

No. 23670

**FINLAND
and
ITALY**

**Air Services Agreement (with annex). Signed at Helsinki on
16 November 1981**

Authentic text: English.

Registered by Finland on 24 December 1985.

**FINLANDE
et
ITALIE**

**Accord relatif aux transports aériens (avec annexe). Signé à
Helsinki le 16 novembre 1981**

Texte authentique : anglais.

Enregistré par la Finlande le 24 décembre 1985.

AIR SERVICES AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE REPUBLIC OF ITALY

The Government of the Republic of Finland and the Government of the Republic of Italy hereinafter referred to as the Contracting Parties;

Being signatories 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, in conformity with and supplementary to that Convention, for the purpose of regulating and promoting air services between their respective territories;

Have agreed as follows:

Article 1. DEFINITIONS

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

a) The term “the 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 become effective for or been ratified by both Contracting Parties;

b) The term “Aeronautical Authorities” means: in the case of the Republic of Finland, the National Board of Aviation and any person or body authorized to perform a particular function to which this Agreement relates; and, in the case of the Republic of Italy, the Ministero dei Trasporti — Direzione Generale dell’Aviazione Civile and any person or body authorized to perform a particular function to which this Agreement relates;

c) The term “designated airline” means an airline which has been designated and authorized in accordance with Article 3 of this Agreement;

d) The term “territory” in relation to a State has the meaning assigned to it in Article 2 of the Convention;

e) 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.

Article 2. GRANT OF RIGHTS

1) Each Contracting Party grants to the other Contracting Party the following rights in respect of its scheduled international air services:

a) The right to fly across its territory without landing;

b) The right to make stops in its territory for non-traffic purposes.

¹ Came into force on 4 May 1985, i.e., 30 days after an exchange of notes (effected on 4 April 1985) by which the Contracting Parties informed each other of the completion of the constitutional requirements, in accordance with article 17.

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.

2) 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 section of the Annex to this Agreement. Such services and routes are hereafter called “the agreed services” and “the specified routes” respectively. While operating an agreed service on a specified route the airline designated by each Contracting Party shall enjoy in addition to the rights specified in paragraph 1) of this Article the right to make stops in the territory of the other Contracting Party at the points specified for that route in the Annex to this Agreement for the purpose of taking on board and discharging passengers and cargo including mail.

3) Nothing in paragraph 2) of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking on board, in the territory of the other Contracting Party, passengers and cargo including mail carried for hire or reward 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 one airline for the purpose 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, without delay grant to the designated airline 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 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 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 the airline of each Contracting Party 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 8 of this Agreement is in force in respect of those services.

Article 4. REVOCATION OR SUSPENSION OF RIGHTS

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 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 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 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, such right shall be exercised only after consultation with the other Contracting Party.

Article 5. EXEMPTION FROM CHARGES ON EQUIPMENT, FUEL, STORES, ETC.

1) Aircraft operated on international air services provided for in the present Agreement by the airline designated by either Contracting Party, as well as supplies of fuel and lubricants, aircraft stores (including food, beverages and tobacco), spare parts and the regular equipment on board such aircraft shall be exempt from customs duties, inspection fees and any other fiscal charge on arriving in the territory of the other Contracting Party.

2) There shall also be exempt from said customs and fiscal charges, with the exclusion of the charges relating to services rendered:

a) Fuel, lubricants, aircraft stores, spare parts and normal airborne equipment introduced and stored in the territory of each Contracting Party by the designated airline of the other Contracting Party and intended solely for use by aircraft of the said airline;

b) Fuel, lubricants, aircraft stores, spare parts, regular equipment taken on board in the territory of the other Contracting Party by the designated airline of one Contracting Party, while operating the agreed services, within limits and conditions fixed by the Authorities of the said other Contracting Party, and intended solely for use and consumption during the flight.

3) The materials enjoying the exemptions provided for in the preceding paragraphs shall not be used for purposes other than international air services and must be re-exported if not used, unless their use on board an aircraft of another airline is granted or their permanent importation is permitted in accordance with the provisions in force in the territory of the Contracting Party concerned.

4) The exemptions set out in this Article, applicable also to the above mentioned materials used or consumed during the flight over the territory of the Contracting Party granting the exemptions, are granted on a reciprocal basis and may be subject to compliance with particular formalities normally applicable in the said territory, including customs controls.

Article 6. PRINCIPLES GOVERNING CAPACITY

1) The designated airlines of the two Contracting Parties shall be afforded fair and equal opportunities in the operation of the services agreed between their respective territories.

2) In operating the agreed services, the designated 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 specified routes or part of the same routes.

3) The agreed services provided by the designated airlines of both Contracting Parties shall bear reasonable relationship to the requirements of the public for transportation on the specified routes. They shall have as their primary objective 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 Contracting Party which has designated the airline and the territory of the other Contracting Party. 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 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.

Article 7. OPERATION OF AGREED SERVICES

1) Before the commencement of each traffic period the designated airlines of the two Contracting Parties shall make a joint recommendation to the respective Aeronautical Authorities on the capacity, including frequencies and types of aircraft, to be provided in respect of the agreed services. If the two airlines fail to agree on a joint recommendation, the issue shall be submitted to the Aeronautical Authorities of the two Contracting Parties, which will endeavour to settle the matter through consultation between themselves. Arrangements on capacity, either at airline level or between the Aeronautical Authorities, shall be reached in accordance with the principles in Article 6 of this Agreement. Pending an arrangement the capacity shall be maintained at existing level.

2) The designated airline of either Contracting Party shall submit its proposed timetables for each traffic period to the Aeronautical Authorities of both Contracting Parties for approval at least sixty (60) days prior to the beginning of the operation. Such timetables shall include the types of service and aircraft to be used, the flights scheduled and any other relevant information.

Article 8. TARIFFS

1) For the purpose of the following paragraphs, the term "tariff" means the prices to be paid for the carriage of passengers 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.

2) The tariffs to be charged by the airline of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, reasonable profit, and the tariffs of other airlines.

3) The tariffs referred to in paragraph 2) of this Article shall, if possible, be agreed by the designated airlines concerned of both Contracting Parties, after consultation with the other airlines 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.

4) The tariffs so agreed 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.

5) This approval 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 4) 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 4), the Aeronautical Authorities may agree that the period within which any disapproval must be notified shall be less than thirty (30) days.

6) If a tariff cannot be agreed in accordance with paragraph 3) of this Article, or if, during the period applicable in accordance with paragraph 5) of this Article, one Aeronautical Authority gives the other Aeronautical Authority notice of its disapproval of a tariff agreed in accordance with the provisions of paragraph 3) of this Article, the Aeronautical Authorities of the two Contracting Parties shall, after consultation with the Aeronautical Authorities of any other State whose advice they consider useful, endeavour to determine the tariff by mutual agreement.

7) If the Aeronautical Authorities cannot agree on any tariff submitted to them under paragraph 4) of this Article, or on the determination of any tariff under paragraph 6) of this Article, the dispute shall be settled in accordance with the provisions of Article 13 of this Agreement.

8) A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established in accordance with the same provisions.

Article 9. LAWS AND REGULATIONS

1) The laws, regulations and administrative requirements 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 while within its territory, shall be applied to the aircraft of the airline designated by the other Contracting Party and shall be complied with by such aircraft upon entrance into or departure from and while within the territory of the first Contracting Party.

2) The laws, regulations and administrative requirements of one Contracting Party relating to the admission to or departure from its territory of passengers, crew, cargo or mail of aircraft, including regulations relating to entry, clearance, immigration, passports, customs and quarantine, shall be complied with by or on behalf of such passengers, crew, cargo or mail of the airline of the other Contracting Party upon entrance into or departure from and while within the territory of the first Contracting Party.

Article 10. AIRLINE REPRESENTATION

1) The designated airline of each Contracting Party shall have the right to maintain in the territory of the other Contracting Party, within the scope of the laws, regulations and administrative requirements in force therein, such offices and administrative, commercial and technical personnel as may be necessary for the requirements of that designated airline.

However, if a designated airline of either Contracting Party considers it necessary to maintain such offices and personnel in the territory of the other Contracting Party in points other than those specified in the appropriate section of the Annex to this Agreement or in points other than those to/from which it has otherwise been authorized to operate scheduled international air services, that designated airline

shall submit an application thereof to the competent Authorities of that other Contracting Party.

Such application shall be handled without undue delay and it can be refused only in exceptional circumstances for reasons of public security.

2) The employment of the personnel referred to in paragraph 1) of this Article shall be subject to the laws, regulations and administrative requirements relating to the admission of persons and their stay in the territory of the Contracting Party concerned.

Article 11. TRANSFER OF EARNINGS

1) Each Contracting Party grants to the designated airline of the other Contracting Party the right of free transfer in convertible currency of the excess of receipts over expenditure earned in its territory by that airline in relation to sales and/or carriage of passengers, cargo and mail.

2) Such transfer shall be effected on the basis of the official exchange rate for current payments in force at the day of transfer and shall not, with the exception of normal banking charges and procedures, be subject to any charge, limitation, imposition or delay.

3) Wherever the payments system between the Contracting Parties is governed by a special Agreement, that Agreement shall apply.

Article 12. 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 this Agreement and the Annex attached thereto.

2) If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may at any time propose in writing such modification to the other Contracting Party. Consultations between the two Contracting Parties concerning such proposed modification may be either oral or in writing and shall unless otherwise agreed begin within a period of sixty (60) days from the date of the request made by one of the Contracting Parties.

3) In the event that either of the Contracting Parties considers it desirable to modify the Annex to this Agreement such modification shall be agreed upon in consultation between the Aeronautical Authorities of the two Contracting Parties.

4) Any modification to this Agreement or its Annex in accordance with paragraphs 2 and 3 of this Article shall come into effect when they have been confirmed by an Exchange of Notes through the diplomatic channel.

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. Each of the Contract-

ing 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 of the Council of the International Civil Aviation Organization may at the request of either Contracting Party appoint an arbitrator or arbitrators as the case requires. In such case the third arbitrator shall be a national of a third State and shall act as President of the arbitral tribunal.

3) The Contracting Parties shall comply with any decision given under paragraph 2) of this Article.

Article 14. CONFORMITY WITH MULTILATERAL CONVENTIONS

If a multilateral air convention comes into force in respect of both Contracting Parties, the provisions of such convention shall prevail. Consultation in accordance with Article 12 of this Agreement may be held with a view to determining the extent to which this Agreement is affected by the provisions of the said multilateral convention.

Article 15. 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 16. 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 the 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 been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article 17. ENTRY INTO FORCE

This Agreement shall enter into force thirty (30) days from the exchange of diplomatic notes confirming that the constitutional requirements of the Contracting Parties for the entering into force of this Agreement have been complied with.

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

DONE in duplicate at Helsinki in the English language, this 16th day of November, 1981.

For the Government of the Republic of Finland:

ESKO REKOLA

For the Government of the Republic of Italy:

BRUNO CORTI

ANNEX

Section 1

The airline designated by the Government of the Republic of Finland may operate scheduled air services on the following route in both directions:

Points in Finland — Rome

Section 2

The airline designated by the Government of the Italian Republic may operate scheduled air services on the following route in both directions:

Points in Italy — Helsinki

Section 3

The scheduled air services mentioned above do not include all-cargo flights.
