

**MEMORANDUM OF UNDERSTANDING  
ON AIR SERVICES  
BETWEEN  
THE GOVERNMENT OF ICELAND  
AND THE GOVERNMENT OF THE REPUBLIC OF BURUNDI**

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

The delegations representing the Government of the Republic of Burundi and Iceland  
(hereinafter referred to as "Burundi" and "Iceland" respectively or Contracting Party  
and collectively referred to as the "Delegations" or Contracting Parties) met in Bali,  
Indonesia at the ICAN on 18<sup>th</sup> of November 2014, for consultations for the  
purpose of negotiating an Air Services Agreement 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 is attached as "Attachment A" and "Attachment B" respectively.

The following understandings were reached between the Delegations:

**1. Air services Agreement Text**

- a) The Delegations negotiated and agreed upon the text of an Air Services  
Agreement by initialing the text which is attached.



- b) The Delegations decided to recommend to their respective Governments the formal signing of the initialed Air Services Agreement. Pending the completion of the national requirements necessary to formalize this Agreement, it was decided that the initialed Air Services Agreement shall have interim effect (provisional application) from the date hereof. The Delegations agreed to inform each other in writing through diplomatic channels when the national requirements to bring the initialed Air Service Agreement in completed.

## 2. Exercise of Fifth and Seventh Freedom Traffic Rights

Both Delegations confirmed that, in addition to full unrestricted third and fourth freedom traffic rights, the Designated Airlines of each Contracting Party are entitled to exercise full unrestricted fifth freedom traffic rights at all points (whether intermediate or beyond points) of their own choice while operating any type of services (passenger and/or cargo, separately or in combination). Additionally, the Designated Airlines of both Contracting parties are entitled to exercise, in all-cargo services only, full seventh freedom traffic rights.

Signed in Bali, Indonesia on the 18<sup>th</sup> of November 2014

For the Government of Burundi



Albert MANIRATUNGA

Director General

Burundi Civil Aviation Authority

For the Government of Iceland



Kristján Andri Stefánsson

Ambassador,

Chief Air Negotiator

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# AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF ICELAND

AND

THE GOVERNMENT OF THE REPUBLIC OF  
BURUNDI

Place, date and year

A handwritten signature in dark ink, consisting of stylized, overlapping loops and strokes, located in the bottom right corner of the page.A small, handwritten mark or signature in the bottom left corner, appearing as a stylized 'b' or a similar character.

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

Being Contracting States 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 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;

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:

1. "Aeronautical authorities" means, in the case of Iceland, the Ministry of the Interior or any person or agency authorized to perform the functions exercised by the said authority, and in the case of the Republic of Burundi, the Ministry in charge of civil aviation, or its successor;
2. "air transportation" means the public carriage by aircraft of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;
3. "agreed services" means scheduled international air services on the routes specified in the Annex to this Agreement for the transportation of passengers, baggage, cargo and mail, separately or in combination, in accordance with agreed capacity entitlements;
4. "Agreement" means this Agreement, its Annexes, and any amendments thereto;
5. "capacity" means the amount(s) of services provided under this Agreement, usually measured in the number of flights (frequencies) or seats or tonnes of cargo offered in a market (city pair, or country to country) or on a route during a specific period, such as daily, weekly, seasonally or annually;



6. "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;
7. "Designated airline" means an airline designated and authorized in accordance with Article 3 of this Agreement;
8. "European Economic Area" 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 and its Member States on the one hand and the EFTA States with the exclusion of Switzerland on the other hand. EFTA is an abbreviation for the European Free Trade Association of which Iceland is a Member State;
9. "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead;
10. "International air service" means an air service that passes through the airspace over the territory of more than one State;
11. "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;
12. "Stop for non-traffic purposes", "airline", "air service" and "territory" have the meaning specified in Articles 2 and 96 of the Convention; and
13. "User charges" means a charge / charges imposed on airlines for the provision of airport, air navigation or aviation security facilities or services including related services and facilities.

## **Article 2**

*Grant of Rights*

1. Each Contracting 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. Nothing in this Article shall be deemed to confer to the designated airline or airlines of one Contracting Party the right to take on board, in the territory of the other Party, passengers, their baggage, cargo, or mail carried for remuneration and destined for another point in the territory of that other Party.

**Article 3**  
*Designation and Authorization*

1. Each Contracting 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 Contracting Party through diplomatic channels.

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

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

- (i) it is established in the territory of Iceland in accordance with the Agreement on the European Economic Area, and has a valid Operating License in accordance with national law adopted in accordance with the Agreement on the European Economic Area; and
- (ii) effective regulatory control of the airline is exercised and maintained by a Member State of the European Economic Area responsible for issuing its Air Operator's Certificate, and the relevant 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 European Economic Area and/or nationals of Member States of the European Economic Area and shall at all times be effectively controlled by such states and/or nationals.

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

- (i) it is established in the territory of the Republic of Burundi and is licensed in accordance with the applicable law of the Republic of Burundi; and
- (ii) the Republic of Burundi has and maintains effective regulatory control of the airline and the aeronautical authority is clearly identified in the designation;
- (iii) it is owned and shall continue to be owned directly or through majority ownership by the Republic of Burundi and / or nationals of the Republic of Burundi and shall at all times be effectively controlled by the Republic of Burundi and/or its nationals.

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 Contracting Party considering the application or applications; and

d) the provisions set forth in Article 7 (Safety) and Article 8 (Security) are being maintained and administered.

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 and Limitation of Authorization*

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

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

- (i) it is not established in the territory of Iceland under the Treaty on the functioning of the European Union or under the Agreement on the European Economic Area, or does not have a valid Operating Licence in accordance with European Union law or in accordance with national law adopted in accordance with the Agreement on the European Economic Area; or
- (ii) effective regulatory control of the airline is not exercised or not maintained by the European Union Member State or the EEA EFTA State responsible for issuing its Air Operator's Certificate, or the relevant aeronautical authority is not clearly identified in the designation; 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 European Economic Area and/or nationals of Member States of the European Economic Area; or
- (iv) the airline has failed to comply with the laws and regulations of the Republic of Burundi

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

- (i) it is not established in the territory of the Republic of Burundi; or is not licensed in accordance with the applicable law of the Republic of Burundi; or
- (ii) the Republic of Burundi is not maintaining effective regulatory control of the airline; or
- (iii) it is not owned, directly or through majority ownership, or it is not at all times effectively controlled by the Republic of Burundi and / or its nationals; or
- (iv) 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 Contracting Party.

3. This Article does not limit the rights of either Contracting Party to withhold, revoke, limit or impose conditions on the operating authorization or technical permission of an airline or airlines of the other Contracting Party in accordance with the provisions of Article 7 (Safety) and Article 8 (Security).

#### **Article 5**

##### *Application of Laws*



1. While entering, within, or leaving the territory of one Contracting Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the other Contracting 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 Contracting Party shall give preference to its own or any other airline over a designated airline of the other Contracting Party engaged in similar international air services in the application of its immigration, customs, quarantine and similar regulations.

#### **Article 6**

##### *Recognition of Certificates and Licences*

1. Each Contracting 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 Contracting 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 7**

##### *Safety*

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

2. If, following such consultations, one Contracting Party finds that the other Contracting 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 Contracting Party shall be informed of such findings and of the steps considered necessary to conform with the said standards. The other Contracting 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 Contracting 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 taken by one Contracting 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 Contracting 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 Contracting Party has designated an airline whose regulatory control is exercised and maintained by a third State, the rights of the other Contracting 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 8**

##### *Aviation Security*

In accordance with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the *Convention on Offences and Certain Other Acts Committed on Board Aircraft*, done at Tokyo on 14 September 1963, the *Convention for the Suppression of Unlawful Seizure of Aircraft*, done at The Hague on 16 December 1970, the *Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation*, done at Montreal on 23 September 1971, and 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 24 February 1988, and the *Convention on the Marking of Plastic Explosives for the Purpose of Detection*, done at Montreal on 1 March 1991, and any other convention on civil aviation security to which both Parties become parties.



2. Upon request the Parties shall provide each other with all necessary assistance to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, of their passengers and crew, and of airports and air navigation facilities, and address any other threat to the security of civil air navigation.

3. The Parties shall, in their mutual relations, act in conformity with all aviation security standards and appropriate recommended practices established by the International Civil Aviation Organization and designated as Annexes to the Convention; they shall require that operators of aircraft of their registry, operators of aircraft which 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 Contracting Party agrees to observe the security provisions required by the other Contracting Party for entry into the territory of that other Contracting 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 Contracting Party shall also give positive consideration to any request from the other Contracting 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 Contracting 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 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 that Contracting 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 Contracting Party may take interim action prior to the expiry of fifteen (15) days.

#### **Article 9** *Aircraft Leasing*

(1) Each Contracting Party may prevent the use of leased aircraft for air services under this Agreement, which does not comply with Article 8 (Aviation Safety) and Article 9 (Aviation Security) of this Agreement.

(2) Subject to paragraph (1) of this Article, the designated airlines of each Contracting Party may use aircraft (or aircraft and crew) leased from any company, including other airlines, provided that this will not result in a lessor airline exercising traffic rights it does not have.

(3) The proposed leasing arrangements will be subject to the approval of the aeronautical authorities of both Contracting Parties. The designated airline proposing the use of leased aircraft shall give the aeronautical authorities of each Contracting Party the earliest possible notification of the proposed terms of such arrangements.

(4) However, the aeronautical authorities shall not withhold approval of arrangements under which the designated airline or airlines of either Contracting Party lease aircraft for emergency reasons, provided that the period of such arrangements does not exceed 90 days and the aeronautical authorities are notified of the terms of such arrangements including the nature of the emergency.

#### **Article 10**

##### *Commercial Opportunities*

1. The airlines of each Contracting Party shall have the right to establish offices in the territory of the other Contracting Party for the promotion and sale of air services.

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

3. Each designated airline shall have the right 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 as if self-handling were possible.

4. Any airline of each Contracting Party may engage in the sale of air services in the territory of the other Contracting 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 Contracting Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Party in local

currency. At their discretion, the airlines of each Contracting Party may pay for such expenses in the territory of the other Contracting 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 Contracting 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; and
- 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 Contracting Party and other airlines on services to, from and via such a third country; provided that all airlines in such arrangements:

- i) Hold the appropriate authority and
- ii) Meet the requirements normally applied to such arrangements.

### **Article 11**

#### *Customs Duties and Charges*

1. Each Contracting Party shall on the basis of reciprocity exempt a designated airline of the other Contracting 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 Contracting 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 Contracting Party by or on behalf of the designated airline of the other Party;
- b) retained on board aircraft of the designated airline of one Contracting Party upon arrival in or leaving the territory of the other Party; or
- c) taken on board aircraft of the designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services;

whether or not such items are used or consumed wholly within the territory of the Contracting 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 Contracting 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 Contracting Party has entered into arrangements with other airlines for the loan or transfer in the territory of the other Contracting 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 Contracting 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 Contracting Party that operates between a point or points in the territory of the first Contracting Party and another point in the territory of that Contracting Party or a point in the territory of another European Union Member State or EEA EFTA State.

## **Article 12**

### *User Charges*

1. User charges that may be imposed by the competent charging authorities or bodies of each Contracting Party on the airlines of the other Contracting 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 Contracting 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 Contracting 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 Contracting 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 Contracting 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 Contracting Party shall be held, in dispute resolution procedures pursuant to Article 16 of this Agreement, to be in breach of a provision of this Article, unless:

- i) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Contracting Party within a reasonable amount of time; or
- ii) 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 13**

#### *Avoidance of Double 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 Contracting 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 Contracting 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 Republic of Burundi the Ministry of Finance and planning or his or her authorized representative, or any person or body authorized to perform any functions at present exercisable by the Ministry of Finance and or similar functions; and in the case of Iceland, the Minister of Finance or his or her authorized representative.

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 16 shall not apply to such disputes.



6. Notwithstanding Article 21, each Contracting Party shall in writing notify the other Contracting Party 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 (to be clarified) on capital and assets held.

7. Notwithstanding Article 19, 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 Contracting Party shall allow a fair and equal opportunity for the designated airlines of both Contracting Parties to compete in providing the international air services governed by this Agreement.

2. Each Contracting 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 Contracting 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 Contracting 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 Contracting Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Contracting 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 Contracting 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

### *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 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 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 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 Contracting Party shall require the notification or 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.
3. Notwithstanding paragraphs 1 and 2 of this Article, the prices to be charged by the designated airline of the Republic of Burundi 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 16

### *Intermodal Services*

Notwithstanding any other provision of this Agreement, airlines and indirect 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 17

### *Consultations and Settlement of Disputes*

1. In a spirit of close co-operation, either Contracting Party may, at any time, request consultations relating to this Agreement, its implementation and satisfactory compliance with the provisions of this Agreement. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place endeavour to settle it by consultation.
2. Any dispute which cannot be resolved by consultation may at the request of either Contracting 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.
3. The Contracting 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 Contracting Party that may be directly affected by the dispute, bearing in mind the objective and need for a simple, responsive and expeditious process.
4. A mediator or the members of a panel may be appointed from a roster of suitably qualified aviation experts maintained by the International Civil Aviation Organization (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 the International Civil Aviation Organization. Any expert used for this mechanism should be adequately qualified in the general subject of the dispute.
5. 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 Contracting 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.
6. The Contracting 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 Contracting Parties agree in advance to request only a determination of the facts, they shall use those facts for resolution of the dispute.
7. The costs of this mechanism shall be estimated upon initiation and apportioned equally, but with the possibility of re-apportionment under the final decision.
8. The mechanism is without prejudice to the continuing use of the consultation process, the subsequent use of arbitration, or termination under Article 19.

**Article 18**  
*Amendments*

1. If either Contracting 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 Contracting 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 Contracting Parties.

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

**Article 19**  
*Termination*

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

**Article 20**  
*Registration with ICAO*

This Agreement and all amendments thereto shall be registered upon their signature with the International Civil Aviation Organization.

**Article 21**  
*Entry into force*

This Agreement shall enter into force on the date of the later note in an exchange of diplomatic notes between the Parties confirming that the internal procedures necessary for the entry into force of the Agreement have been completed.

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, Icelandic and French languages, each text being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of Iceland

For the Government of the Republic of  
Burundi



**ANNEX I**  
**International Air Services**

**Section 1**  
**Routes**

Airlines of each Contracting 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 Burundi shall be entitled to operate scheduled international air services in both directions on the routes specified hereafter:

| Points in the Republic of Burundi | Intermediate points | Points in Iceland | Points beyond |
|-----------------------------------|---------------------|-------------------|---------------|
| any point                         | any point           | any point         | any point     |

For all-cargo service or services, between the Republic of Burundi and any point or points.

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

| Points in Iceland | Intermediate points | Points in the Republic of Burundi | 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 Contracting 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 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 Contracting 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 Contracting Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Contracting Party that has designated the airline is a continuation of the transportation from beyond such point.

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