

MEMORANDUM OF COOPERATION BETWEEN JAPAN AND ICELAND

The delegations representing the aeronautical authorities of Iceland and Japan met in Tokyo on 17 January 2019 to discuss and exchange views on civil aviation relations between the two countries.

The discussions were conducted in a friendly and cordial manner.

The delegation lists are attached hereto as Appendices A and B.

Both delegations have confirmed as follows:

1. General

Recognising the importance of the further development of air transport matters, both delegations shared the view that the aeronautical authorities of both countries should pursue further discussions on possible air services agreement between Iceland and Japan.

2. Routes

2.1 Both delegations shared the view that the airline(s) of each country will be allowed to serve the following routes:

2.1.1 Routes to be operated in both directions by the airline(s) of Japan for passenger and all-cargo services:

- (a) Tokyo – intermediate points – points in Iceland – points beyond.
- (b) Points in Japan other than Tokyo – intermediate points – points in Iceland – points beyond.
- (c) Points in Japan – intermediate points – points in Iceland – points beyond.

2.1.2 Routes to be operated in both directions by the airline(s) of Iceland for passenger and all-cargo services:

- (a) Points in Iceland – intermediate points – Tokyo – points beyond.
- (b) Points in Iceland – intermediate points – points in Japan other than Tokyo – points beyond.
- (c) Points in Iceland – intermediate points – points in Japan – points beyond.



2.2 Routes 2.1.1 (a) and 2.1.2 (a) may be served by the airline(s) of either country without exercising fifth freedom traffic rights.

2.3 "Tokyo" in 2.1.1 (a) and 2.1.2 (a) does not include Haneda Airport.

2.4 Routes 2.1.1 (c) and 2.1.2 (c) may be served by the airline(s) of either country only for code sharing services as a marketing airline(s) in line with requirements set out in Section 4 below, including Haneda Airport.

2.5 Both delegations also confirmed that the services provided by the airline(s) of either country should begin at a point in the territory of that country, but other points on the route described in paragraphs 2.1.1 and 2.1.2 above may at the option of the airline(s) be omitted on any or all flights.

3. Capacity Entitlements

3.1 Both delegations shared the view that the airline(s) of each country may exercise third and fourth freedom traffic rights with unlimited frequencies for both passenger and/or all-cargo services on Routes 2.1.1 (a) and (b) and 2.1.2 (a) and (b) above, using any type of aircraft.

3.2 Both delegations shared the view that the airline(s) of each country may exercise fifth freedom traffic rights with unlimited frequencies for both passenger and/or all-cargo services on Routes 2.1.1 (b) and 2.1.2 (b) above, using any type of aircraft.

4. Code Sharing

Both delegations shared the view that the code sharing arrangements for passenger and/or all-cargo services for the airline(s) of each country should be as follows:

4.1 The airline(s) of each country which have appropriate authority to provide the scheduled air services may enter into code sharing arrangements on Routes 2.1.1 (c) and 2.1.2 (c), subject to approval of the aeronautical authorities concerned, with:

- an airline or airlines of the same country;
- an airline or airlines of the other country; and
- an airline or airlines of a third country,



on the conditions that:

- (a) the airline(s) with which the airline(s) of either country may enter into code sharing arrangements have appropriate authority to exercise traffic rights over the segments concerned;
- (b) the airline(s) may not exercise fifth freedom traffic rights with the exception of its or their own stopover traffic on the code sharing operations as marketing airline(s) on any segment to and from a point in the other country; and
- (c) the airline(s) must, in respect of any ticket sold by them, make it clear to purchaser at the point of sale which airline(s) will actually operate each sector of the service and with which airline(s) the purchaser is entering into a contractual relationship.

4.2 With regard to the code sharing operations on the domestic segments, the airlines of each country may enter into code sharing arrangements on the connecting domestic routes in the territory of the other country with airlines of the other country, which have the appropriate authority over the segments concerned, subject to the approval of the respective aeronautical authorities.

4.3. The airline(s) of each country should not exercise cabotage rights in the other country using the code sharing arrangements except for its or their own stopover traffic.

5. Others

5.1 The both delegations confirmed that the operational plans and charter operations for passengers and cargo by the airline(s) of either country should be favourably treated, when permits for such operations are requested by the airline(s) concerned, on condition that regulations relevant to such operations of respective countries are fully complied with.

5.2 The both delegations confirmed that fifth freedom traffic rights between Japan and the third countries concerned and between Iceland and the third countries concerned should be exercised, in such a way that the relevant third and fourth freedom traffic rights may not be unduly affected.

5.3 The Icelandic delegation explained its position regarding possibilities of wet lease of aircraft in Japan (and vice versa) and operation of cargo flights. The Japanese delegation explained its principle related to this matter and took note of the issue with a view to exploring this matter in a positive manner.



5.4 This memorandum will be reviewed, if necessary, once every two years after the date of signature.

Signed in Tokyo on 17 January 2019.

For the aeronautical authorities
of Japan

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For the Icelandic authorities

Benedikt Aglinsun

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