

AGREED MINUTES

Between Botswana and Iceland at ICAN 2013

Held at

Inkosi Albert Luthuli International Convention Centre, Durban, South-Africa

Between 9-13 December, 2013

The delegations representing the Government of Botswana and Iceland (hereinafter referred to "Botswana" and "Iceland" respectively or "Contracting Party" and collectively as the "Delegations" or "Contracting Parties") met in Durban, South-Africa on 9 December 2013 for consultations with a view to negotiating an Air Service Agreement (ASA) and related arrangements which would be applicable in respect of the operations of air transportation between and beyond their respective countries.

Discussions were held in a very friendly atmosphere. The composition of the two Delegations are attached as "Attachment A" and "Attachment B" respectively.

As a result of these discussions, the Delegations have reached the following agreements and conclusions:

1. TEXT OF THE AIR SERVICES AGREEMENT (ASA)

The text of the ASA and its Annexes attached hereto as "Attachment C" was agreed and initialed by the Heads of both Delegations.

Both Parties discussed and agreed to meet and sign MOU before end 2014 to provisionally apply the provisions of ASA.

Both Delegations undertook to take such steps as will lead to an early signature, and completion of their respective constitutional requirements for the entry into force of the ASA and its Annexes as soon as possible.

2. **The Icelandic obligation as a Member State of the European Economic Area (EEA)**

The Icelandic delegation explained that, as a member of the European Economic Area (EEA), it is obliged to include certain standard provisions, in particular on designation and revocation of EEA airlines in all its bilateral arrangements. It explained the meaning of these provisions and urged the Botswana delegation to accept them.

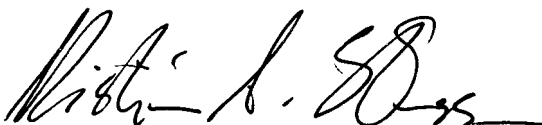
The Botswana delegation, while taking note of the request of the Icelandic side, stated that it needed more time to study these clauses. It was not possible to immediately confirm the incorporation of these clauses in the ASA, as they are still under consideration of the Government of Botswana. However, the entire issue would be discussed in due course or as soon as the matter is settled between Botswana and any other EEA member, or with the European Union.

Signed in Durban, South Africa on the 9th of December 2013.

For the Government of Botswana


.....
Ms Goitsema Morekisi
Deputy Permanent Secretary
Ministry of Transport and Communications

For the Government of Iceland


.....
Kristján Andri Stefánsson
Ambassador, Chief Air Negotiator

Delegation of the Government of Botswana

Ms. Goitsewang Morekisi
Deputy Permanent Secretary
Ministry of Transport and Communications

Mr. Jacob Thebenala
Principal Air Transport Officer
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Delegation of the Government of Iceland

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Head of Legal Section
Transport Authority

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BILATERAL
AIR SERVICES AGREEMENT
BETWEEN
THE GOVERNMENT OF
THE REPUBLIC OF BOTSWANA
AND
THE GOVERNMENT OF THE REPUBLIC
OF
ICELAND

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The Government of the Republic of Botswana and the Government of the Republic of Iceland (hereafter referred to as the "Contracting Parties"):

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

Acknowledging the importance of air transportation as a means of creating and preserving friendship, understanding and co-operation between the peoples of the two countries;

Desiring to contribute to the progress of international civil aviation; and

Desiring to conclude an agreement which complements the above-mentioned Convention for the purpose of establishing and developing air services between and beyond their respective territories

Have agreed as follows

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ARTICLE 1

DEFINITIONS

1.1 In this Agreement, unless the context otherwise indicates -

"aeronautical authority" means, in the case of the Republic of Botswana the Minister responsible for civil aviation and in the case of the Republic of Iceland, the Minister responsible for civil aviation, or in either case any person or body authorised to perform any particular function provided for in this Agreement;

"agreed services" means a scheduled international air service on the routes specified in the Annex to this Agreement for the transport of passengers, baggage, cargo and mail in accordance with agreed capacity entitlements;

"Agreement" means this Agreement, the Annex thereto and any amendments to the Agreement or to the Annex;

"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;

"capacity" in relation to an aircraft means the payload of that aircraft available on a route or section of a route and in relation to "agreed services" means the capacity of the aircraft used on such service, multiplied by the frequency operated by such aircraft over a given period on a route or section of a route;

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"Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December 1944, and includes -

- (a) any Annex or any amendment thereto adopted in terms of Article 90 of the Convention, insofar as such Annex or amendment is binding on the Contracting Parties; and
- (b) any amendment which has entered into force in terms of Article 94(a) of the Convention and has been ratified by the Contracting Parties in terms of their applicable domestic law;

"designated airline" means one or more airlines designated and authorised in accordance with Article 3 of this Agreement;

"regular equipment" means an article, other than stores and spare parts of a removable nature, for use on board an aircraft during flight, including first aid and survival equipment;

"spare part" means an article of a repair or replacement nature for incorporation in an aircraft including engines and propellers;

"specified route" means a route specified in the Annex to this Agreement;

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

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"territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention; and

"user charge" means a charge made to airlines for the provision for aircraft, their crews and passengers of airport and air navigation facilities, including related services and facilities.

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

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ARTICLE 2
GRANT OF RIGHTS

- (1) Each Contracting Party shall grant to the other Contracting Party the rights provided for in this Agreement to enable its designated airline to establish and operate international air services on the routes specified in the Annex.

- (2) Subject to the provisions of this Agreement the designated airline of each Contracting Party shall have the right to-
 - (a) fly across the territory of the other Contracting Party without landing;
 - (b) make stops in the territory of the other Contracting Party for non-traffic purposes; and
 - (c) land in the territory of the other Contracting Party for the purpose of taking on Board and discharging traffic in passengers, baggage, cargo and mail while operating an agreed service.

- (3) Nothing in sub-Article (2) shall be deemed to confer on the designated airline of one Contracting Party the right of taking on board, in the territory of the other Contracting Party, passengers, cargo and mail carried for remuneration and destined for another point in the territory of the other Contracting Party.

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- (4) For the purpose of the application of this Article each Contracting Party may specify the airports in its territory which may be used.
- (5) If because of armed conflict, political disturbances or developments, or special and usual circumstances, the designated airline of one Contracting Party is unable to operate a service on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate rearrangements of such routes, including the temporary granting of alternative rights, as mutually decided by the Contracting Parties.

ARTICLE 3

DESIGNATION AND AUTHORISATION

- (1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines to operate the agreed services on the specified routes and to revoke or alter in writing through the diplomatic channel, any designation of an airline.
- (2) The agreed services may begin at any time, in whole or in part, but not before-
 - (a) the Contracting Party to whom the rights have been granted shall have designated an airline for the specified route pursuant to sub-Article (1);



- (b) the Contracting Party granting the rights shall have given, with the least possible delay and subject to Article 4, the appropriate operating authorisation to the airline concerned; and
 - (c) if requested, a timetable has been filed in accordance with Article 12.
- (3) For the purpose of granting the appropriate operating authorisation in sub-article (2), the aeronautical authority of one Contracting Party may require the airline designated by the other Contracting Party to satisfy it that it is qualified to fulfil the conditions prescribed under the domestic laws in force in their respective countries normally applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.
- (4) Where a 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, or that the said airline is incorporated and has its principal place of business in the territory of the Contracting Party designating it, it shall have the right to;
- (a) refuse to grant the operating authorisation referred to in sub-article (2), or
 - (b) 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.

- (5) When an airline has been designated and authorised in accordance with this Article, it may operate the agreed services for which it is designated provided that pricing in accordance with the provisions of Articles 11 and 12 of this Agreement is in force in respect of that service and shall at all times be adhered to by that designated airline.

ARTICLE 4

REVOCATION AND SUSPENSION OF OPERATING AUTHORISATION

- (1) The aeronautical authority of a Contracting Party shall, in respect of a designated airline of the other Contracting Party, have the right to withhold the authorisation referred to in Article 3, to revoke or suspend such authorisation or impose conditions, temporarily or permanently at any time in the event-
- (a) of failure by such airline to qualify in terms of or to comply with the domestic laws in force in their respective countries normally applied by the aeronautical authority of the Contracting Party in conformity with the Convention;
 - (b) that the aeronautical authorities of the first Contracting Party are not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airlines or in the nationals of such Contracting Party
 - (c) that the aeronautical authorities of the first Contracting Party are not satisfied that the said airline is incorporated and has its principal place of business in the territory of the Contracting Party

designating it, and holds appropriate operating authorisation issued by the Contracting Party designating the airline; or

- (d) that such airline fails to operate in accordance with the conditions prescribed in this Agreement.
- (2) Unless immediate action is essential to prevent further infringement of the laws referred to above, the rights enumerated in sub-Article (1) shall be exercised only after consultations in accordance with Article 17 with the aeronautical authority of the other Contracting Party.

ARTICLE 5

AVIATION SAFETY

- (1) A Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew, aircraft and the operation of aircraft. Such consultations shall take place within thirty (30) days of such request.
- (2) If, following such consultations, a Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to above which are at least equal to the minimum standards established at that time pursuant to the Convention, the Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards. Such Contracting Party shall take appropriate corrective action and failure to take appropriate action within thirty (30) days of being notified thereof, or such longer period as may be agreed upon, shall be grounds for the application of Article 4.

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(3) Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated by the designated airline of one Contracting Party on services to or from the territory of the other Contracting Party, may, while within the territory of the other Contracting Party, be subject to an examination by the authorised representative of that Contracting Party. The purpose of such examination shall include the verification of the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (hereinafter referred as “ramp inspection”), provided this does not lead to unreasonable delay.

(4) If any such ramp inspection or series of ramp inspections gives rise to serious concerns that-

(a) an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention; or

(b) there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

the Contracting Party carrying out the ramp inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificate or licences in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that the requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Convention.

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- (5) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the designated airline of one Contracting Party in accordance with sub-Article 3 above is denied by the representatives of that designated airline, the other Contracting Party may infer that serious concerns of the type referred to in sub-Article 4 above arise and draw conclusions referred to in that sub-Article.
- (6) Each Contracting Party reserves the right to immediately suspend or vary the operating authorisation of a designated airline of the other Contracting Party in the event the Contracting Party concludes, whether as a result of a ramp inspection or consultation, that immediate action is essential to the safety of airline operation.
- (7) Any action by one Contracting Party in accordance with sub-Articles (2) and (6) above, shall be discontinued upon compliance by the other Contracting Party with the safety provisions of this Article.

ARTICLE 6

APPLICATION OF DOMESTIC LAWS

- (1) The domestic laws in force in the territory of one Contracting Party relating to admission to, sojourn in or departure from its territory of aircraft engaged in international air services, or to the operation or navigation of such aircraft shall be applied to the aircraft of the



designated airline of the other Contracting Party upon its entry into, departure from and while within the territory of that Contracting Party.

- (2) The domestic laws of one Contracting Party relating to admission to, sojourn in, or departure from its territory of passengers, baggage, crew, cargo or mail of aircraft, including laws and regulations relating to entry, exit, clearance, emigration, immigration, passports, customs, health, quarantine and sanitary measures, or in the case of mail, postal laws and regulations shall be complied with by or on behalf of such passengers, baggage, crew, cargo or mail of the designated airline of the other Contracting Party upon entrance into, departure from and while within the territory of the Contracting Party.
- (3) Neither Contracting Party may, in the application of the domestic law referred to in this Article, grant preference to its own or any other airline over the designated airline of the other contracting party.

ARTICLE 7

RECOGNITION OF CERTIFICATES AND LICENCES

- (1) 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 requirement under which such certificates or licences were issued or rendered valid are equal to or above the minimum standards established pursuant to the Convention and

provided further that each Contracting Party reserves the right to refuse to recognise as valid for the purpose of flights undertaken pursuant to rights granted under Article 2(2), any certificates of competency and licences granted to its own nationals by the other Contracting Party.

- (2) If the privileges or conditions of a licence or certificate issued or rendered valid by a Contracting Party permit a difference from the standards established in terms of the Convention, whether or not that difference has been filed with the International Civil Aviation Organisation, the other Contracting Party may, without prejudice to the rights of the Contracting Party, request consultations in accordance with Article 17 with the Contracting Party with a view to satisfying itself that the practice in question is acceptable to it.

ARTICLE 8

CUSTOMS DUTIES AND OTHER CHARGES

- (1) Aircraft operated on the agreed services by the designated airlines of a Contracting Party, as well as their regular equipment, supplies of fuels, lubricants (including hydraulic fluids), consumable technical supplies, spare parts, aircraft stores including food, beverages, liquor, tobacco and other products for sale to or use by passengers in limited quantities during the flight, and other items intended for or used solely in connection with the aviation operation or servicing, which are on board such aircraft shall on entering into the territory of the other Contracting Party, be exempt from all customs duties, excise duties, inspection fees and other similar charges, provided that such equipment, supplies and stores remain on

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board the aircraft up to such time as they are re-exported or consumed or used during flight on the agreed service.

- (2) There shall also be exemption from national or local duties, with the exception of charges based on the cost of services provided in respect of;
- (a) aircraft stores taken on board in the territory of a Contracting Party, within limits that may be fixed by the aeronautical authorities of that Contracting Party, and intended for use on board the aircraft engaged on an international service by a designated airline of the other Contracting Party;
 - (b) spare parts (including engines) and regular equipment imported into the territory of a Contracting Party for the maintenance or repair of an aircraft operating agreed services by the designated airline of the other Contracting Party; a
 - (c) fuel and lubricants (including hydraulic fluids) to be supplied to an inbound, transiting or outbound aircraft of designated airline of a contracting party operating an agreed service, even when such supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board.
 - (d) Baggage and cargo in direct transit across the territory of either contracting party.
 - (e) Passengers, in direct transit across the territory of either contracting party.

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- (3) The items referred to in paragraphs (a), (b) and (c) of sub-article 2 may be subject to customs surveillance or control. Passengers in paragraph (e) of sub-article 2 shall be subject to no more than a simplified control.
- (4) The regular equipment, as well as spare parts, aircraft stores, supplies of fuel, lubricants (including hydraulic fluids) and other items referred to in sub-Article (1) normally retained on board an aircraft operated by a designated airline of a 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, the said items may be placed under the supervision of those customs authorities until they are re-exported or otherwise disposed of in accordance with the domestic law of that Contracting Party.
- (5) The exemptions provided for in this Article shall be available in situations where a designated airline of a Contracting Party has entered into arrangements with another airline or airlines for the loan or transfer in the territory of the other Contracting Party of the items referred to in sub-Articles (1) and (2): Provided that such other airline similarly enjoys such exemptions from the other Contracting Party.

ARTICLE 9
PRINCIPLES GOVERNING THE OPERATION
OF AGREED SERVICES

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1. There shall be fair and equal opportunity for the designated airlines of each Contracting Party to operate the agreed services on the specified routes between their respective territories.
2. In operating the agreed services, the designated airlines of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same routes.
- (3) There shall be no limits on the number of frequencies and capacity offered on air service linking any city pair combinations between the Contracting Parties. Each designated airline(s) shall be allowed to mount and operate such capacity and frequency as such airline(s) deems appropriate.
- (4) Consistent with the rights referred to in sub-Article (3), the Contracting Parties shall not unilaterally limit the volume of traffic, the type of aircraft to be operated or the number of flights per week, except for environmental, safety, technical or other special consideration: Provided that such actions are not intended as measures for the protection of the commercial or economic interests of a designated airline.
- (5) Notwithstanding sub-Articles (3) and (4), the Contracting Parties may impose conditions, limit or refuse the increase of capacity or frequency of a designated airline: Provided such actions-

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- (a) are non-discriminatory and applied under uniform conditions to all airlines and are consistent with Article 15 of the Convention, without discrimination on the ground of nationality or identity of airlines;
 - (b) have a limited period of validity; and
 - (c) do not unduly distort competition between airlines.
- (6) When a Contracting Party considers that intervention in terms of sub-Article (4) is necessary, such Contracting Party shall, at least sixty (60) days before the effective date of such action, notify the other Contracting Party thereof, providing adequate justification for the need for such measures so as to allow consultations prior to the date of entry into force of the measure. Such measure may be implemented only if within thirty (30) days of its notification, the other Contracting Party has not indicated the intention to consent to such measures.

ARTICLE 10

COMMERCIAL ACTIVITIES

- (1) A designated airline of a Contracting Party shall, on a reciprocal basis, be allowed to establish in the territory of the other Contracting Party offices for the promotion and sale of air transportation services.
- (2). A designated airline of one Contracting Party shall be entitled, in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, to bring in and maintain in the territory of the other Contracting Party its own managerial, technical, commercial, operational and other specialist staff who are required for the

provision of air services. These staff requirements may, at the option of a designated airline, be satisfied by its own personnel or by using the services of any other organisation, company or airline operating in the territory of the other Contracting Party, and authorised to perform such services in the territory of that Contracting Party.

(3). Each Contracting Party agrees to use its best efforts to ensure that the designated airline of the other Contracting Party is offered the choice, subject to reasonable limitations which may be imposed by airport authorities, of

(a) having such operations performed entirely or in part by a national airline, or a servicing agent, as authorised by the aeronautical authorities; or

(b) having such operations performed by the airport authority.

(4). In operating or holding out the authorised services on the agreed routes, any designated airline of one Contracting Party may enter into cooperative marketing arrangements like code-sharing and franchising, with;

(a) an airline or airlines of the other Contracting Party;

(b) an airline or airlines of a third country, provided that such third country authorises or allows comparable arrangements between the

airlines of the other Party and other airlines on services to, from and via such third country;

provided that all airlines in such arrangements;

- (a) possess the necessary traffic rights and the permission on the aeronautical authorities of the contracting states concerned;
- (b) meet the requirements normally applied to such arrangements; and
- (c) must, in respect of any ticket sold by it, 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.

Each code sharing service operated by the designated airlines of either country will count as one (1) frequency, whereas the code sharing services of the marketing carrier will not be counted as a frequency.

- (5) Each Contracting Party grants to the designated airlines of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at the airline's discretion, through its agents. Each designated 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.
- (6) Any designated airline of a Contracting Party shall have the right, to pay for local expenses in the territory of the other Contracting Party in local currency, or in freely convertible currencies, provided that this accords with local currency regulations.

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ARTICLE 11

PRICING

1. Each Contracting Party shall allow prices for air services to be decided by each designated airline based on commercial considerations in the marketplace. Intervention by a Contracting 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 Contracting 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 Contracting Party. Notification or filing by the airlines of both Contracting 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 Contracting Party shall, require the notification nor filing by airlines of the other Contracting Party of prices charged by charterers to the public, except as may be required on a non-discriminatory basis for information purposes.

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ARTICLE 12

TIMETABLE

- (1) Upon request by a Contracting Party a designated airline of a Contracting Party shall submit to the aeronautical authority of the other Contracting Party for its information, 30 days in advance, the timetable of its intended services, specifying the frequency, type of aircraft, configuration and number of seats to be made available to the public.
- (2) Any subsequent changes to the timetable of the designated airline shall be submitted to the aeronautical authority of the Contracting Party for its information.

ARTICLE 13

PLACE OF TAXATION

The revenues earned by an airline designated by a Contracting Party in connection with the operation of aircraft in international traffic shall be taxable only in the State in which the headquarters and principal of business of the designated airline is located.

ARTICLE 14

PROVISION OF INFORMATION

The aeronautical authority of a Contracting Party shall upon request, provide or shall cause its designated airline(s) to provide the aeronautical authority of the other Contracting Party with such periodic or other

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statements of statistics as may be reasonably required for the purpose of reviewing the operation of the agreed services, including, but not limited to, statements of statistics related to the traffic carried by its designated airline(s) between points in the territory of the other Contracting Party and other points on the specified routes.

ARTICLE 15

TRANSFER OF EARNINGS

- (1) Subject to its applicable domestic law each Contracting Party grants to the designated airline of the other Contracting Party the right of free transfer of the excess of receipts over expenditure earned by such designated airline in the territory of such Contracting Party in connection with the carriage of passengers, baggage, cargo and mail, as well as from any other activities related to air transport that may be permitted under domestic law. Such transfers shall be effected at the rate of exchange in accordance with the domestic law applicable in the respective countries governing current payments, but where there is no official exchange rate such transfers shall be effected at the prevailing foreign exchange market rate for current payments.
- (2) In the event that the form of payment between the Contracting Parties is governed by a special agreement, such an agreement shall apply.

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ARTICLE 16
USER CHARGES

- (1) User charges may reflect, but shall not exceed, the full cost to the competent charging authorities of providing appropriate airport and air navigation facilities and services, and may provide for a reasonable rate of return on assets after depreciation. In the provision of facilities and services, the competent authorities shall have regard to such factors as efficiency, economy, environmental impact and safety of operation.
- (2) Neither Contracting Party shall impose or permit to be imposed on the designated airline of the other Contracting Party user charges higher than those imposed on its own designated airline operating similar international air services using similar aircraft and associated facilities and services.
- (3) Each Contracting Party shall encourage consultations between its responsible charging bodies and the designated airline using the facilities and services. Where practicable, such consultations should be through the appropriate representative airline organisation.
- (4) Reasonable advance notice shall, whenever possible, be given to the designated airline of any proposals for changes to charges referred to in this Article, together with relevant supporting information and data, to enable it to express and have its views taken into account before any changes are made.

ARTICLE 17
AVIATION SECURITY

- (1) Consistent with their rights and obligations under international law binding on the Contracting Parties, the Contracting Parties reaffirm that their obligation to protect, in their mutual relationship, the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.
- (3) The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of aircraft and other unlawful acts against the safety of passengers, crew, aircraft, airports and air navigation facilities and any other threat to aviation security.
- (2) Subject to applicable domestic law and without derogating from the generality of their rights and obligations in terms of international law, the Contracting 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 Acts against the safety of Civil Aviation, signed at Montreal on 23 September 1971; and any other multi lateral agreement governing civil aviation security binding upon both contacting parties.

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- (4) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation Organisation to the extent that such security provisions are applicable to the Parties.
- (5) The Contracting Parties shall require that operators of aircraft of their registry or operators 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.
- (6) Each Contracting Party agrees that its operators of aircraft shall be required to observe the aviation security provisions referred to in sub-Article 4 applied by the other Contracting Party for entry into, sojourn in or departure from 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 apply security controls to passengers, crew, their carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give positive consideration to any request from the other Contracting Party for special security measures for its aircraft or passengers to meet a particular threat to civil aviation.
- (7) If an incident or threat of an incident of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports and air navigation facilities occurs, the Contracting Parties shall

assist each other by facilitating communications and other appropriate measures intended to terminate such incident or threat as rapidly as possible commensurate with minimum risk to life.

- (8) Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party, subjected to an act of unlawful seizure or any other act of unlawful interference, which is on the ground in its territory, is detained thereon unless its departure is necessitated by the overriding duty to protect the lives of its crew and passengers. Wherever practicable, such measures shall be taken on the basis of consultations with the other Contracting Party.
- (9) If a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the aviation security provisions of this Article, the Aeronautical Authorities of the first Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. Failure to reach a satisfactory agreement within sixty (60) days may constitute grounds for application of sub-Article (1) of Article 4 of this Agreement.

ARTICLE 18

CONSULTATIONS

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- (1) Either Contracting Party may at any time request consultations on the implementation, interpretation, application, amendment of, or compliance with this Agreement.
- (2) Subject to Articles 5 and 16 such consultations, which may be through discussion or correspondence, shall begin within a period of sixty (60) days of the date of receipt of such a request, unless otherwise mutually decided.

ARTICLE 19

AMENDMENT OF AGREEMENT

- (1) If either of the Contracting Parties considers it desirable to amend any provision of this Agreement, such amendment shall be agreed upon in accordance with the provisions of Article 18 and shall be effected by written agreement between the parties, through the diplomatic channel, and shall come into effect on the date on which each Contracting Party has notified the other of its compliance with the constitutional requirements necessary for the implementation of the relevant amendment.
- (2) Notwithstanding the provisions of sub-Article (1), amendments to the Annex to this Agreement may be agreed upon directly by the Contracting Parties and may apply from the date they have been agreed upon.

ARTICLE 20
SETTLEMENT OF DISPUTES

- (1) If any dispute arises between the Contracting Parties relating to the interpretation or implementation of this Agreement, the Contracting Parties shall in the first place endeavour to settle such dispute by negotiation.
- (2) If the Contracting Parties fail to reach a settlement by negotiation, they may refer the dispute to a competent and independent person or body for mediation.
- (3) If a settlement is not reached in accordance with sub-Article (1) or (2) the dispute shall, at the request of either Contracting Party, be submitted for decision to a tribunal (hereinafter called the "Arbitral Tribunal") consisting of three arbitrators.
- (4) Each Contracting Party shall appoint one arbitrator and the third arbitrator, who shall be a national of a third state, to be jointly appointed by the two arbitrators so appointed shall act as President of the Arbitral Tribunal.
- (5) Each of the Contracting Parties shall appoint its arbitrator within a period of sixty (60) days from the date of receipt of a notice by either Contracting Party from the other through the diplomatic channels requesting arbitration of the dispute by the Arbitral Tribunal and the third arbitrator shall be appointed within a further period of sixty (60) days.

- (6) If either Contracting Party fails to appoint an arbitrator within the specified period or if the third arbitrator is not appointed within the specified period, the President of the Council of the International Civil Aviation Organisation may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. Provided that the President is not a national of either Contracting Party, in which case the Vice President of that Council may be so requested. In such a case, the arbitrator or arbitrators appointed by the said President or Vice President, as the case may be, shall not be nationals or permanent residents of the respective States of the Contracting Parties.
- (7) The Arbitral Tribunal shall determine the limits of its jurisdiction in accordance with this Agreement and shall establish its own procedure.
- (8) Subject to the final decision of the Arbitral Tribunal, the Contracting Parties shall bear in equal proportion the cost of arbitration.
- (9) The Contracting Parties shall comply with any provisional ruling and the final decision of the Arbitral Tribunal.
- (10) If, and for as long as, a Contracting Party fails to comply with a decision of the Arbitral Tribunal given under this Article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted in terms of this Agreement to the Contracting Party in default.



ARTICLE 21

REGISTRATION OF AGREEMENT AND AMENDMENTS

The Contracting Parties shall submit this Agreement and any subsequent amendments thereto to the International Civil Aviation Organisation for registration.

ARTICLE 22

TERMINATION OF AGREEMENT

- (1) Either Contracting Party may at any time give notice in writing through the Diplomatic Channel to the other Contracting Party of its intention to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organisation. The Agreement shall terminate one (1) year after the date on which the notice was received by the other Contracting Party unless the notice to terminate is withdrawn by agreement before the expiry of this period.
- (2) In default of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received thirty (3) days after the date on which the International Civil Aviation Organisation acknowledged receipt thereof unless the notice to terminate is withdrawn by agreement before the expiry of this period..

ARTICLE 23

ENTRY INTO FORCE

This Agreement shall enter into force on the date on which both Contracting Parties have notified each other in writing through the diplomatic channel, of their compliance with the constitutional requirements necessary for the implementation thereof. The date of entry into force shall be the date of the last notification.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed and sealed this Agreement in two originals in the English language, all texts being equally authentic.

DONE at..... on this..... day of..... .

**FOR THE GOVERNMENT OF
THE REPUBLIC OF BOTSWANA**

**FOR THE GOVERNMENT OF
THE REPUBLIC OF ICELAND**

.....



ANNEX I

International Air Services

Section 1

Routes

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, be entitled to perform international air services between points on the following routes:

- A. The Designated Airline or Airlines of the Republic of Botswana shall be entitled to operate scheduled international air services in both directions on the routes specified hereafter:

Points Botswana	in	Intermediate points	Points Iceland	in	Points beyond
any point		any point	any point		any point

For all-cargo service or services, between Botswana and any point or points.

- B. The Designated Airline or Airlines of the Republic of Iceland shall be entitled to operate scheduled international air services in both directions on the routes specified hereafter:

Points Iceland	in	Intermediate points	Points Botswana	in	Points beyond
any point		any point	any point		any point

For all-cargo service or services, between Iceland and any point or points.



Section 2

Operational Flexibility

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

1. Operate flights in either or both directions;
2. Combine different flight numbers within one aircraft operation;
3. Serve behind, intermediate, and beyond points and points in the territories of the Parties on the routes in any combination and in any order;
4. Omit stops at any point or points;
5. Transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes;
6. Serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services;
7. Make stopovers at any points whether within or outside the territory of either Party;
8. Carry transit traffic through the other Party's territory;
9. Combine traffic on the same aircraft regardless of where such traffic originates;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement, provided that, with the exception of all-cargo services, the service serves a point in the territory of the Party designating the airline.

Section 3

Change of Gauge

On any segment or segments of the aforementioned routes, any designated airline may perform international air services without any limitation as to change, at any point on the route, in type or number of aircraft operated, provided that, with the exception of all-cargo services, in the outbound direction, the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation from beyond such point.



ANNEX II

Charter Operations

Section 1

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, 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 the Party that has designated the airline and any point or points in the territory of the other Party; and

Between any point or points in the territory of the other Party and any point or points in a third country or countries, provided that, except with respect to cargo charters, such service constitutes part of a continuous operation, with or without a change of aircraft, that includes service to the homeland for the purpose of carrying local traffic between the homeland and the territory of the other Party.

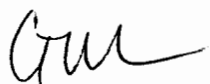
In the performance of services covered by this Annex, airlines of each Party designated under this Annex shall also have the right: (1) to make stopovers at any points whether within or outside of the territory of either Party; (2) to carry transit traffic through the other Party's territory; and (3) 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.

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

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

However, nothing contained in the preceding paragraph shall limit the rights of either Party to require airlines designated under this Annex 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, 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.

