

**AIR SERVICES AGREEMENT
BETWEEN
ICELAND
AND
THE KINGDOM OF THE NETHERLANDS,
IN RESPECT OF CURAÇAO**

Iceland

and

The Kingdom of the Netherlands, in respect of Curaçao (hereinafter referred to as "the Parties");

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

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

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

Desiring to conclude an Agreement for the purpose of establishing and operating Air Services between and beyond their respective Territories;

Desiring to ensure the highest level of safety and security in international air transportation;

Have agreed as follows:

**CHAPTER I:
INTRODUCTION**

Article 1

Definitions

For the purpose of this Agreement, unless otherwise defined:

1. the term "Aeronautical Authorities" means, in the case of Iceland, the Ministry of Transport and Local Government; and, in the case of the Kingdom of the Netherlands, in respect of Curaçao, the Minister responsible for Civil Aviation; or, in both cases, any person or body authorized to perform the functions exercised by said authorities;
2. the term "Agreed Services" means Air Services on the routes specified in Annex I to this Agreement, for the carriage of passengers, cargo and mail, separately or in combination;
3. the term "Agreement" means this Agreement, its Annexes, and any amendments thereto;

4. the terms "Air Service", "International Air Service", "Airline" and "Stop for non-traffic purposes" shall have the meaning respectively assigned to them in Article 96 of the Convention;
5. the term "Designated Airline" means an Airline or Airlines designated and authorized in accordance with Article 3 (Designation and Authorization) of this Agreement;
6. the term "the Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on December 7, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or the Convention under Articles 90 and 94 thereof, insofar as those Annexes and amendments have become effective for, or have been ratified by both Parties;
7. the term "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead;
8. the term "National", in the case of Iceland, means Nationals of Iceland or Nationals of the Member States of the European Economic Area; and, in the case of the Kingdom of the Netherlands, in respect of Curaçao, means Nationals of the Kingdom of the Netherlands who are formally registered as local citizens with the Dutch nationality in the municipal registry of Curaçao;
9. the term "Tariff" means any fare, rate or charge for the carriage of passengers, their baggage and/or cargo in Air Service, including any other mode of transportation in connection therewith, charged by Airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;
10. the term "Territory", for each Party, shall have the meaning specified in Article 2 of the Convention;
11. the term "User charge" means a charge imposed on Airlines for the provision of airport, air navigation or aviation security facilities or services including related services and facilities; and
12. the term "European Economic Area" (EEA) means the enhanced free trade area established by the Agreement on the European Economic Area, done at Oporto on May 2, 1992, between the European Union and its Member States on the one hand and the European Free Trade Association States (EFTA) with the exclusion of Switzerland on the other hand, of which Iceland is a Member State.

CHAPTER II: OBJECTIVES

Article 2

Grant of Rights

1. Each Party grants to the other Party the following rights for the conduct of International Air Services by the Designated Airline(s) of the other Party:
 - a) the right to fly across its Territory without landing;
 - b) the right to make Stops for non-traffic purposes in its Territory;
 - c) the right to exercise full third and fourth freedom traffic rights; and
 - d) the rights otherwise specified in this Agreement.
2. The Airlines of each Party, other than those designated under Article 3 (Designation and Authorization) of this Agreement shall also enjoy the rights specified in paragraphs 1 a) and b) of this Article.

3. Nothing in paragraph 1 of this Article shall be deemed to confer on the Airline or Airlines of one Party the right to take on board in the Territory of the other Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the Territory of that other Party.

Article 3

Designation and Authorization

1. Each Party shall have the right to designate an Airline or Airlines for the purpose of operating the Agreed Services on each of the routes specified in Annex I to this Agreement and to withdraw or alter such designations. Such designations shall be made in writing and transmitted to the other 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 Party shall grant the appropriate authorizations and permissions with minimum procedural delay, provided that:
 - a) in the case of an Airline designated by Iceland:
 - i. the Airline is established in the Territory of Iceland in accordance with the Agreement on the European Economic Area, and the Airline 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. the Airline 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 Curaçao:
 - i. the Airline is established in the Territory of Curaçao and the Airline has a valid Operating License in accordance with the applicable laws and regulations of Curaçao; and
 - ii. effective regulatory control of the Airline is exercised and maintained by Curaçao and the Aeronautical Authority is clearly identified in the designation; and
 - iii. the Airline is owned and shall continue to be owned, directly or through majority ownership, by Curaçao and/or Nationals of Curaçao and shall, at all times, be effectively controlled by Curaçao 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 Party considering the application or applications; and
 - d) the Designated Airline is maintaining and administering the provisions set forth in Article 13 (Safety) and Article 14 (Aviation Security) of this Agreement.

3. When an Airline has been so designated and authorized, it may begin to operate the Agreed Services on the routes specified in Annex I to this Agreement, provided that the Airline complies with all applicable provisions of this Agreement.

Article 4

Revocation or Suspension of Authorization

1. Either Party may withhold, revoke, suspend, limit or impose conditions on the operating authorization or technical permissions of an Airline designated by the other Party where:
 - a) in the case of an Airline designated by Iceland:
 - i. the Airline is not established in the Territory of Iceland in accordance with the Agreement on the European Economic Area, or the Airline does not have a valid Operating License 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 Member State of the European Economic Area responsible for issuing its Air Operator's Certificate, or the relevant Aeronautical Authority is not clearly identified in the designation; or
 - iii. the Airline is not owned or shall not 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 or are not at all times effectively controlled by such states and/or Nationals;
 - b) in the case of an Airline designated by Curaçao:
 - i. the Airline is not established in the Territory of Curaçao or the Airline does not have a valid Operating License in accordance with the applicable laws and regulations of Curaçao; or
 - ii. effective regulatory control of the Airline is not exercised or not maintained by Curaçao or the Aeronautical Authority of Curaçao is not clearly identified in the designation; or
 - iii. the Airline is not owned or shall not continue to be owned, directly or through majority ownership, by Curaçao and/or Nationals of Curaçao or the Airline is not, at all times, effectively controlled by Curaçao and/or its Nationals;
 - c) the Designated Airline is not qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of International Air Services by the Party considering the application or applications; or
 - d) the Designated Airline is not maintaining and not administering the provisions set forth in Article 13 (Safety) and Article 14 (Aviation Security) of this Agreement.
2. Unless immediate revocation or suspension of the operating authorization or technical permission mentioned in paragraph 1 of this Article, or imposition of the conditions therein, is essential to prevent further infringements of laws and

regulations, such right shall be exercised only after consultations with the other Party.

3. *This Article does not limit the rights of either Party to withhold, revoke, suspend, limit or impose conditions on the operating authorization or technical permission of an Airline or Airlines of the other Party in accordance with the provisions of Article 13 (Safety) and Article 14 (Aviation Security) of this Agreement.*

CHAPTER III: COMMERCIAL PROVISIONS

Article 5

Commercial Activities

1. The Designated Airline(s) of each Party shall have the right to establish offices, both on-line and off-line, in the Territory of the other Party for the promotion and sale of Air Services.
2. The Designated Airline(s) of each Party shall be entitled, in accordance with the laws and regulations of the other Party relating to entry, residence and employment, to bring into and to maintain in the Territory of the other Party managerial, sales, technical, operational and other specialist staff required for the operation of the Agreed Services.
3. These staff requirements may, at the option of the Designated Airline or Airlines of one Party, be satisfied by its own personnel or by using the services of any other organization, company or Airline operating in the Territory of the other Party and authorized to perform such services for other Designated Airlines.
4. The representatives and staff shall be subject to the laws and regulations in force of the other Party, and consistent with such laws and regulations:
 - a) each Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary employment authorizations, visitor visas or other similar documents to the representatives and staff referred to in paragraph 2 of this Article; and
 - b) each Party shall facilitate and expedite the requirement of employment authorizations for personnel performing certain temporary duties.
5. The Designated Airline(s) shall have the right to perform its (their) own ground-handling in the Territory of the other Party ("self-handling") or, at its option, to select among competing agents to perform 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.
6. The Designated Airline(s) may engage in the sale of Air Services in the Territory of the other Party directly and, at the Airline's discretion, through its agents. 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 or in freely convertible currencies.

7. Each Designated Airline shall be permitted to pay for local expenses, including purchases of fuel, in the Territory of the other Party in local currency. At their discretion, the Designated Airline(s) of each Party may pay for such expenses in the Territory of the other Party in freely convertible currencies according to local currency regulations.
8. In operating or holding out the Agreed Services on the routes specified in Annex I to this Agreement, any Designated Airline may enter into co-operative marketing arrangements, such as blocked-space, code-sharing, joint ventures or leasing arrangements, with
 - a) an Airline or Airlines of either Party; and
 - b) an Airline or Airlines of a third state,
provided that such third state authorizes or allows comparable arrangements between the Airlines of the other Party and other Airlines on services to, from and via such a third state, provided that all Airlines in such arrangements
 - 1) hold the appropriate authority; and
 - 2) meet the requirements normally applied to such arrangements.

Article 6

User charges

1. User charges that may be imposed by the competent charging authorities or bodies of each Party on the Designated Airline(s) of the other Party shall be just, reasonable, not discriminatory and equitably apportioned among categories of users. In any event, any such User charges shall be assessed on the Designated Airline(s) of the other Party on terms not less favorable than the most favorable terms available to any other Airline at the time the charges are assessed.
2. User charges imposed on the Designated Airline(s) of the other Party may reflect, but shall not exceed, the Full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such Full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.
3. Each Party shall encourage consultations between the competent charging authorities or bodies in its Territory and the Designated Airline(s) using the services and facilities and shall encourage the competent charging authorities or bodies and the Designated Airline(s) 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 paragraph 1 and 2 of this Article. Each Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in User charges to enable users to express their views before changes are made.
4. Neither Party shall be held in dispute resolution procedures pursuant to Article 18 (Settlement of Disputes) of this Agreement, to be in breach of a provision of this Article, unless (1) it fails to undertake a review of the User charge or practice that is the subject of complaint by the other Party within a

reasonable time period; or (2) following such a review it fails to take all steps within its power to remedy any User charge or practice that is not consistent with this Article.

Article 7

Fair Competition

1. Each Party shall allow a fair and equal opportunity for each Designated Airline to compete in providing the International Air Services governed by this Agreement.
2. Each Party shall allow any Designated Airline of the other Party to determine the frequency and capacity of the Agreed Services it offers based on the Airline's commercial considerations in the marketplace. Therefore, neither Party shall impose on the Designated Airline(s) of the other Party any requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement. Neither Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the Designated Airline(s) of the other Party, except as may be required for customs and other government inspection services, technical or operational reasons under uniform conditions consistent with Article 15 of the Convention.
3. Neither Party shall impose on the Designated Airline(s) of the other Party a first-refusal requirement, uplift ratio, no-objection fee or any other requirements with respect to capacity, frequency or traffic which would be inconsistent with the purposes of this Agreement.
4. The Parties agree that the following Airline practices may be regarded as possible unfair competitive practices which may merit closer examination:
 - a) the charging of fares and rates on routes at levels which are, in the aggregate, insufficient to cover the costs of providing the services to which they relate;
 - b) the addition of excessive capacity or frequency of service;
 - c) the practices in question are sustained rather than temporary;
 - d) the practices in question have a serious negative economic effect on, or cause significant damage to, another Airline;
 - e) the practices in question reflect an apparent intent or have the probable effect of distorting competition in the market; and
 - f) the behavior indicating an abuse of dominant position on the route.
5. Airports, airways, air traffic control and air navigation services, aviation security, and other related facilities and services that are provided in the Territory of one Party shall be available for use by the Designated Airline(s) of the other Party on terms no less favorable than the most favorable terms available to any Airline engaged in similar International Air Services at the time arrangements for use are made.
6. If the Aeronautical Authorities of one Party consider that an operation or operations intended or conducted by the Designated Airline(s) of the other Party may constitute unfair competitive behavior in accordance with paragraphs 4 or 5 of this Article, they may request consultation in accordance with Article 17 (Consultations) of this Agreement with a view to resolving the problem. Any such request shall be accompanied by notice of the reasons for

the request, and the consultation shall begin within thirty (30) days after receipt of the request.

7. If the Parties fail to reach a resolution of the problem through consultations, either Party may invoke the dispute resolution mechanism under Article 18 (Settlement of Disputes) of this Agreement to resolve the dispute.

Article 8

Tariffs

1. Tariffs charged for International Air Services under this Agreement may be freely established by the Designated Airline(s) and shall not be subject to approval.
2. Each Party may require notification to or filing with the Aeronautical Authorities of Tariffs to be charged for transportation to or from its Territory by the Designated Airline(s) of the other Party.
3. Notwithstanding paragraphs 1 and 2 of this Article, the Tariffs to be charged by the Designated Airline(s) of Curaçao for carriage wholly within the European Economic Area shall be subject to the Agreement on the European Economic Area.

CHAPTER IV: FINANCIAL PROVISIONS

Article 9

Customs Duties

1. Each Party shall, on the basis of reciprocity, exempt a Designated Airline of the other Party to the fullest extent possible under its national law from import restrictions, customs duties, excise taxes, inspection fees and other national duties and charges, not based on the cost of services provided on arrival, on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and other items, such as printed ticket stock, air waybills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that Designated Airline intended for use or used solely in connection with the operation or servicing of aircraft of the Designated Airline of such other Party operating the Agreed Services.
2. With regard to regular equipment, spare parts, supplies of fuels and lubricants and aircraft stores introduced into the Territory of one Party by or on behalf of a Designated Airline of the other Party or taken on board the aircraft operated by such Airline and intended solely for use on board aircraft while operating international services, no duties and charges, including customs duties and inspection fees imposed in the Territory of the first Party, shall be applied, even when these supplies are to be used on the parts of the journey performed over the Territory of the Party in which they are taken on board. The items referred to above may be required to be kept under customs supervision and control. The provisions of this paragraph cannot be interpreted in such a way that a Party can be made subject to the obligation to refund customs duties which already have been levied on the items specified in paragraph 1 of this Article.

3. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article:
 - a) introduced into the Territory of the Party by or on behalf of the Designated Airline of the other Party;
 - b) retained on board aircraft of the Designated Airline of one Party upon arrival in or leaving the Territory of the other Party; or
 - c) taken on board aircraft of the Designated Airline of one Party in the Territory of the other Party and intended for use in operating the Agreed Services, whether or not such items are used or consumed wholly within the Territory of the Party granting the exemption, provided that the ownership of such items is not transferred in the Territory of the said Party.
4. Regular airborne equipment, spare parts, supplies fuels and lubricants and aircraft stores retained on board the aircraft of either Party may be unloaded in the Territory of the other Party only with the approval of the customs authorities of that Party, who may require that items be placed under their supervision up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.
5. Nothing in this Agreement shall prevent either Party from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its Territory for use in an aircraft of a Designated Airline of the other Party that operates between a point or points in the Territory of the first Party and another point in the Territory of that Party or a point in the Territory of another European Union Member State or a Member State of the European Economic Area or a Member State to the European Free Trade Association.

Article 10

Taxation

1. Profits or income from the operation of aircraft in international traffic derived by a Designated Airline of a Party, including participation in inter-airline commercial arrangements or joint business ventures, shall be exempt from any tax on profits or income imposed by the other Party.
2. Capital and assets of a Designated Airline of a Party pertaining to the operation of aircraft in international traffic shall be exempt from any tax on capital and assets imposed by the other Party.
3. Gains from the alienation of aircraft operated in international traffic and movable property pertaining to the operation of such aircraft derived by a Designated Airline of a Party shall be exempt from any tax on gains imposed by the other Party.
4. For the purposes of this Article:
 - a) the term "profits or income" includes gross receipts and revenues derived directly from the operation of aircraft in international traffic, including:
 - i. the charter or rental of aircraft;
 - ii. the sale of air transportation, either for the Airline itself or for any other Airline; and
 - iii. interest on sums generated directly from the operation of aircraft in international traffic provided that such interest is incidental to the operation;

- b) the term "international traffic" means the transportation of persons and/or cargo, including mail, except where such transportation is principally between points in the Territory of a Party.
5. This Article shall not have effect when an agreement for the avoidance of double taxation with respect to taxes on income is in effect between the Parties.

Article 11

Transfer of funds

Each Designated Airline shall have the right to convert and remit to its country, on demand, local revenues from the sale of Air Services and associated activities directly linked to Air Services 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 Airline makes the initial application for remittance.

CHAPTER V: REGULATORY PROVISIONS

Article 12

Application of Laws

1. While entering, within or leaving the Territory of one Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the other Party's Designated Airline(s).
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 Designated Airline(s).
3. Neither Party shall give preference to its own or any other Airline over an Airline of the other Party engaged in similar International Air Services in the application of its immigration, customs, quarantine and similar regulations.
4. Passengers, baggage, cargo and mail in direct transit shall be subject to no more than a simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

Article 13

Safety

1. Certificates of airworthiness, certificates of competency and licenses issued or validated by the other Party and still in force shall be recognized as valid by each Party, for the purpose of operating the Agreed Services provided for in this Agreement, provided that the requirements under which such certificates and licenses were issued or validated are at least equal to or above the minimum standards which may be established pursuant to the Convention. Each Party may, however, 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.

2. Each Party may request consultations concerning the safety standards maintained by the other Party relating to aeronautical facilities, aircrew, aircraft and the operation of the Aircraft. Such consultations shall take place in conformity with Article 17 (Consultations) of this Agreement.
3. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards and requirements in the areas referred to in paragraph 2 of this Article that are at least equal to the minimum standards that may be established pursuant to the Convention, the other Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards, and the other Party shall take appropriate corrective action within an agreed time period. Each Party reserves the right to withhold, revoke, suspend, limit or impose conditions on the operations authorization of an Airline or Airlines designated by the other Party in the event the other Party does not take such appropriate corrective action within a reasonable time.
4. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of a Designated 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 ramp inspection 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 inspection 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.
5. When urgent action is essential to ensure the safety of an Airline operation, each Party reserves the right to immediately suspend or vary the operating authorization of a Designated Airline or Airlines of the other Party.
6. Any action by one Party in accordance with paragraph 5 of this Article shall be discontinued once the basis for the taking of that action ceases to exist.
7. With reference to paragraph 3 of this Article, if it is determined that one Party remains in non-compliance with the International Civil Aviation Organization standards when the agreed time period has elapsed, the Secretary General of the International Civil Aviation Organization should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.
8. Where one Party has designated an Airline whose regulatory control is exercised and maintained by a third state, the rights of the other Party under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that third state and in respect of the operating authorization of that Airline.

Article 14

Aviation Security

1. Consistent with their rights and obligations under international law, the Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this

Agreement. Without limiting the generality of their rights and obligations under international law, the Parties shall, in particular, act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, done at Tokyo on September 14, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on September 23, 1971, its supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, done at Montreal on February 24, 1988, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, done at Montreal on March 1, 1991, as well as with any other convention or protocol relating to the security of civil aviation which both Parties adhere to.

2. Each Party shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, of their passengers and crew, and of airports and air navigation facilities, and any other threat to the security of civil air aviation.
3. Each Party shall, in its mutual relations, act in conformity with the aviation security standards and appropriate recommended practices established by the International Civil Aviation Organization and designated as Annexes to the Convention. Each Party shall require that operators of aircraft of their registry or operators of aircraft who are established in its Territory, and the operators of airports in its Territory act in conformity with such aviation security provisions. Each Party shall advise the other Party of any difference between its national regulations and practices and the aviation security standards of the Annexes to the Convention. Each Party may request immediate consultations with the other Party at any time to discuss any such differences.
4. Each Party agrees that such operators of aircraft may be required to observe the security provisions referred to in paragraph 3 of this Article required by the other Party for entry into, for departure from or while within the Territory of that other Party. Each Party shall ensure that adequate measures are effectively applied within its Territory to protect the aircraft and to inspect passengers, crew and their baggage and carry-on items, as well as cargo and aircraft stores, prior to and during boarding or loading. Each Party shall also give positive consideration to any request from the other Party for special security measures to meet a particular threat.
5. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports or air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
6. Each Party shall have the right, within sixty (60) days following notice, for its Aeronautical Authorities to conduct an assessment in the Territory of the other Party of the security measures being carried out, or planned to be carried out, by aircraft operators in respect of flights arriving from or departing to the Territory of the first Party. The administrative arrangements for the conduct of such assessments shall be agreed upon between the Aeronautical Authorities

and implemented without delay so as to ensure that assessments will be conducted expeditiously.

7. When a Party has reasonable grounds to believe that the other Party has departed from the aviation security provisions of this Article, the Aeronautical Authorities of that Party may request immediate consultations with the Aeronautical Authorities of the other Party. Such consultations shall start within fifteen (15) days of receipt of such a request from either Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds to withhold, revoke, suspend, limit or impose conditions on the operating authorization of a Designated Airline or Airlines of that other Party. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, a Party may take interim action at any time to the expiry of fifteen (15) days.

CHAPTER VI: PROCEDURAL PROVISIONS

Article 15

Approval of Schedules

1. The Designated Airline(s) of each Party may submit its envisaged flight schedules for approval to the Aeronautical Authorities of the other Party at least forty-five (45) days prior to the operation of the Agreed Services. The same procedure shall apply to any modification thereof.
2. For supplementary flights which the Designated Airline of one Party wishes to operate on the Agreed Services outside the approved timetable, that Airline must request prior permission from the Aeronautical Authorities of the other Party. Such requests shall be submitted at least fifteen (15) days prior to the operation of such flights.

Article 16

Statistics

The Aeronautical Authorities of each Party shall provide the Aeronautical Authorities of the other Party, upon request, with periodic or other statements of statistics as may be reasonably required.

Article 17

Consultations

Either Party may, at any time, request consultations in writing relating to the interpretation, application, implementation, amendment of, or compliance with this Agreement or its Annexes. Such consultations shall begin at the earliest possible date, but not later than sixty (60) days from the date the other Party receives the request, unless otherwise agreed.

Article 18

Settlement of Disputes

1. Any dispute arising between the Parties relating to the interpretation or application of this Agreement, except those that may arise under Articles 13 (Safety) and 14 (Aviation Security) of this Agreement, the Aeronautical

Authorities of both Parties shall in the first place endeavor to settle their dispute by consultations and negotiation.

2. If the Parties fail to reach a settlement by negotiation, the dispute shall be settled through diplomatic channels.

Article 19

Amendment

1. Any amendment to this Agreement shall be agreed upon by the Parties and shall be effected through an exchange of diplomatic notes. Such amendment shall enter into force in accordance with the provisions of Article 24 (Entry into Force) of this Agreement.
2. Notwithstanding the provisions of paragraph 1 of this Article, any amendment to Annex I to this Agreement may be agreed upon by the Aeronautical Authorities of the Parties, and confirmed through an exchange of diplomatic notes. Such amendment shall enter into force on a date to be determined in the diplomatic notes. This exception to paragraph 1 of this Article does not apply in case any traffic rights are added to the above-mentioned Annex.

CHAPTER VII:

FINAL PROVISIONS

Article 20

Multilateral agreements

If a general multilateral air transport agreement comes into force in respect of both Parties, the provisions of such agreement shall prevail. Consultations in accordance with Article 17 (Consultations) of this Agreement may be held with a view to determining the extent to which this Agreement is affected by the provisions of the multilateral agreement.

Article 21

Termination

1. Either Party may at any time give notice in writing through diplomatic channels to the other Party of its decision to terminate this Agreement. Such notice shall be communicated simultaneously to the International Civil Aviation Organization.
2. This Agreement shall terminate at the place of receipt of the notice at midnight one (1) year after the date of receipt of the notice by the other Party, unless the notice to terminate is withdrawn by mutual consent before the expiry of this period. In the absence of acknowledgement of receipt by the other Party, the notice shall be deemed to have been received fourteen (14) days after the date of receipt of the notice by the International Civil Aviation Organization.

Article 22

Registration with the International Civil Aviation Organization

This Agreement and any amendments thereto shall be registered with the International Civil Aviation Organization.

Article 23

Territorial Application

As regards the Kingdom of the Netherlands, this Agreement shall apply to Curaçao only.

Article 24

Entry into force

1. This Agreement shall enter into force on the first day of the second month following the date of the last written notification, through diplomatic channels, by which the Parties shall have notified each other that all necessary internal procedures for entry into force of this Agreement have been completed.
2. Upon entry into force, this Agreement shall supersede, in the relation between Iceland and Curaçao, the Air Transport Agreement between the Government of the Republic of Iceland and the Government of the Kingdom of the Netherlands, signed at The Hague, 22 March 1950.

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

DONE at Brussels on this 20 day of September 2021, in duplicate, in the English language.

FOR ICELAND



FOR THE KINGDOM OF THE
NETHERLANDS, IN RESPECT OF
CURAÇAO



Annex I
Route Schedule

1. Routes to be operated by the Designated Airline(s) of Iceland:

Points before	Points of Departure	Intermediate points	Point of Destination	Points Beyond
Any point	Iceland	Any point	Curaçao	Any point

For all-cargo service: the Designated Airline(s) of Iceland shall be entitled to exercise full seventh freedom traffic rights between Curaçao and any point or points.

2. Routes to be operated by the Designated Airline(s) of Curaçao:

Points before	Point of Departure	Intermediate Points	Points of Destination	Points Beyond
Any point	Curaçao	Any point	Iceland	Any point

For all-cargo service: the Designated Airline(s) of Curaçao shall be entitled to exercise full seventh freedom traffic rights between Iceland and any point or points.

3. While operating an Agreed Service on a specified route, the Designated Airline(s) may on any or all flights and at the option of each Airline:

- a) operate flights in either or both directions;
- b) combine different flight numbers within one aircraft operation;
- c) omit stops at any point or points, provided that services begin or end at a point in the Territory of the Party designating the Airline;
- d) transfer traffic from any of its aircraft to any of its other aircraft at any points on the routes; and
- e) pick up and discharge stop-over traffic at any point of the route schedule, provided that stop over time does not exceed fifteen (15) days at any point.

4. This Agreement excludes the exercise of commercial traffic rights by the Designated Airlines of Iceland between Curaçao and the Netherlands (including the Caribbean part of the Netherlands (Bonaire, Sint Eustatius, and Saba)); between Curaçao and Sint Maarten; and between Curaçao and Aruba.

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

Non-scheduled/Charter operations

1. The Airline(s) of one Party shall, in accordance with the route schedule in Annex 1 to this Agreement, be entitled to perform international non-scheduled air transportation to and from any point or points in the Territory of the other Party, either directly or with stop-overs en route, for one-way or round trip carriage. Multi-destination charters shall also be permitted. In addition, Airline(s) of one Party may operate charters with traffic originating in or destined for the Territory of the other Party.
2. Each Designated Airline performing air transportation under this provision shall comply with such laws, regulations and rules of the Party in whose Territory the traffic originates, whether on a one-way or round trip basis, as that Party now or hereafter specifies shall be applicable to such transportation.

Annex III
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 states, 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 Airlines, including surface transportation operated by other Airlines and indirect providers of cargo air transportation. 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.