

No. 20178

**FINLAND
and
IRAQ**

**Air Transport Agreement (with annex). Signed at Baghdad
on 16 January 1980**

Authentic text: English.

Registered by Finland on 23 July 1981.

**FINLANDE
et
IRAQ**

**Accord relatif aux transports aériens (avec annexe). Signé à
Bagdad le 16 janvier 1980**

Texte authentique : anglais.

Enregistré par la Finlande le 23 juillet 1981.

AIR TRANSPORT AGREEMENT¹ BETWEEN THE REPUBLIC OF FINLAND AND THE REPUBLIC OF IRAQ

The Government of the Republic of Finland and the Government of the Republic of Iraq, hereinafter referred to as the “Contracting Parties”,

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on the 7th day of December 1944,² hereinafter referred to as the “Convention”,

And desiring to conclude an Agreement for the operation of Air Transport Services between and beyond their respective territories,

Have agreed as follows:

Article 1. DEFINITIONS

1. For the purpose of the Present Agreement, unless otherwise stated, the following terms have the following meanings:

a) “Aeronautical Authorities” means in the case of the Government of Finland the National Board of Aviation and in the case of the Government of Iraq, the Ministry of Transport and Communications or State Organization for Iraqi Civil Aviation and in both cases any other authority or person empowered to perform the functions presently exercised by the said Authorities or similar functions.

b) “Agreed Services” means scheduled international air services for the transport of passengers, cargo and mail on the routes specified in the Annex to the present agreement.

c) “Convention” means the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December 1944, including all Annexes adopted under Article 90 of that Convention and any amendments made to the Convention or its Annexes under Articles 90 and 94 (a) therefore which have been adopted by both Contracting Parties.

d) “Designated airline” means an airline that one Contracting Party has designated in writing to the other Contracting Party in accordance with Article 3 of the Present Agreement as being an airline which is to operate international air services on the routes specified in the Annex to the present Agreement.

e) “Tariff” means prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration and conditions for the carriage of mail.

f) “Territory” in relation to a State means the land areas and territorial waters adjacent thereto under the sovereignty of that State.

¹ Came into force provisionally from 16 January 1980 by signature, and definitively on 5 June 1980, i.e., 30 days after the exchange (on 6 May 1980) of diplomatic notes confirming the completion of the constitutional procedures, in accordance with article 19.

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, No. I-18810.

g) “Air services”, “international air services”, “Airline” and “stop for non-traffic purposes” shall have, in the application of the present Agreement, the meaning specified in Article 96 of the Convention.

h) “Annex” to the present Agreement means the Route lists attached to the present Agreement and any Clauses or Notes appearing in such Annex and relating to the routes.

The Annex to the present Agreement shall be deemed to be part of the Agreement and all reference to the Agreement shall include reference to the Annexes except otherwise expressly provided.

2. Titles are inserted in the present Agreement at the head of each article for the purpose of reference and convenience and in no way define, limit or describe the scope or intent of the present Agreement.

Article 2. TRAFFIC RIGHTS

1. Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of establishing and operating the agreed services. An airline designated by either Contracting Party shall enjoy, while operating an agreed service on a specified route, the following privileges:

- a) To fly without landing across the territory of the other Contracting Party;
- b) To make stops in the said territory for nontraffic purposes; and
- c) To make stops in the said territory at the points specified for that route in the Annex for the purpose of putting down and taking up international traffic in passengers, cargo and mail, separately or in combinations, coming from or destined for the territory of the other Contracting Party or of a third Country.

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 the other Contracting Party.

Article 3. DESIGNATION OF AIRLINE

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

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

3. The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of International air services by such authorities in conformity with the provisions of the Convention.

4. Each Contracting Party shall have the right to refuse to grant the operating authorizations referred to in paragraph 2 of this Article, or to impose such conditions as it may deem necessary on the exercise by designated airline of the privileges specified in Article 2, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

5. When an airline has been so designated and authorized it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of Article 11 of this Agreement is in force in respect of those services.

Article 4. REVOCATION OR SUSPENSION OF OPERATING AUTHORIZATION

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

- a) In any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in the nationals of such Contracting Party; or
- b) In the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights; or
- c) In case the airline otherwise fails to operate in accordance with the conditions prescribed under the present Agreement.

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

Article 5. EXEMPTION FROM 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, inspection fees and other similar charges on arriving in the territory of the other Contracting Party, provided that such equipment and supplies remain on board the aircraft up to such time as they are re-exported or are used on the part of the journey performed over that territory.

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

- a) Aircraft stores taken on board in the territory of a Contracting Party, within limits fixed by the authorities of the said Contracting Party, and for use on board outbound aircraft engaged in an international air service of the other Contracting Party;
- b) Spare parts introduced into the territory of either Contracting Party for the maintenance or repair of aircraft used on international air services by the designated airline of the other Contracting Party;
- c) Fuel and lubricants supplied in the territory of a Contracting Party to an outbound aircraft of the designated airline of the other Contracting Party engaged in an international air service, even when these supplies are to be used on the

part of the journey performed over the territory of the Contracting Party in which they are taken on board.

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

Article 6. UNLOADING OF EQUIPMENT MATERIALS AND SUPPLIES

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 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 7. CAPACITY

1. There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate and sell international air transport services covered by the present Agreement.

2. In operating the agreed services, the designated airlines 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 route.

3. The agreed services provided by the designated airlines of the Contracting Parties shall bear close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territory of the Contracting Party designating the airline and the Country of ultimate destination of the traffic. Provision for the carriage of passengers, cargo and mail, both taken up and put down 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 principles that capacity shall be related to:

- a) Traffic requirements between the country of origin and the countries of destinations;
- b) Traffic requirements of the area through which the airline passes, after taking account of local and regional services;
- c) The requirements of through airline operation.

Article 8. APPLICABILITY OF LAWS AND REGULATIONS

Neither of the Contracting Parties shall give a preference to its own or any other airline over the designated 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 other facilities under its control.

Article 9. AIRPORT CHARGES

Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control, provided that such charges shall not be higher than the charges imposed upon all other aircraft engaged in similar international services.

Article 10. TARIFFS

1. The tariffs to be applied by the designated 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.

2. The tariffs referred to in paragraph 1 of this Article shall, if possible, be agreed by the designated airlines in consultation with other airlines operating over the whole or part of the route, and such agreement shall, where possible, be reached through the rate-fixing machinery of the International Air Transport Association (I.A.T.A.).

3. The tariffs so agreed shall be submitted for approval to the aeronautical authorities of the Contracting Parties at least sixty (60) days before the proposed date of their introduction; in special cases, the aeronautical authorities of the Contracting Parties may agree upon a shorter period; this approval may be given expressly. If neither of the aeronautical authorities has expressed disapproval within thirty (30) days from the date of submission, these tariffs shall be considered as approved. In the event of the period for submission being reduced, the aeronautical authorities may agree that the period within which any disapproval must be notified shall be less than thirty (30) days.

4. If a tariff cannot be established in accordance with the provisions of paragraph 2 of this Article, or if during the first thirty (30) days of the sixty (60) days' period or during the reduced period referred to in paragraph 3 of this Article one Contracting Party gives the other Contracting Party notice of its dissatisfaction with any tariff submitted in accordance therewith, the aeronautical authorities of the Contracting Parties shall try to determine the tariff by agreement between themselves.

5. If the aeronautical authorities cannot agree upon such tariff, the dispute shall be settled in accordance with the provisions of Article 14 of the present Agreement.

6. No tariff shall come into force unless it has been approved or accepted by the aeronautical authorities of both Contracting Parties.

7. The tariffs established in accordance with the provisions of this Article shall remain in force until new tariffs have been established in accordance with the provisions of this Article. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than twelve (12) months after the date on which it otherwise would have expired.

Article 11. STATISTICS

The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party at their request such periodic or other statistical data of the designated airlines relating to traffic carried on the agreed services on the specified routes, as may be reasonably required.

Article 12. TRANSFER OF EARNINGS

Either Contracting Party undertakes to grant the other party free transfer, at the official rates of exchange and in accordance to the rules and regulations applicable in each respective country, of the excess of receipts over expenditure

achieved on its territory in connection with the carriage of passengers, baggage, mail shipment and cargo by the designated airline of the other party. Wherever the payments system between Contracting Parties is governed by a special agreement, the present Agreement shall apply.

Article 13. CONSULTATION

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 the present Agreement.

2. Either Contracting Party may request consultation in writing which shall begin within a period of sixty (60) days of the date of receipt of the request, unless both Contracting Parties agree on an extension of this period.

Article 14. SETTLEMENT OF DISPUTES

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of the present 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 Contracting 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 shall 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 arbitral tribunal shall reach its decisions by a majority of votes. Such decisions shall be binding for both Contracting Parties. Each of the Contracting Parties shall bear the expenses of its own member as well as of its representation in the proceedings at the arbitral tribunal; the expenses of the chairman and any other expenses shall be borne in equal parts by both Contracting Parties. In all other respects, the arbitral tribunal shall determine its own procedure.

4. If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with a decision given under this Article, the other Contracting Party may limit, withhold or revoke any right or privilege which it has granted by virtue of the present Agreement to the Contracting Party in default or to the designated airline or airline of that Contracting Party.

Article 15. AMENDMENTS

1. If either of the Contracting Parties considers it desirable to modify the terms of the present Agreement it may request the entry into negotiations on this question through diplomatic channels. Such negotiations shall begin within

sixty (60) days from the date of receipt of the request. Modification agreed upon as a result of such negotiations shall be recorded in an exchange of diplomatic notes and shall come into force after both Contracting Parties have notified each other that the formalities required by the constitution of each Contracting Party have been accomplished.

2. The agreed services as well as other stipulations of the Annex to the present Agreement can be modified by agreement between the aeronautical authorities of both Contracting Parties. All modifications agreed upon shall come into force upon notification through diplomatic channels.

Article 16. REGISTRATION

The present Agreement and all amendments thereto shall be registered with the Council of the International Civil Aviation Organization.

Article 17. TERMINATION OF AGREEMENT

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

Article 18. COMPLIANCE WITH MULTILATERAL CONVENTION

If a general multilateral convention on international air services comes into force in respect of both Contracting Parties, the present Agreement shall be amended so as to conform with the provisions of such convention.

Article 19. ENTRY INTO FORCE

The present Agreement shall come provisionally into force from the date of its signature. It shall be approved by each Contracting Party in accordance with its constitutional procedures and shall come into force thirty (30) days after the exchange of diplomatic notes indicating such approval.

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

DONE in original duplicate at Baghdad on this day, the 16th day of January, 1980, of the Christian Era, corresponding to the 27th day of Safar of the year 1400 Hijra in two originals, in the English language, both texts being equally authentic.

For the Government
of the Republic of Finland:

JAN GROOP

For the Government
of the Republic of Iraq:

HUSSAIN HAMMARK

ANNEX

1. The designated Iraqi airline may operate scheduled air services on the following route in both directions:
 - Iraq–Moscow–Helsinki and further points beyond; or
 - Iraq–Athens–Copenhagen or Stockholm–Helsinki and further points beyond.
 2. The designated Finnish airline may operate scheduled air services on the following route in both directions:
 - Finland–Berlin (Schönefeld)–Athens or Istanbul–Baghdad and further points beyond; or
 - Finland–one point in the USSR south of Moscow–Baghdad and further points beyond.
 3. Points beyond referred to in paras. 1 and 2 above will be specified and agreed upon by the aeronautical authorities of the Contracting Parties.
 4. While operating the services mentioned above, the designated airlines shall have the right to omit one or more intermediate points or points beyond out of the specified routes.
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