

No. 27000

—

**ISRAEL
and
HUNGARY**

**Air Transport Agreement (with annex). Signed at Jerusalem
on 1 March 1989**

Authentic texts: Hebrew, Hungarian and English.

Registered by Israel on 3 January 1990.

—————

**ISRAËL
et
HONGRIE**

**Accord relatif aux transports aériens (avec annexe). Signé à
Jérusalem le 1^{er} mars 1989**

Textes authentiques : hébreu, hongrois et anglais.

Enregistré par Israël le 3 janvier 1990.

AIR TRANSPORT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE STATE OF ISRAEL AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC

The Government of the State of Israel and the Government of the Hungarian People's Republic (hereinafter the Contracting Parties);

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944;² and

Desiring to promote the development of air transport between Hungary and Israel and to continue to the fullest extent the international cooperation in this field;

Have agreed as follows:

Article I

DEFINITIONS

For the purpose of the interpretation and application of the Agreement, except as otherwise provided herein:

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 that Convention, 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 have been ratified by both Contracting Parties;

¹ Came into force on 11 October 1989, the date of the last of the notifications (of 3 July and 11 October 1989) by which the Contracting Parties informed each other of the completion of their respective requirements, in accordance with article XX.

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.

b) the term "aeronautical authorities" means in the case of the Hungarian People's Republic, the Ministry of Transport, Communication and Construction and in the case of the State of Israel, the Minister of Transport, or in both cases any person or body duly authorised to perform any function exercised by the said authorities;

c) the term "designated airline" means the airline that each Contracting Party has designated to operate the agreed services as specified in the Annex of this Agreement and in accordance with Article III of this Agreement;

d) the terms "territory", "international air services" and "stop for non-traffic purposes" have the meaning specified in Articles 2 and 96 of the Convention;

e) the term "Agreement" means this Agreement, its Annexes and any amendments thereto;

f) the term "specified routes" means the routes established or to be established in the Annex to the Agreement;

g) the term "agreed services" means the international air services which can be operated, according to the provisions of the Agreement, on the specified routes;

h) 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 for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail.

Article II

TRAFFIC RIGHTS

1. Each Contracting Party grants to the other Contracting Party the rights specified in the Agreement, for the purpose of establishing scheduled international air services on the routes specified in the Annex hereto.
2. The airline designated by each 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 non-traffic purposes; and
 - c. to make stops in the said territory for the purpose of taking on or putting down, while operating the agreed services as specified in the Annex, international traffic of passengers, cargo and mail, separately or in combination.
3. Nothing in this Agreement 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, carried for hire or reward and destined for another point in the territory of the other Contracting Party.

Article III

DESIGNATION OF AIRLINES

AND OPERATING AUTHORIZATION

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 grant without delay, subject to the provisions of paragraphs 3 and 4 of this Article, to the designated airline the appropriate 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 fulfill 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 the designated airline of the rights specified in Article II of this Agreement in any case when 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 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 VI of this Agreement is in force in respect of those services.

Article IV

REVOCATION, SUSPENSION OF RIGHTS

AND IMPOSITION OF CONDITIONS

1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article II of this Agreement given to the airline designated by the other Contracting Party, or to

impose such conditions as it may deem necessary for the exercise of these rights:

- a. in case where it is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party; or
 - b. in case of failure by that airline to comply with the laws and regulations of the Contracting Party granting these rights; or
 - c. in any case in which the airline otherwise fails to operate the agreed services in accordance with the conditions prescribed under the Agreement.
2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article are essential to prevent further infringement of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party. Such consultation between the aeronautical authorities shall begin within a period of thirty (30) days of the date of the request.

Article V

EXEMPTION FROM CUSTOMS DUTIES AND OTHER CHARGES

1. Each Contracting Party shall on a basis of reciprocity exempt the designated airline of the other Contracting Party to the fullest extent possible under its national law from import restrictions, customs duties, excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubrication oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores (including liquor, tobacco and other products destined for sale to passengers in limited quantities during the flight) and other items intended for use solely in connection with

the operation or servicing of aircraft of the designated airline of such Contracting Party operating the agreed services, as well as printed ticket stock, airway bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed without charge by that designated airline.

2. The exemption granted by this Article shall apply to the items referred to in paragraph 1 of this Article:
 - a. introduced in the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;
 - b. retained on board the aircraft of the designated airline of one Contracting Party upon arriving to or departing from the territory of the other Contracting Party;
 - c. taken on board the aircraft of the designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services;
 - d. whether or not such items are used or consumed wholly or partly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of the said Contracting Party.
3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of the designated airline 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.

4. Passengers in transit across the territory of either Contracting Party shall be subject to no more than a very simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

Article VI

TARIFFS

1. The tariffs to be charged 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 tariffs of other airlines.
2. The tariffs referred to in paragraph 1 of this Article, shall if possible be agreed between the designated airlines of both Contracting Parties, after consultation with 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.
3. The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least (45) days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.
4. This approval may be given expressly. If neither of the aeronautical authorities has expressed disapproval within (30) days from the date of submission, in accordance with paragraph 3 of this Article, these tariffs shall be considered 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 (30) days.

5. If a tariff cannot be agreed in accordance with the provisions of 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 any tariff agreed upon in accordance with the provision of paragraph 2, the aeronautical authorities of the two Contracting Parties shall endeavour to determine the tariff by mutual agreement.
6. If the aeronautical authorities cannot agree on any tariff submitted to them in accordance with paragraph 3 of this Article, or on the determination of any tariff as specified in paragraph 5 of this Article, the dispute shall be settled in accordance with the provisions of Article XVII of this Agreement.
7. 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 for more than twelve (12) months after the date on which it otherwise would have expired.

Article VII

REPRESENTATION

1. The designated airline of one Contracting Party shall be allowed to maintain in the territory of the other Contracting Party their representatives and commercial, operational and technical staff as required in connection with the operation of the agreed services. These staff shall be chosen among nationals of either or both Parties as may be necessary.
2. These staff requirements may, at the opinion of the designated airline, be satisfied by its own personnel or by using the services of other organization, company or airline operating in the territory to the other Contracting Party, and

authorized to perform such services in the territory of that Contracting Party.

3. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party, and, consistent with such laws and regulations, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary work permits, employment visas or other similar documents to the representatives and staff referred to in paragraph 1 of this Article.

Article VIII

COMPLIANCE WITH LAWS AND REGULATIONS

1. The laws, regulations and procedures of either Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air services or to the operation and navigation of such aircraft, shall be complied with by the designated airline of the other Contracting Party upon its entrance into, and until and including its departure from, the said territory.
2. The laws, regulations and procedures of either Contracting Party relating to immigration, passports, or other approved travel documents, entry, clearance customs and quarantine shall be complied with by or on behalf of crew, passengers, cargo and mail carried by aircraft of the designated airline of the other Contracting Party upon their entrance into the territory of the said Contracting Party.

Article IX

CERTIFICATES AND LICENCES

Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party and still in force shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services provided that the requirements under which such

certificates and licences were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the International Civil Aviation Convention.

Each Contracting Party reserves the right, however, of refusing to recognize the validity of the certificates of competency and the licences granted to its own nationals by the other Contracting Party for the purpose of overflying its own territory.

Article X

SECURITY

1. Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provision of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed in Tokyo on 14 September 1963,¹ the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970,² the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971³ and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988.⁴
2. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and

¹ United Nations, *Treaty Series*, vol. 704, p. 219.

² *Ibid.*, vol. 860, p. 105.

³ *Ibid.*, vol. 974, p. 177.

⁴ *Ibid.*, vol. 1589, No. I-14118.

crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions.
4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
5. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

Article XI

TRANSFER OF EXCESS RECEIPTS

1. The designated airline of one Contracting Party shall be free to sell air transport services in the territory of the other Contracting Party either directly or through an agent, in the local currency or in any freely convertible currency in accordance with the respective applicable National Laws and Regulations.
2. The designated airlines of the Contracting Parties shall be free to transfer from the territory of sale to their home territory the excess, in the territory of sale, of receipts over expenditure. Included in such net transfer shall be revenues from sales, made directly or through an agent of air transport services, and ancillary supplementary services, and normal commercial interest earned on such revenues while on deposit awaiting transfer.
3. The designated airlines of the Contracting Parties shall receive approval for such transfers within at most 30 days of application. The procedure for such transfers shall be in accordance with the foreign exchange regulations of the country in which the revenue accrues.
4. Each Contracting Party shall grant to the designated airline of the other Contracting Party on a reciprocal basis, the exemption of all taxes and duties on the profit or incomes derived from the operation of the air services.

Article XII

CAPACITY PROVISIONS

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.

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 provide on the whole or part of the same routes.
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 originating from or destined for the territory of the Contracting Party which has designated the airline. 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 into account of other transport services established by airlines of the States comprising the area;
and
 - c. the requirements of through airline operation.

Article XIII

APPROVAL OF SCHEDULES

1. The frequencies and the schedules for the operation of the agreed services shall be

- established by mutual agreement between the two designated airlines and submitted to the aeronautical authorities for approval at least 30 days prior to their entry into force. In case such an agreement cannot be reached between the two designated airlines the matter shall be referred to the aeronautical authorities of the Contracting Parties.
2. A Commercial Agreement between the two designated airlines shall be required while operating the agreed services. This Commercial Agreement shall be submitted to the respective aeronautical authorities for approval.
 3. The aeronautical authorities of a Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request such periodic or other statement of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airline of the Contracting Party referred to first in this Paragraph. Such statement shall include all information required to determine the amount of traffic carried by that airline on the agreed services and the origin and destination of such traffic.

Article XIV

FACILITATION

1. Fees and charges applied in the territory of either Contracting Party to the airline operations or to other aviation facilities in the territory of the first party, shall not be higher than those applied in the territory of that first party to the operations of other foreign airlines engaged in similar international air services.
2. Neither of the Contracting Parties shall give preference to any other foreign airlines over a 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 air traffic services and associated facilities under its control.

3. Each Contracting Party shall encourage consultations between its competent charging authorities and the designated airlines using the services and facilities; and where practicable, through the airlines representative organizations. Reasonable notice should be given to users of any proposals for changes in user charges to enable them to express their views before changes are made.

Article XV

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 of its Annex.
2. Such consultations shall begin within a period of sixty (60) days of the date of receipt of such a request, unless otherwise agreed by the Contracting Parties.

Article XVI

MODIFICATIONS

1. If either Contracting Party considers it desirable to modify any provisions of the Agreement, it may request consultations with the other Contracting Party. Such consultations between aeronautical authorities may be through discussion or by correspondence, and shall begin within a period of sixty (60) days from the date of request. Any modifications so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes.
2. Modifications of the Annex to this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting

Parties and confirmed by exchange of diplomatic notes.

3. The Agreement will be amended so as to conform with any multilateral Convention which may become binding on both Contracting Parties.

Article XVII

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 endeavor to settle it by negotiations directly between the aeronautical authorities and if necessary through diplomatic channels.
2. If the Contracting Parties fail to reach a settlement by these negotiations, they may agree to refer the dispute 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 of a notice through diplomatic channels requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In all cases the third arbitrator shall be a national of a third State, shall act as chairman of the Tribunal and shall determine the place where arbitration will be held. The arbitral Tribunal shall settle its own procedure and if necessary shall decide the law to be applicable.

3. Any decision given by the arbitral Tribunal shall be binding on both Contracting Parties, unless they decide otherwise at the time of referring the dispute to an arbitral Tribunal.
4. The expenses of the Tribunal shall be shared equally between the Contracting Parties.
5. If and so long as either Contracting Party fails to comply with any decision given under paragraph 3 of this Article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default or to the designated airline in default.

Article XVIII

REGISTRATION

The Agreement, including any amendments thereto, shall be registered with the International Civil Aviation Organization.

Article XIX

TERMINATION

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate the 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 of termination is withdrawn by mutual agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article XX

ENTRY INTO FORCE

The Agreement shall enter into force at the date on which both Contracting Parties give written notifications to each other by exchange of Diplomatic Notes that their respective internal requirements for entry into force have been fulfilled.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments have signed the present Agreement.

Done in Jerusalem, this first day of March 1989
which corresponds to the 24 day of Adar I 5749

in two original copies in the English, Hungarian and Hebrew languages, all the texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government
of the State of Israel:

[Signed — Signé]¹

[Signed — Signé]²

For the Government
of the Hungarian People's Republic:

[Signed — Signé]³

¹ Signed by Moshe Arens — Signé par Moshe Arens.

² Signed by Moshe Katsav — Signé par Moshe Katsav.

³ Signed by Andra's Derzsi — Signé par Andra's Derzsi.

ANNEX

to the Bilateral Air Transport Agreement between the Hungarian People's Republic and the State of Israel on scheduled air transport between their respective territories.

1. Routes on which air services may be operated by the designated airline of Hungary:
Point(s) in Hungary,
Any Intermediate Point,
Tel Aviv, Israel,
Points Beyond Israel.
 2. Routes on which air services may be operated by the designated airline of Israel:
Point(s) in Israel,
Any Intermediate Point,
Budapest, Hungary,
Points Beyond Hungary.
 3. 5th freedom rights, to and from third countries, shall be available on the agreed services provided they have been coordinated and agreed upon in advance between the two designated airlines and approved by the relevant aeronautical authorities.
 4. Any or all of the intermediate or beyond points may, at the opinion of the designated airline, be omitted on any or all flights provided that the service begins or terminates in the territory of the party designating the airline.
-