

**Memorandum of Understanding
between the Aeronautical Authorities of
Iceland and the Argentine Republic**

Delegations representing the aeronautical authorities of Iceland and the Argentine Republic held consultations by electronic means in Buenos Aires and Reykjavik to discuss matters relating to the further development of the aviation relations between the two countries.

The discussions were conducted in a friendly and cordial manner. The lists of both delegations are attached hereto as APPENDIXES A and B to this MOU.

Both Delegations wished to record as follows:

1. AIR SERVICE AGREEMENT TEXT (ASA)

The Delegations agreed to work towards the negotiation of an Agreement on Air Services with the objective of enhancing commercial air relations between the two countries.

The Delegation of Iceland took the opportunity to provide a draft ASA to the Delegation of Argentina which contemplates the consolidation of the most recent understandings between the two countries for consideration and analysis.

The draft ASA is attached hereto as APPENDIX C to this MOU.

2. DESIGNATION

Both Delegations agreed that the Aeronautical Authorities of Iceland and the Argentine Republic may designate, in writing, one or more airlines to operate the agreed services, provided that the airlines are established in the territory of the country that designate them, and that the regulatory control of said airlines is exercised and maintained by the country that designates them.

3. ROUTE SCHEDULE

The airlines of each Party designated under this agreement will have the right to provide air transportation services for passengers, cargo and mail, separately and combined between points on the following routes:



a) Routes to be operated by the designated airlines of Iceland:

Behind Points	Points in Iceland	Intermediate Points	Points in Argentina	Beyond Points
Any point(s)	Any point(s)	Any point(s)	Any point(s)	Any point(s)

b) Routes to be operated by the designated airlines of the Argentine Republic:

Behind Points	Points in Argentina	Intermediate Points	Points in the Iceland	Beyond Points
Any point(s)	Any point(s)	Any point(s)	Any point(s)	Any point(s)

4. TRAFFIC RIGHTS

All points determined on the agreed routes may be served with 3rd, 4th, 5th, 6th, 7th, 8th and 9th freedom traffic rights on combined services and 3rd, 4th, 5th, 6th, 7th, 8th and 9th freedom traffic rights for exclusive cargo services, in accordance with the established Route Table.

5. FREQUENCIES

Both Delegations agreed to allow each designated air carrier to determine the frequency and capacity of international air transportation services that it will offer and will undertake not to unilaterally limit the volume of traffic, the frequency or regularity of service, or the type or types of aircraft operated by designated airlines except when necessary for customs, technical, operational or environmental reasons.

6. OPERATING MODALITIES (CODE-SHARING)

In operating or offering the authorized services on the agreed routes the designated airlines of each Party will be able to enter into code-share, blocked space or other cooperative marketing arrangements, with any other airline or airlines including airlines of the same Party, of the other Party, and third parties. provided that all airlines in such agreements:

- Hold the appropriate authority to operate on the routes and segments concerned;

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- In respect of any ticket sold by it or them, make it clear to the purchaser at the point of sale which airline will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship;

- The schedules of the code-sharing services will be notified to the aeronautical authorities of both Parties and may be subject to review before the proposed date of their introduction in accordance with national regulations.

It is the common understanding of both Parties that code-share services are not counted against the frequency entitlement of the marketing carrier.

7. NON-SCHEDULED FLIGHTS

The authorized airlines of each of the Parties shall have the right, in accordance with the terms of such authorization, to carry out international non-scheduled air transportation to and from any point or points in the territory of the other Party, directly or with stops in the route, for one-way or round-trip transportation of any traffic to or from a point or points in the territory of the Party that has authorized the airline. Charter flights with multiple destination points will also be allowed in application of the provisions of Article 4 of this Memorandum. In addition, the airlines of one Party may carry out charter flights with traffic whose origin or destination will be the territory of the other Party.

Each authorized airline carrying out air transportation under this provision shall comply with the laws, regulations and standards of both Parties.

8. SIGNATURE OF COOPERATION AGREEMENTS AND REGISTRATION

The Authorities of both countries undertake, within a period of no more than 60 days from the signing of this MOU if possible, to sign a Technical Cooperation Agreement between the aeronautical authorities of both countries on the means to implement double surveillance that guarantees operational safety, recognition of products and aircraft certified by each Party and any other point that they deem necessary to guarantee the above. The Parties agree to register the same, in accordance with the provisions of Article 83 bis of the Chicago Convention on International Civil Aviation.



9. ENTRY INTO FORCE

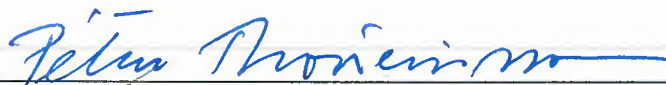
This Memorandum of Understanding shall come into effect on the latter date of signature.

In their effort to strengthen the relations between their respective countries in the field of civil aviation, the Delegations agreed that, pending the signature and subsequent entry into force of the ASA, the Aeronautical Authorities of both Parties will apply from the effective date of this MOU the clauses relating to air services contained in the provisional ASA text as it stands in APPENDIX C to, initialled by both Parties, with such modifications as may be agreed by the Parties during the interim period.

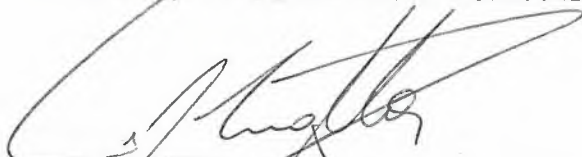
Signed in Buenos Aires and Reykjavik

on 20/03/2025 and

on 20/03/2025



FOR THE DELEGATION OF ICELAND



FOR THE DELEGATION OF THE ARGENTINE REPUBLIC



APPENDIX A

DELEGATION LIST OF THE ARGENTINE REPUBLIC

CHIEF OF DELEGATION

Secretary of Transport

Franco H. MOGETTA PREVEDELLO

DELEGATION

Undersecretary of Air Transport

Hernán Adrián GÓMEZ

National Civil Aviation Administrator

María Julia CORDERO

National Director of Air Transport

Diego Sebastián IDIART

OBSERVERS

Secretary of Tourism, Environment and Sports

Daniel SCIOLI

President of American Jet S.A.

Jorge Rodríguez

President of EANA

Norma ROTTA

President of INTERCARGO

Fernando MONTES

President of JetSmart S.A. Argentina

Gonzalo PEREZ CORRAL

pB

President of JURCA
Jerónimo CORTÉS

President of JST
Federico SULETA

President of ORSNA
Hernán DE ARZUAGA PINTO

Manager of Andes Líneas Aéreas S.A.
Horacio PRENESTE

Manager of INTERCARGO
Esteban PALACIOS

Manager of London Supply S.A.
Santiago ROCCA

Secretary of JURCA
Felipe BARAVALLE

Secretary of Transport, Santa Fe
Renata GHILOTTI

Director of Rosario Airport
Esteban Adrián BRETTO

Director of Sauce Viejo Airport
Gisela Jaquelina RIULI

Commercial Director of Andes Líneas Aéreas S.A.
Pablo IRIART

Commercial Director of Flybondi S.A.
Federico PASTORI

Director of Corporate Affairs and Sustainability Flybondi
Lucia GINZO

Director of Legal Affairs Airports Argentina
Federico CANZONIERI

Legal Manager Airports Argentina
Diego Raúl GONZÁLEZ

Commercial Manager Helipower S.A.
Pablo SERVIDIO

IATA Country Manager
María José TAVEIRA

Representative American Jet S.A.
Ivana PALMIERI

Representative Flybondi S.A.
Diego FARGOSI

Representative of JetSmart S.A.
Diego FERRARI

Representative of JetSmart S.A.
Sebastian Carlos VILLA

Legal Representative of JURCA
Mireya FREIDENBERG



Legal Representative of JURCA
Cecilia RODRIGUEZ

Legal Representative of JURCA
Walter VON RENTZELL

Representative of Helicopteros Marinos S.A.
Marcelo FLORIO

Representative of AEROLINK S.A.
Pedro MARTINEZ

Representative of Royal Class S.A.
Sebastián GÓMEZ CAZON

Representative of Hangares Buenos Aires S.A.
Sergio MASTROPIETRO

Representative of FLIGHT EXPRESS S.R.L.
Claudio SAN PEDRO

Aeronautical Code Regulation Commission
Eduardo CARTASSO NAVEYRA

Aeronautical Code Regulation Commission
Mara DI LORETO

APPENDIX B

DELEGATION LIST OF ICELAND

CHIEF OF DELEGATION

Mr. Pétur Thorsteinsson, Chief Negotiator
Ministry for Foreign Affairs

DELEGATION

Mr. Jón Gunnar Jónsson, Director General
Icelandic Transport Authority

Ms. Kristín Helga Markúsdóttir, Deputy Director General and Negotiator
Icelandic Transport Authority

Ms. Vala Hrönn Viggósdóttir, Legal Adviser and Negotiator
Ministry of Infrastructure

Mr. Ragnar G. Kristjánsson, Director General
Ministry for Foreign Affairs

Ms. Erla Helgadóttir, Senior Officer
Ministry for Foreign Affairs

Ms. Helga Hrönn Karlsdóttir, Legal Adviser
Ministry for Foreign Affairs

Ms. Erla Ylfa Óskarsdóttir, Specialist
Ministry for Foreign Affairs

Mr. Halldór Elís Ólafsson, Specialist
Ministry for Foreign Affairs



Ms. Áslaug Karen Jóhannsdóttir, Director
Ministry for Foreign Affairs

OBSERVERS

Ms. Svanhildur Hólm Valsdóttir, Ambassador agréée to Argentina
Embassy of Iceland Washington DC

Ms. Gunnlaug Guðmundsdóttir, Deputy Chief of Mission
Embassy of Iceland Washington DC

Mr. Daniel Koltonski, Consul
Consulate of Iceland, Buenos Aires

Mr. Egill Thorvardarson, V.P. Legal Affairs
Air Atlanta

Mr. Unndor Jonsson, V.P. Sales and Marketing
Air Atlanta

Mr. Helgi Már Björgvinsson, CEO Office
Icelandair

Ms. Fríða Margrét Pétursdóttir, Regulatory Support Manager
Icelandair

AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF ICELAND

AND

THE GOVERNMENT OF THE ARGENTINE REPUBLIC



PTM

[Place and date]

The Government of Iceland and the Government of the Argentine Republic (hereinafter referred to as the "Parties");

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944;

Desiring to promote their mutual relations in the field of civil aviation and to conclude an Agreement for the purpose of establishing international air services between and beyond their respective territories;

Desiring to promote an international aviation system based on competition among airlines in the marketplace with minimum government interference and regulation;

Desiring to facilitate the expansion of international air service opportunities;

Recognizing that efficient and competitive international air services enhance trade, the welfare of consumers, and economic growth;

Desiring to make it possible for airlines to offer the travelling and shipping public a variety of service options and wishing to encourage individual airlines to develop and implement innovative and competitive prices; and

Desiring to ensure the highest degree of safety and security in international air services and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property, adversely affect the operation of air services and undermine public confidence in the safety of civil aviation;

Have agreed as follows:

Article 1

Definitions

For the purposes of this Agreement, unless otherwise stated, the term:

a) "aeronautical authorities" means, in the case of Iceland, the Minister responsible for transport and the Icelandic Transport Authority; in the case of the Argentine Republic, the Secretary of Transportation and the National Civil Aviation Administration; or in both cases any other authority or person empowered to perform the functions now exercised by the said authorities;



b) "Agreement" means this Agreement, its Annexes, and any amendments thereto;

c) "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and includes: any amendment that has entered into force under Article 94 (a) of the Convention and has been ratified by both Parties, and any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annexes or amendments are at any given time effective for both Parties;

d) "designated airline" means an airline designated and authorized in accordance with Article 3 (Designation and Authorization) of this Agreement;

e) "EEA" means the enhanced free trade area established by the Agreement on the European Economic Area, done at Oporto on 2 May 1992, between the European Community (now the European Union) and its Member States on the one hand and Iceland, Norway and Liechtenstein on the other hand;

f) "full cost" means the cost of providing service plus a reasonable charge for administrative overhead;

g) "international air service" means an air service that passes through the airspace over the territory of more than one State;

h) "ICAO" means the International Civil Aviation Organization;

i) "price" means any fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in air service charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;

j) "user charges" means a charge made to airlines by the competent authorities, or permitted by them to be made, for the provision of airport property or facilities or of air navigation facilities, or aviation security facilities or services, including related services and facilities, for aircraft, their crews, passengers and cargo; and

k) "air service", "international air service", "airline", and "stop for non-traffic purposes", have the meanings assigned to them in Article 96 of the Convention.

Article 2

Grant of rights

1. Each Party grants the other Party's designated airlines the following rights



for the conduct of 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; and
- c) the rights otherwise specified in this Agreement.

2. The airlines of each Party, other than those designated under Article 3 (Designation and authorization) of this Agreement, shall also enjoy the rights specified in paragraphs 2 a) and b) of this Article.

4. Either Party that requires to introduce a temporary restriction on international air services by the laws and regulations applicable in its territory which is deemed necessary to respond to the needs of a crisis impacting international aviation shall have due regard to the guidance issued by ICAO to ensure that Air Services Agreements continue to provide a predictable framework during such crises.

Article 3

Designation and authorization

1. Each Party shall have the right to designate an airline or airlines for the purpose of operating the agreed services on each of the routes specified in the Annexes and to withdraw or alter such designations. Such designations shall be made in writing and transmitted to the other Party through diplomatic channels.

2. On receipt of such a designation, and of application from the designated airline, in the form and manner prescribed for operating authorizations and technical permissions, the other Party shall grant the appropriate operating authorization and permission with minimum procedural delay, provided that:

- a) in the case of an airline designated by Iceland:

- (i) it is established in the territory of Iceland and is licensed in accordance with the applicable law of Iceland; and

- (ii) Iceland has and maintains effective regulatory control of the airline and the aeronautical authority is clearly identified in the designation; and

- (iii) it is owned and shall continue to be owned directly or through majority ownership by Member States of the EEA and/or their nationals and shall at all times be effectively controlled by such states and/or their nationals.

- b) in the case of an airline designated by the Argentine Republic:

- (i) it is established in the territory of the Argentine Republic and is

licensed in accordance with the applicable law of the Argentine Republic; and

(ii) the Argentine Republic has and maintains effective regulatory control of the airline and the aeronautical authority is clearly identified in the designation;

c) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Party considering the application or applications; and

d) the provisions set forth in Article 8 (Safety) and Article 9 (Aviation security) are being maintained and administered.

3. When an airline has been so designated and authorized, it may begin to operate air services on the specified routes provided that the airline complies with all applicable provisions of this Agreement.

Article 4

Revocation of authorization

1. Either Party may revoke, suspend or limit the operating authorization or technical permission of an airline designated by the other Party where:

a) in the case of an airline designated by Iceland:

(i) it is not established in the territory of Iceland; or is not licensed in accordance with the applicable law of Iceland; or

(ii) Iceland is not maintaining effective regulatory control of the airline; or

(iii) it is not owned, directly or through majority ownership by, or it is not at all times effectively controlled by a Member State of the EEA and/or their nationals; or

(iv) the airline has failed to comply with the laws and regulations of the Argentine Republic.

b) in the case of an airline designated by the Argentine Republic:

(i) it is not established in the territory of the Argentine Republic; or is not licensed in accordance with the applicable law of the Argentine Republic; or

(ii) the Argentine Republic is not maintaining effective regulatory control of the airline; or

(iii) the airline has failed to comply with the laws and regulations of Iceland.



2. Unless immediate revocation or suspension of the operating authorization mentioned in paragraph 1 of this Article, or imposition of the conditions therein, is essential to prevent further infringements of laws and regulations, such right shall be exercised only after consultations with the other Party.

3. This Article does not limit the rights of either Party to withhold, revoke, limit or impose conditions on the operating authorization or technical permission of an airline or airlines of the other Party in accordance with the provisions of Article 8 (Safety) and Article 9 (Aviation security).

Article 5

Application of laws

1. While entering, within, or leaving the territory of one Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the other Party's airlines.

2. While entering, within, or leaving the territory of one Party, its laws and regulations relating to the admission to or departure from its territory of passengers, crew or cargo on aircraft (including regulations relating to entry, clearance, aviation security, immigration, passports, customs and quarantine or, in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew or cargo of the other Party's airlines.

3. Neither Party shall give preference to its own or any other airline over a designated airline of the other Party engaged in similar international air services in the application of its immigration, customs, quarantine and similar regulations.

Article 6

Direct transit

Passengers, baggage and cargo in direct transit through the territory of any Party and not leaving the area of the airport reserved for such purpose shall not undergo any examination except for reasons of aviation security, narcotics control, prevention of illegal entry or in special circumstances.

Article 7

Recognition of certificates

1. Each Party shall recognize as valid, for the purpose of operating the air



services provided for in this Agreement, certificates of airworthiness, certificates of competency, and licenses issued or validated by the State responsible for the regulatory control of a designated airline and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention.

2. Each Party reserves the right, however, to refuse to recognize as valid, for the purpose of flight above or landing within its own territory, certificates of competency and licenses granted to or validated for its own nationals by the other Party.

Article 8

Safety

1. Either Party may request consultations concerning the safety standards maintained in respect of an airline designated by the other Party relating to aeronautical facilities, aircrews, aircraft, and operation of the designated airlines.

2. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 of this Article that meet the standards established at that time pursuant to the Convention, the other Party shall be informed of such findings and of the steps considered necessary to conform with the said standards. The other Party shall then take appropriate corrective action within an agreed time period.

3. Pursuant to Article 16 of the Convention, it is further agreed that any aircraft operated by, or on behalf of, an airline of one Party, on service to or from the territory of the other Party, may, while within the territory of the other Party, be the subject of a search by the authorized representatives of the other Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the standards established at that time pursuant to the Convention.

4. When urgent action is essential to ensure the safety of an airline operation, each Party reserves the right to immediately withhold, revoke or limit



the operating authorization or technical permission of an airline or airlines of the other Party.

5. Any action by one Party in accordance with paragraph 4 of this Article shall be discontinued once the basis of the taking of that action ceases to exist.

6. With reference to paragraph 2 of this Article, if it is determined that one Party remains in non-compliance with the said standards when the agreed time period has lapsed, the Secretary-General of ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.

7. Where one Party has designated an airline whose regulatory control is exercised and maintained by a third State, the rights of the other Party under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that third State and in respect of the operating authorization of that airline.

Article 9

Aviation security

1. Consistent with their rights and obligations under international law, the 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 Parties shall, in particular, act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23 September 1971, signed at Montreal on 24 February 1988, as well as with any other Convention and Protocol relating to the security of civil aviation which both Parties adhere to.

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

3. The Parties shall, in their mutual relations, act in conformity with all aviation security standards and appropriate recommended practices established by ICAO and designated as Annexes to the Convention; they shall require that operators of aircraft of their registry, operators of aircraft who have their principal place of business or permanent residence in their territory and operators of airports in their territory act in conformity with such aviation security provisions.

4. Each Party agrees to observe the aviation security provisions required by the other Party for entry into, departure from, or while within, the territory of that other Party and to take adequate measures to protect aircraft and to inspect passengers, crew, and their baggage and carry-on items, as well as cargo and aircraft stores, prior to and during boarding or loading. Each Party shall also give positive consideration to any request from the other Party for special security measures to meet a particular threat.

5. When an incident or threat of an incident of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports or air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat.

6. When a Party has reasonable grounds to believe that the other Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Party may request immediate consultations with the aeronautical authorities of the other Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorization and technical permissions of an airline or airlines of that other Party. When required by an emergency, a Party may take interim action prior to the expiry of fifteen (15) days.

Article 10

Commercial opportunities

1. The airlines of each Party shall have the right to establish offices in the



territory of the other Party for the promotion and sale of air services.

2. The designated airlines of each Party shall be entitled, in accordance with the laws and regulations of the other Party relating to entry, residence and employment, to bring in and maintain in the territory of the other Party managerial, sales, technical, operational and other specialist staff required for the provision of air services.

3. Each designated airline shall have the right to perform its own ground-handling in the territory of the other Party ("self-handling") or, at its option, select among competing agents for such services in whole or in part. The rights shall be subject only to physical constraints resulting from considerations of airport safety. Where such considerations preclude self-handling, ground services shall be available on an equal basis to all airlines; charges shall be based on the costs of services provided; and such services shall be comparable to the kind and quality of services which would be available if self-handling were possible.

4. Any airline of each Party may engage in the sale of air services in the territory of the other Party directly and, at the airline's discretion, through its agents, except as may be specifically provided by the charter regulations of the country in which the charter originates that relate to the protection of passenger funds, passenger cancellation and refund rights. Each airline shall have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies.

5. Each airline shall have the right to convert and remit to its country, on demand, local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly without restrictions or taxation in respect thereof at the rate of exchange applicable to current transactions and remittance on the date the carrier makes the initial application for remittance.

6. The airlines of each Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Party in local currency. At their discretion, the airlines of each Party may pay for such expenses in the territory of the other Party in freely convertible currencies according to local currency regulation.

7. In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into co-operative marketing arrangements such as blocked-space, code-sharing or leasing arrangements,



with:

- a) an airline or airlines of either Party; or
- b) an airline or airlines of a third country,

provided that such a third country authorizes or allows comparable arrangements between the airlines of the other Party and other airlines on services to, from and via such a third country; provided that all airlines in such arrangements:

- a) hold the appropriate authority; and
- b) meet the requirements normally applied to such arrangements.

Article 11

User charges

1. User charges that may be imposed by the competent charging authorities or bodies of each Party on the airlines of the other Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Party on terms not less favourable than the most favourable terms available to any other airline at the time the charges are assessed.

2. User charges imposed on the airlines of the other Party may reflect, but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.

3. Each Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines using the services and facilities and shall encourage the competent charging authorities or bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraphs 1 and 2 of this Article. Each Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.



4. Neither Party shall be held, in dispute resolution procedures pursuant to Article 19 (Settlement of disputes) of this Agreement, to be in breach of a provision of this Article, unless:

a) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Party within a reasonable amount of time; or

b) following such a review it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

Article 12

Customs duties and charges

1. Each Party shall on the basis of reciprocity exempt a designated airline of the other Party to the fullest extent possible under its national law from customs duties, excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores (including but not limited to such items of food, beverages and liquor, tobacco and other products destined for sale or to be used solely in connection with the operation or servicing of aircraft) and other items, such as printed ticket stock, airway bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that designated airline intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Party operating the agreed services.

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1:

a) introduced into the territory of the Party by or on behalf of the designated airline of the other Party;

b) retained on board aircraft of the designated airline of one Party upon arrival in or leaving the territory of the other Party; or

c) taken on board aircraft of the designated airline of one Party in the territory of the other Party and intended for use in operating the agreed services, whether or not such items are used or consumed wholly within the territory of the Party granting the exemption, provided the ownership of such items is not transferred in the territory of the said 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 Party, may be unloaded in the territory of the other Party only with the approval of the customs authorities of that territory. In such case, they may be placed under supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

4. The exemptions provided for by this Article shall also apply in situations where a designated airline of one Party has entered into arrangements with other airlines for the loan or transfer in the territory of the other Party of the items specified in paragraphs 1 and 2 of this Article, provided such other airlines similarly enjoy such exemptions from the other Party.

5. Nothing in this Agreement shall prevent either Party from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated air carrier of the other Party that operates between a point or points in the territory of the first Party and another point in the territory of that Party or a point in the territory of another EEA Member State.

Article 13

Taxation

1. Income and profits derived from the operation of aircraft in international traffic by an airline of one Party, including participation in a pool service, a joint air transport operation or an international operating agency, which are subject to tax in the territory of that Party shall be exempt from income tax, profits tax and all other taxes on income and profits imposed in the territory of the other Party.

2. Capital and assets of an airline of one Party relating to the operation of aircraft in international traffic shall be exempt from taxes on capital and assets imposed in the territory of the other Party.

3. Gains from the alienation of aircraft operated in international traffic and movable property pertaining to the operation of such aircraft which are received by an airline of one Party, the income and profits of which according to paragraph 1 are taxable only in the territory of that Party, shall be exempt from any tax on gains imposed in the territory of the other Party.

4. For the purposes of this Article:

a) the term "income and profits" includes revenues and gross receipts from

the operation of aircraft for the carriage of persons, livestock, goods, mail or merchandise in international traffic including:

(i) the charter or rental of aircraft if such charter or rental is incidental to the operation of aircraft in international traffic;

(ii) the sale of tickets or similar documents, and the provision of services connected with such carriage, for the airline itself or for other airlines, but in the latter case only if such sales or provisions of service are incidental to the operation of aircraft in international traffic; and

(iii) interest on funds directly connected with the operation of aircraft in international traffic;

b) the term "international traffic" means any carriage by an aircraft except when such carriage is solely between places in the territory of the other Party;

c) the term "competent authority" means, in the case of the Argentine Republic, the Minister of Economy, or his or her authorized representative, or any person or body authorized to perform any functions at present exercisable by the Minister of Economy of the Argentine Republic or similar functions; and in the case of Iceland, the Minister of Finance and Economic Affairs, or his or her authorized representative, or any person or body authorized to perform any functions at present exercisable by the Minister of Finance and Economic Affairs of Iceland or similar functions.

5. The competent authorities of the Parties shall, through consultation, endeavour to resolve by mutual agreement any disputes regarding the interpretation or application of this Article. Article 19 (Settlement of disputes) shall not apply to such disputes.

6. Notwithstanding Article 23 (Entry into force), each Party shall in writing notify the other when the internal procedures necessary to implement this Article have been completed. This Article shall enter into force on the date of receipt of the latter of these notifications and shall thereupon have effect in respect of income, profits and gains arising on or after the first day of and on capital and assets held.

7. Notwithstanding Article 23 (Entry into force), this Article shall cease to have effect, in relation to income, profits and gains received as well as capital and assets held on or after the first day of January in the calendar year next following the expiry of six months after the date of receipt of such notice.



8. This Article shall cease to have effect in the event that an agreement for the avoidance of double taxation with respect to taxes on income, providing for similar exceptions to those stipulated in this Article, enters into force between the Parties.

Article 14

Fair competition

1. Each Party shall allow a fair and equal opportunity for the designated airlines of both Parties to compete in providing the international air services governed by this Agreement.

2. Each Party shall allow each designated airline to determine the frequency and capacity of the international air services it offers based upon commercial considerations in the marketplace. Consistent with this right, neither Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Convention.

3. Neither Party shall impose on the other Party's designated airlines a first-refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.

4. Neither Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Party for approval, except as may be required on a non-discriminatory basis to enforce the uniform conditions foreseen by paragraph 2 of this Article or as may be specifically authorized in an Annex to this Agreement. If a Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air services' intermediaries and on designated airlines of the other Party.

Article 15

Slot allocation

1. Each Party shall ensure that its procedures, guidelines and regulations to manage slots applicable to airports in its territory are applied in a fair, transparent, effective and non-discriminatory manner.



Article 16

Pricing (Tariffs)

Prices (Tariffs) charged by airlines shall not be required to be filed with, or approved, by either Party.

Article 14

Pricing

1. Each Party shall allow prices for air services to be decided by each designated airline based on commercial considerations in the marketplace.

Intervention by the Parties shall be limited to:

- a) prevention of unreasonably discriminatory prices or practices;
- b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and
- c) protection of airlines from prices that are artificially low due to direct or indirect governmental subsidy or support.

2. Each Party may require notification or filing with its aeronautical authorities of prices to be charged to or from its territory by airlines of the other Party. Notification or filing by the airlines of both Parties may be required no more than thirty (30) days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required. Neither Party shall require the notification or filing by airlines of the other Party of prices charged by charterers to the public, except as may be required on a non-discriminatory basis for information purposes.

3. Notwithstanding paragraphs 1 and 2 of this Article, the prices to be charged by the designated airline of the Argentine Republic for carriage wholly within the European Economic Area shall be subject to the Agreement on the European Economic Area. However, each designated airline has the right to match any price offered in the marketplace.

Article 17

Intermodal services

Notwithstanding any other provision of this Agreement, airlines and indirect

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providers of cargo transportation of both Parties shall be permitted, without restriction, to employ in connection with international air services any surface transportation for cargo to or from any points in the territories of the Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air services. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

Article 18

Consultations

1. Either Party may, at any time, request consultation on the interpretation, application, implementation or amendment of this Agreement or compliance with this Agreement.

2. Such consultations, which may be through discussion or by correspondence, shall begin within a period of thirty (30) days from the date the other Party receives a written or oral request, unless otherwise agreed by the Parties.

Article 19

Settlement of disputes

1. Any dispute which cannot be resolved by consultation may at the request of either Party of this Agreement be submitted to a mediator or a dispute settlement panel. Such a mediator or panel may be used for mediation, determination of the substance of the dispute or to recommend a remedy or resolution of the dispute.

2. The Parties shall agree in advance on the terms of reference of the mediator or of the panel, the guiding principles or criteria and the terms of access to the mediator or the panel. They shall also consider, if necessary, providing for



an interim relief and the possibility for the participation of any third Party that may be directly affected by the dispute, bearing in mind the objective and need for a simple, responsive and expeditious process.

3. A mediator or the members of a panel may be appointed from a roster of suitably qualified aviation experts maintained by ICAO. The selection of the expert or experts shall be completed within fifteen (15) days of receipt of the request for submission to a mediator or to a panel. If the Parties fail to agree on the selection of an expert or experts, the selection may be referred to the President of the Council of ICAO. Any expert used for this mechanism should be adequately qualified in the general subject of the dispute.

4. A mediation should be completed within sixty (60) days of engagement of the mediator or the panel and any determination, including, if applicable, any recommendation, should be rendered within sixty (60) days of engagement of the mediator or the panel. The Parties may agree in advance that the mediator or the panel may grant interim relief to the complainant, if requested, in which case a determination shall be made initially.

5. The Parties shall co-operate in good faith to advance the mediation and to implement the decision or determination of the mediator or the panel, unless they otherwise agree in advance to be bound by the decision or determination. If the Parties agree in advance to request only a determination of the facts, they shall use those facts for resolution of the dispute.

6. The costs of this mechanism shall be estimated upon initiation and apportioned equally, but with the possibility of re-apportionment under the final decision.

7. The mechanism is without prejudice to the continuing use of the consultation process, the subsequent use of arbitration, or termination under Article 21 (Termination).

Article 20

Amendments

1. If either Party considers it desirable to amend any provision of this Agreement, including the Annexes thereto, it may request consultations between the aeronautical authorities of both Parties in relation to the proposed amendment. Such consultations shall commence within a period of sixty days



(60) from the date of receipt of the request. Any amendments so agreed shall enter into force when they have been confirmed by an exchange of diplomatic notes by both Parties.

2. An amendment to the Annexes may be made by direct agreement between the aeronautical authorities of both Parties and shall enter into force when it has been confirmed by an exchange of diplomatic notes.

Article 21

Termination

Either Party may, at any time, give notice in writing to the other Party of its decision to terminate this Agreement. Such notice shall be sent simultaneously to ICAO. This Agreement shall terminate at midnight at the place of receipt of the notice immediately before the first anniversary of the date of receipt of the notice by the other Party, unless the notice is withdrawn before then by agreement of the Parties before the end of this period. In the absence of acknowledgement of receipt by the other Party, the notice shall be deemed to have been received fourteen (14) days after the date it was received by ICAO.

Article 22

Registration with ICAO

This Agreement and all amendments thereto shall be registered upon their signature with the International Civil Aviation Organization by [name of the Registering Party].

Article 23

Entry into force

This Agreement and its Annex shall enter into force on the date of the later note in an exchange of diplomatic notes between the Parties confirming that each Party has completed the necessary internal procedures for entry into force of this Agreement and its Annex.

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

DONE at this day of, 20..... in duplicate, in the English, Spanish and Icelandic languages. In case of divergence of interpretation, the



English text shall prevail.

For the Government of Iceland

[Name and position]

For the Government of the Argentine Republic

[Name and position]



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Annex I
Section 1
Route table

a) Routes to be operated by the designated airlines of Iceland:

Behind Points	Points in Iceland	Intermediate Points	Points in Argentina	Beyond Points
Any point(s)	Any point(s)	Any point(s)	Any point(s)	Any point(s)

b) Routes to be operated by the designated airlines of the Argentine Republic:

Behind Points	Points in Argentina	Intermediate Points	Points in the Iceland	Beyond Points
Any point(s)	Any point(s)	Any point(s)	Any point(s)	Any point(s)

All points determined on the agreed routes may be served with 3rd, 4th, 5th, 6th, 7th, 8th and 9th freedom traffic rights on combined services and 3rd, 4th, 5th, 6th, 7th, 8th and 9th freedom traffic rights for exclusive cargo services, in accordance with the established Route Table.

Section 2
Operational flexibility

Each designated airline may on any or all flights and at its option:

- a) Operate flights in either or both directions;
- b) Combine different flight numbers within one aircraft operation;
- c) Omit stops at any point or points;
- d) Transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes;
- e) Serve points behind any point in its territory with or without change of

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aircraft or flight number;

f) Make stopovers at any points whether within or outside the territory of either Party.



Annex II
Non-scheduled/Charter operations

Section 1

1. Airlines of each Party have the right to carry international charter traffic of passengers (and their accompanying baggage) and/or cargo (including, but not limited to, freight forwarder, split, and combination (passenger/cargo) charters) between any point or points in the territory of a Party and any point or points.

2. In the performance of services covered by this Annex, airlines of each Party shall also have the right:

a) to make stopovers at any points whether within or outside of the territory of either Party;

b) to carry transit traffic through the other Party's territory;

c) to combine on the same aircraft traffic originating in one Party's territory, originating in the other Party's territory, and traffic originating in third countries; and

d) to perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated.

3. Each Party shall extend favourable consideration to applications by airlines of the other Party to carry traffic not covered by this Annex on the basis of comity and reciprocity.

Section 2

1. Any airline of either Party performing international charter operations, whether on a one-way or round-trip basis, shall have the option of complying with the charter laws, regulations and rules of either Party or the originating or destination country. If a Party or the originating or destination country applies different rules, regulations, terms, conditions or limitations to one or more of its airlines, or to airlines of different countries, each airline shall be subject to the least restrictive of such criteria.

2. However, nothing contained in the preceding paragraph shall limit the rights of either Party to require airlines by either Party to adhere to requirements relating to the protection of passenger funds and passenger cancellation and refund rights.



Section 3

Except with respect to the consumer protection rules referred to in the preceding paragraph above, neither Party shall require an airline designated under this Annex by the other Party, in respect of the carriage of traffic from the territory of that other Party or of a third country on a one-way or round-trip basis, to submit more than a declaration of conformity with the applicable laws, regulations and rules referred to under section 2 of this Annex or of a waiver of these laws, regulations, or rules granted by the applicable aeronautical authorities.


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Annex III
Air cargo services

1. Every airline of either Party, when engaged in the international transport of air cargo:

a) shall be accorded non-discriminatory treatment with respect to access to facilities for cargo clearance, handling, storage, and facilitation;

b) subject to local laws and regulations may use and/or operate directly other modes of transport;

c) may use leased aircraft, provided that such operation complies with the equivalent safety and security standards applied to other aircraft of designated airlines;

d) may enter into cooperative arrangements with other air carriers including, but not limited to, code-sharing, blocked spaced, and interlining; and

e) may determine its own cargo tariffs which shall not be required to be filed with the aeronautical authorities of either Party.

2. In addition to the rights in paragraph 1 above, every airline when engaged in all cargo transportation as scheduled or non-scheduled services may provide such services to and from the territory of each Party, without restriction as to frequency, capacity, routing, type of aircraft, and origin or destination of cargo.