph (4) of this Article, one aeronautical authority gives the other aeronautical authority notice of its disapproval of a tariff agreed on in accordance with the provisions of paragraph (2) of this Article, the aeronautical authorities of the two Contracting Parties shall endeavour to determine the tariff by mutual agreement.

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:

- a) Where a tariff has a terminal date, for more than twelve (12) months after that date:
- b) Where a tariff has no terminal date, for more than twelve (12) months after the date on which the designated airline of one Contracting Party proposes in writing a new tariff to the aeronautical authorities of the Contracting Parties.

Article 10. TRANSFER OF EARNINGS

1) Each Contracting Party grants to the designated airline of the other Contracting Party the right to transfer freely, at the exchange rate fixed by the competent authorities of the Contracting Party concerned, the excess of receipts over expenditure earned in its territory by that designated airline in connection with the carriage of passengers, baggage, cargo and mail. The transfers referred to in this Article shall be effected in accordance with existing Exchange Control Regulations.

2) Where payments between the Contracting Parties are governed by a special agreement, such agreement shall apply.

Article 11. **PROVISION OF STATISTICS**

The aeronautical authorities of a Contracting Party shall supply to the aeronautical authorities of the other Contracting Party on request with periodic statistics or other similar information relating to the traffic carried on the agreed services by the respective designated airlines.

Article 12. CONSULTATIONS

1) 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 the Annex hereto.

2) Either Contracting Party may request consultations which may be oral or in writing. Such consultations shall begin within a period of sixty (60) days from the date of the request unless both Contracting Parties agree to an extension of this period.

Article 13. SETTLEMENT OF DISPUTES

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 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.

3) 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 or 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 a case, the third arbitrator shall be a national of a third State and shall act as President of the arbitral tribunal.

4) The arbitral tribunal shall determine its own procedure and decide on the apportionment of the costs of the arbitration.

5) The Contracting Parties shall comply with any decision given under paragraphs (3) and (4) of this Article.

Article 14. AMENDMENTS

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 shall begin within a period of sixty (60) days from the date of the request. Modifications so agreed upon shall come into force thirty (30) days from the date they have been confirmed by an exchange of diplomatic notes that their constitutional requirements have been complied with.

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 15. Amendment of Agreement to conform to Multilateral Treaties

The present Agreement shall be amended so as to conform to any multilateral air agreement which may become binding on both Contracting Parties.

Article 16. REGISTRATION OF AGREEMENT AND AMENDMENTS

The present Agreement and any subsequent amendments thereto shall be registered with the International Civil Aviation Organization.

Article 17. TERMINATION

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case this Agreement shall terminate twelve (12) months after the date when the notice has been received 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 18. ENTRY INTO FORCE

This Agreement shall apply provisionally from the date of signature and shall enter into force thirty (30) days from the date when the Contracting Parties have notified one another through diplomatic channels that their constitutional procedures have been completed.

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

DONE at Cairo this 10th day of October 1979 in duplicate.

For the Government of the Republic of Finland:

BJÖRN-OLOF ALHOLM

For the Government of the Arab Republic of Egypt: E. Y. EL SHINNAWI

ANNEX TO THE AIR TRANSPORT AGREEMENT BETWEEN THE GOVERN-MENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

Part I

The airline designated by the Government of Finland may operate scheduled air services on the following route in both directions: Helsinki–any one or two intermediate points–Cairo.

While operating these services, it shall have the right:

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- a) To put down or take on at the point specified in the territory of Egypt international traffic in passengers, cargo and mail coming from or destined for Finland;
- b) To omit one or more intermediate points, provided the omissions are previously published in the timetables.

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Part II

The airline designated by the Government of Egypt may operate scheduled air services on the following route in both directions: Cairo-any one or two intermediate points-Helsinki.

While operating these services, it shall have the right:

- 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 Egypt;
- b) To omit one or more intermediate points, provided the omissions are previously published in the timetables.

Part III

For the operation of the routes indicated in Parts I and II above the aeronautical authorities of the Contracting Parties may agree, upon an agreement reached between the designated airlines, on the traffic rights to be exercised by the designated airlines at the intermediate point or points.

Part IV

The aeronautical authorities of the Contracting Parties may agree on extending the routes indicated in Parts I and II to points beyond Cairo and Helsinki respectively.