

AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF ICELAND

AND

THE GOVERNMENT OF COLOMBIA

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The Government of Iceland and the Government of Colombia (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 Transport, Communications and Local Government or any person or agency authorized to perform the functions exercised by the said authority, and in the case of Colombia, the Civil Aviation Administration, or its successor;
2. "Agreement" means this Agreement, its Annexes, and any amendments thereto;
3. "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;
4. "Designated airline" means an airline designated and authorized in accordance with Article 3 of this Agreement;
5. "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead;
6. "International air service" means an air service that passes through the airspace over the territory of more than one State;



7. "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;

8. "Stop for non-traffic purposes", "airline", "air service" and "territory" have the meaning specified in Articles 2 and 96 of the Convention; and

9. "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.

10. "Annex" means the annex or annexes to this agreement or an amendment to it or them. The annex is an integral part of the Agreement, and whatever reference made to the agreement, will be done to the annex too, unless it would be stipulated clearly in other way.

11. "Intermodal services" means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;

12. "International air transportation" is air transportation in which the passengers, baggage, cargo and mail which are taken on board in the territory of one State are destined to another State;

13. "Party" is a State which has formally agreed to be bound by this agreement

14. "Straight traffic" means the traffic departing and arriving from the same point (in other words, go through that point), as a part of a continuous movement with only one ticket, without stopping on board of the same aircraft or of a different aircraft with the same airline designator and flight number.

Article 2

Grant of Rights

1. Each Party grants the other Party's designated airlines the following rights for the conduct of international air services:

- a) the right to fly across its territory without landing;
- b) the right to make stops in its territory for non-traffic purposes; and
- c) the rights otherwise specified in this Agreement.

d) To land for commercial purposes in the specified routes and it is subject to the arrangements of the agreement to embark or disembark international passengers, cargo and mail traffic separately or in combination.

2. Nothing in this Article shall be deemed to confer to the designated airline or airlines of one 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.



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

Article 3

Designation and Authorization

1. Both Parties shall have the right to designate, through a written notification to the other Party, one or more airlines for purposes of allowing those airlines to operate the agreed upon services in the routes specified under this Agreement.
2. Once a Party receives from the other Party the designation and application for the designated airline in the mode and manner prescribed for authorisation and operation, the said Party shall grant the relevant authorisation to operate in the shortest span of time and the minimum filing steps possible provided that:
 - a) the designated airline has its principal place of business in the territory of the designating Party;
 - b) the Party designating the airline has and maintains effective regulatory control of the airline;
 - c) the Party designating the airline is in compliance with the provisions set forth in Article 7 (Safety) and Article 8 (Aviation Security);
 - d) the designated airline is qualified to meet other conditions prescribed under the laws and regulations normally applied to the operation of international air transport services by the Party receiving the designation.
3. On receipt of the operating authorization as per paragraph 2, a designated airline may at any time begin to operate the agreed services for which it is so designated, provided that the airline complies with the applicable provisions of this Agreement

Article 4

Revocation of Authorization

1. The aeronautical authorities of each Party shall have the right to withhold, revoke, suspend, limit or impose conditions on the operating authorizations or technical permissions of a designated airline of the other Party, in any case where:
 - a) those authorities are not satisfied that the principal place of business of the airline is in the territory of the Party designating the airline, and that effective regulatory control of the airline is vested in the Party designating the airline or in its nationals; or
 - b) the airline is unable to satisfy those authorities that it is qualified to fulfill the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the Convention; or



c) the Party designating the airline is not in compliance with Article 7 (Safety) and Article 8 (Aviation Security) of this Agreement; or

d) the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultations with the aeronautical authorities of the Party designating the airline, in accordance with Article 23 (Consultations) of this Agreement.

3. This Article does not limit the rights of each Contracting Party to withhold, revoke, suspend, limit or impose conditions on the operating authorisations or technical permissions of a designated airline of the other Contracting Party, in accordance with Article 7 (Safety) and Article 8 (Aviation Security) of this Agreement.

Article 5

Application of Laws

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

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

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

4. Passengers, equipment and cargo in direct transit, through the territory of whatever of the contracting parties and if they don't leave the restricted areas of the airport, will be subject to what is predicted in numeral 4.4.2 of 17 annex of ICAO.

Article 6

Recognition of Certificates

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



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

Article 7 *Safety*

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

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

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

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

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

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

7. One party will not take effective measures, consisting in deny, annul, discontinue or make conditional the authorizations of one or more designated air lines by the other party, as far as those airlines demonstrate to the authorities of the first Party that they fulfill the international standards to guarantee the safety of their operations, through international certifications about operational safety established by ICAO.



Article 8

Aviation Security

1. In accordance 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 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 one of the parties certifies they are contracting States of the agreement about International Civil Aviation and of the protecting instruments against the acts of illicit interference about aviation, according to what is established in annex 17 (Security – Protection of the International Civil Aviation against the acts or illicit interference) and the rules of this annex are being applied to all international flights. Therefore for the passengers and baggage in transit or in transference, permanent procedures are available to guarantee proper inspections at their origin point till embark of the leaving aircraft, at the transference airport, according to the ICAO annex 17.

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

6. When an incident or threat of an incident of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports or air navigation



facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat.

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. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorization and technical permissions of an airline or airlines of that other Party. When required by an emergency, a Party may take interim action prior to the expiry of fifteen (15) days.

Article 9

Commercial Opportunities

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

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

3. Each designated airline shall have the right to perform its own ground-handling in the territory of the other Party ("self-handling") or, at its option, select among competing agents for such services in whole or in part. The rights shall be subject only to physical constraints resulting from considerations of airport safety. Where such considerations preclude self-handling, ground services shall be available on an equal basis to all airlines; charges shall be based on the costs of services provided; and such services shall be comparable to the kind and quality of services as if self-handling were possible. Any constraints shall be applied uniformly and on terms no less favorable than the most favorable terms available to any airline engaged in similar international air services at the time the constraints are imposed.

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

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



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

7. In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into cooperation agreements, co-operative marketing arrangements such as blocked-space, code-sharing, equipment use (aircraft interchange, rent, freight, among others), 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 Party and other airlines on services to, from and via such a third country; provided that all airlines in such arrangements 1) hold the appropriate authority and 2) meet the requirements normally applied to such arrangements.

Article 10

Security of travels documents

1. Each Party agrees to adopt measures to ensure the security of their passports and other travel documents.

2. In this regard, each Party agrees to establish controls on the lawful creation, issuance, verification and use of passports and other travel documents and identity documents issued by, or on behalf of, that Party.

3. Each Party also agrees to establish or improve procedures to ensure that travel and identity documents issued by it are of such quality that they cannot easily be misused and cannot readily be unlawfully altered, replicated or issued.

4. Pursuant to the objectives above, each Party shall issue their passports and other travel documents in accordance with ICAO Doc 9303, *Machine Readable Travel Documents: Part 1 – Machine Readable Passports, Part 2 – Machine Readable Visas, and/or Part 3 – Size 1 and Size 2 Machine Readable Official Travel Documents*.

Article 11

Inadmissible and undocumented passengers and deportees

1. Each Party agrees to establish effective border controls.

2. In this regard, each Party agrees to implement the Standards and Recommended Practices of Annex 9 (Facilitation) to the Chicago Convention concerning inadmissible and undocumented passengers and deportees in order to enhance cooperation to combat illegal migration.

3. Pursuant to the objectives above, each Party agrees to issue, or to accept, as the case may be, the letter relating to "fraudulent, falsified or counterfeit travel documents or genuine documents presented by imposters" set out in Appendix 9 b) to Annex 9, when taking action under relevant paragraphs of Chapter 3 of the Annex regarding the seizure of fraudulent, falsified or counterfeit travel documents.



4. When inappropriate documented people cases will be occurred, according to the annex 9 of the Agreement, the contracting Parties are committed to limit at minimum the inconvenient caused to designated air lines which transported these people, and penalties will be applied only to the airline in charge of their transport, when negligence has been proved to take the needed precautions at the embark point to assure passengers have the prescribed documents by the destination state, stipulated in the air transport contract. For the cases when a transit with a change of transport company occurred and a baggage rechecking is required, it is the passengers responsibility to fulfill with the migration rules and requirements of the transit place.

Article 12

Customs Duties and Charges

1. Each Party shall on the basis of reciprocity exempt a designated airline of the other Party to the fullest extent possible under its national law from customs duties, excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores (including but not limited to such items of food, beverages and liquor, tobacco and other products destined for sale or to be used solely in connection with the operation or servicing of aircraft) and other items, such as printed ticket stock, 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. The exemptions granted by this Article shall apply to the items referred to in paragraph 1:

- a) introduced into the territory of the Party by or on behalf of the designated airline of the other Party;
- b) retained on board aircraft of the designated airline of one Party upon arrival in or leaving the territory of the other Party; or
- c) taken on board aircraft of the designated airline of one Party in the territory of the other Party and intended for use in operating the agreed services;

whether or not such items are used or consumed wholly within the territory of the Party granting the exemption, provided the ownership of such items is not transferred in the territory of the said Party.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of the designated airline of either Party, may be unloaded in the territory of the other Party only with the approval of the customs authorities of that territory. In such case, they may be placed under supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

4. The exemptions provided for by this Article shall also apply in situations where a designated airline of one Party has entered into arrangements with other airlines for the loan or transfer in the territory of the other Party of the items specified in



paragraphs 1 and 2 of this Article, provided such other airlines similarly enjoy such exemptions from the other Party.

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

Article 13

User Charges

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

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

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

4. Neither party shall be held, in dispute resolution procedures pursuant to Article 16 of this Agreement, to be in breach of a provision of this Article, unless a) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Party within a reasonable amount of time; or b) following such a review it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

Article 14

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 Party shall be exempt from income tax, profits tax and all other taxes on income and profits imposed in the territory of the other Party.

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

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

4. 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.

5. Notwithstanding Article 28, each Party shall in writing notify the other when the internal procedures necessary to implement this Article have been completed. This Article shall enter into force on the date of receipt of the latter of these notifications and shall thereupon have effect in respect of income, profits and gains arising on or after the first day of the next month after the notification and on capital and assets held.

6. Notwithstanding Article 26, 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.

7. 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 15

Fair Competition

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

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



3. Either Party may require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Party for approval. If a Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on designated airlines of the other Party.

4. The Parties shall inform each other about their competition laws, policies and practices or changes thereto, and any particular objectives thereof, which could affect the operation of air transport services under this agreement and shall identify the authorities responsible for their implementation.

5. The Parties shall, to the extent permitted under their own laws and regulations, assist each other's airlines by providing guidance as to the compatibility of any proposed airline practice with their competition laws, policies and practices.

Article 16

Pricing

1. Each Party shall allow prices for air services to be decided by each designated airline based on commercial considerations in the marketplace. However each Party shall have the right to approve or disapprove prices for one-way or round-trip carriage between the territories of the two Parties which commences in its own territory, according to its procedures. Intervention by the Parties shall i.a be based on the following considerations:

- 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.

The prices to be charged by a designated airline of one Party for carriage between the territory of the other Party and that of a third State shall be subject to the approval requirements of the other Party.

2. Each Party may require notification or filing with its aeronautical authorities of prices to be charged to or from its territory by airlines of the other Party. Notification or filing by the airlines of both Parties may be required no more than thirty (30) days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required.

3. Neither Party shall require the notification or filing by airlines of the other Party of prices charged by charterers to the public, except as may be required on a non-discriminatory basis for information purposes.

Article 17

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 18

Environmental Protection

The Parties support the need to protect the environment by promoting the sustainable development of aviation. The Parties agree with regard to operations between their respective territories to comply with the ICAO Standards and Recommended Practices (SARPs) of Annex and the existing ICAO policy and guidance on environmental protection.

Article 19

Computer reservation systems (CRS)

Each Party shall apply the ICAO Code of Conduct for the Regulation and Operation of Computer Reservation Systems within its territory consistent with other applicable regulations and obligations concerning computer reservation systems.

Article 20

Ban on smoking

1. Each Party shall prohibit or cause their airlines to prohibit smoking on all flights carrying passengers operated by its airlines between the territories of the Parties. This prohibition shall apply to all locations within the aircraft and shall be in effect from the time an aircraft commences enplanement of passengers to the time deplanement of passengers is completed.
2. Each Party shall take all measures that it considers reasonable to secure compliance by its airlines and by their passengers and crew members with the provisions of this Article, including the imposition of appropriate penalties for non-compliance.

Article 21

Statistics

The aeronautical authorities of both Parties shall supply each other, on request, with periodic statistics or other similar information relating to the traffic carried on the agreed services.



Article 22
Unic Designator Code

Each party shall accept the authorization of the designator code that the other Contracting Party has granted to its airlines to identify its flights in accordance with IATA Code Designator.

Article 23
Consultations and Settlement of Disputes

1. In a spirit of close co-operation, either 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 Parties relating to the interpretation or application of this Agreement, the 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 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 Parties shall agree in advance on the terms of reference of the mediator or of the panel, the guiding principles or criteria and the terms of access to the mediator or the panel. They shall also consider, if necessary, providing for an interim relief and the possibility for the participation of any third Party that may be directly affected by the dispute, bearing in mind the objective and need for a simple, responsive and expeditious process.

4. A mediator or the members of a panel may be appointed from a roster of suitably qualified aviation experts maintained by 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 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 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 Parties shall co-operate in good faith to advance the mediation and to implement the decision or determination of the mediator or the panel, unless they otherwise agree in advance to be bound by the decision or determination. If the Parties agree in advance to request only a determination of the facts, they shall use those facts for resolution of the dispute.



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 26.

Article 24 *Amendments*

1. If either Party considers it desirable to amend any provision of this Agreement, including the Annexes thereto, it may request consultations between the aeronautical authorities of both Parties in relation to the proposed amendment. Such consultations shall commence within a period of sixty days (60) from the date of receipt of the request. Any amendments so agreed shall enter into force when they have been confirmed by an exchange of diplomatic notes by both Parties.

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

Article 25 *Multilateral Agreements*

If both Parties become parties to a multilateral agreement that addresses matters covered by this agreement, they shall consult to determine whether this agreement should be revised to take into account the multilateral agreement.

Article 26 *Termination*

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

Article 27 *Registration with ICAO*

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



Article 28
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 and Spanish 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 Colombia



ANNEX I
International Air Services

Section 1
Routes

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

A. Routes for the airline or airlines designated by the Government of Iceland:

From points in Iceland via intermediate points to a point or points in Colombia and vice versa.

B. Routes for the airline or airlines designated by the Government of Colombia:

From points in Colombia via intermediate points to a point or points in Iceland and vice versa.

Section 2
Operational Flexibility

Each designated airline will be able in the operations of the authorized services in this agreement, use its own aircrafts or aircrafts which have been rented, chartered, or interchanged through a celebrated contract between airlines (from both parties or third countries) fulfilling the rules and regulations of each part and what is stated in article 83 bis of the Convention, this contract must be presented to the authorities of both parties. If applicable, the parties will be able to celebrate technical range agreements or memorandums – operational, to establish the conditions to delegate responsibilities about the operational surveillance of security.

2. With binding to the last paragraph 1, the designated airlines of each one of the parties will be able to use rented aircrafts (or aircraft and crew) of another company, if it does not cause the lease-holder airline exercise traffic rights it does not have.

3. Each designated airline may on any or all flights on the agreed services and at its option, change aircraft in the territory of the other Party or at any point along the specified routes, provided that:

a) aircraft used beyond the point of change of aircraft shall be scheduled in coincidence with the inbound or outbound aircraft, as the case may be; and

b) in the case of a change of aircraft in the territory of the other Party and where more than one aircraft is operated beyond the point of change, not more than one such



aircraft may be of equal size and none may be larger than the aircraft used on the third and fourth freedom sector.

4. A designated airline may use different or identical flight numbers for the sectors of its change of aircraft operations.

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Section 3

Change of Gauge

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

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