

Mauritius High Commission

EP-41, Jesus & Mary Marg
Chanakyapuri
New Delhi-110 021



Tel. : +(91-11) 2410-2161
 +(91-11) 2410-2162
Fax : +(91-11) 2410-2194
E-mail : mhcnd@bol.net.in

UTN 15080056

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The High Commission of the Republic of Mauritius presents its compliments to the Embassy of Iceland and has the honour to refer to the Embassy's Note Verbale No. UTN09050101/65.D.001 dated 27 November 2013 transmitting a draft Air Services Agreement.

The High Commission will recall that a Memorandum of Understanding (MoU) was signed and an Air Services Agreement was initialed following air services talks held between the delegations of the Government of the Republic of Mauritius and the Government of the Iceland, at the meeting of the International Conference on Air Navigation (ICAN) 2014, organized by the International Civil Aviation Organization, from 17 to 21 November 2014, in Indonesia. Copies of the documents are enclosed.

The High Commission wishes to inform that the concerned authorities in Mauritius have indicated that they are ready to sign the Bilateral Air Services Agreement (BASA).

In this context, the High Commission would be grateful if you could kindly inform the concerned authorities in Iceland of the above and advise on mutually convenient date for the signature of the Bilateral Air Services Agreement.

The High Commission of the Republic of Mauritius avails itself of this opportunity to renew to the Embassy of Iceland the assurances of its highest consideration.



01 August 2015

Embassy of Iceland
11, Aurangzeb Road
New Delhi - 110 011.

MEMORANDUM OF UNDERSTANDING
ON AIR SERVICES
BETWEEN THE AERONAUTICAL AUTHORITIES OF THE GOVERNMENT OF
THE REPUBLIC OF MAURITIUS AND
THE GOVERNMENT OF ICELAND

1. Delegations representing the aeronautical authorities of the Government of the Republic of Mauritius and the aeronautical authorities of the Government of Iceland (hereinafter referred to as the 'Contracting Parties', the 'Parties' or the 'Party') met in Bali, Indonesia, on 18th November 2014, to discuss air services between their respective countries.
2. The discussions were held in a friendly and cordial atmosphere. A list of the members of the two delegations is attached as per Appendix I.

3. AIR SERVICES AGREEMENT (ASA) TEXT

Acknowledging the importance of the air transport sector and its contribution to the economic and social development of both countries, the delegations agreed on the text of a draft Air Services Agreement ('the draft ASA') as per Appendix II.

4. The following understandings were reached between the delegations:

4.1 DESIGNATION OF AIRLINES

Each Contracting Party shall have the right to designate one or more airlines for the purpose of operating the agreed services on the routes specified in the Annex to the draft ASA.



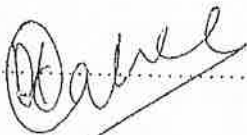
4.6 NON-SCHEDULED (CHARTER) AIR SERVICES

The aeronautical authorities of the Contracting Parties shall give due consideration to any requests from non-scheduled (charter) air services, which may include routings via a third country to the territories of the Contracting Parties or beyond the territories of the Contracting Parties to a third country, or between the territories of the Contracting Parties and a third country.

5. EFFECTIVE DATE

Pending the signature and entry into force of the draft ASA, the two delegations agreed that the provisions of the said draft ASA shall be provisionally applied. The provisions of this MOU shall enter into force with immediate effect from the date of signature.

Done at Bali, Indonesia, on 18th November 2014



Mr Dheerendra Kumar DABEE, GOSK, SC

For the Aeronautical Authority of the
Government of the Republic of Mauritius



Mr Kristjan Andri STEFANSSON

For the Aeronautical Authority of
the Government of Iceland

APPENDIX I

LIST OF DELEGATION

FOR THE REPUBLIC OF MAURITIUS

1. Mr D. K. Dabee, G.O.S.K, S.C Solicitor General
(Head of Delegation)
2. Mr T. Appadu Permanent Secretary
External Communications Division
Prime Minister's Office
3. Mr S. Ramjutun Executive Vice-President
Strategic Planning and Cargo
Air Mauritius Ltd

In Attendance:

4. Mrs S. Bheekhoo Assistant Permanent Secretary
External Communications Division
Prime Minister's Office

FOR ICELAND

1. Mr. Kristján Andri Stefánsson, Ambassador, Ministry for Foreign Affairs
(Head of Delegation)
2. Mrs. Kristín Helga Markúsdóttir Head of Legal Section of the Icelandic
Transport Authority
3. Mr. Gunnar Örn Indriðason Legal Adviser, Ministry of Interior



AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF MAURITIUS

AND

THE GOVERNMENT OF ICELAND

The Government of the Republic of Mauritius and the Government of the Iceland, hereinafter referred to as the Contracting Parties; and in singular as a "Contracting Party".

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

Desiring to facilitate the expansion of international air transport opportunities in order to promote trade and tourism between the two countries and also globally;

Desiring to conclude an Agreement for the purpose of establishing air services between and beyond their respective territories;

Desiring to ensure the highest degree of safety and security in international air transportation and reaffirming their grave concern about acts of threats against the security of aircraft, which jeopardize the safety of persons or property; and

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

Have agreed as follows:



ARTICLE 1

Definitions

For the purpose of this Agreement, unless the context otherwise requires:

- (a) The term "Aeronautical authorities" means, in the case of the Republic of Mauritius, the Minister charged with the responsibility for civil aviation or any person or body authorized to exercise a particular function relating to this Agreement, and in the case of Iceland, the Ministry of the Interior or any person or agency authorised to perform the functions exercised by the said authority or in either case, any person or body duly authorized to perform any function related to this Agreement exercised by the said Authorities;
- (b) The term "agreed services" means scheduled international air services on the routes specified in the Annex to this Agreement for the transport of passengers, baggage, cargo and mail in accordance with agreed capacity entitlements;
- (c) The term "Agreement" means this agreement, the Annex thereto and any amendments to the Agreement or to this Annex;
- (d) The terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
- (e) The term "Capacity" means the amount(s) of services provided under the agreement, usually measured in the number of flights(frequencies) or seats or tons of cargo offered in a market(city pair, or country-to country) or on a route during a specific period, such as daily, weekly, seasonally or annually.



- (f) The term "Contracting Parties" means the Government of the Republic of Mauritius on the one hand, and the Government of Iceland, on the other;
- (g) The term "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and includes any Annex adopted under Article 90 of that Convention and any amendments of the Annexes or the Convention adopted under Articles 90 and 94 thereof, insofar as such Annexes and amendments have been adopted by both Contracting Parties;
- (h) The term "European Economic Area" means the enhanced free trade area established by the Agreement on the European Economic Area, done at Oporto on 2 May 1992, between the European Community and its Member States on the one hand and the EFTA States with the exclusion of Switzerland on the other hand. EFTA is an abbreviation for the European Free Trade Association of which Iceland is a Member State.
- (i) The term "designated airline(s)" means one or more airlines which has been designated and authorised in accordance with Article 4 of this Agreement;
- (j) The term "intermodal air transportation" 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;
- (k) The term "tariff" means the prices to be charged for the carriage of passengers and cargo and the conditions under which those prices apply, excluding prices and conditions for the carriage of mail;
- (l) The term "territory" has the meaning assigned to it under Article 2 of the Convention; and
- (m) The term "user charge" means a charge made to airlines by the competent authorities, or permitted by them to be made, for the provision of airport property



or facilities or of air navigation facilities, or aviation security facilities or services, including related services and facilities, for aircraft, their crews, passengers and cargo.

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

ARTICLE 2

Applicability of the Convention

The provisions of this Agreement shall be subject to the provisions of the Convention insofar as those provisions are applicable to international air services.

ARTICLE 3

Grant of Rights

1. Each Contracting Party grants to the other Contracting Party the following rights for the purpose of operation of scheduled international air services by the designated airlines of the other Contracting Party:

- (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 right to land in the territory of the other Contracting Party at the points specified on the route agreed in the Annex to this Agreement for the purpose of taking on board and discharging passengers and/or cargo including mail, subject to the conditions specified in the said Annex.



2. Nothing in this Article shall be deemed to confer on an airline of one Contracting Party the right of taking on board, in the territory of the other Contracting Party, passengers and/or cargo including mail, for remuneration, destined for another point in the territory of that other Contracting Party.

3. The rights specified at paragraph 1 (a) and (b) above shall be granted by each Contracting Party to an airline of the other Contracting Party even if that airline is not a designated airline.

ARTICLE 4

Designation of Airlines and Authorization

1. Each Contracting Party shall have the right to designate in writing through the diplomatic channel, to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the routes specified in the Annex to this Agreement, and to alter or substitute or revoke such a designation in writing through diplomatic channel.

2. On receipt of such a designation, the Aeronautical Authorities of the other Contracting Party shall, with minimum of procedural delay, subject to the provisions of paragraphs 3, 4 and 5 of this Article, grant to the airline designated in accordance with paragraph 1 of this Article the appropriate operating authorization. This operating authorisation shall not be assigned or transferred without the consent of the Contracting Party granting it.

3. The Aeronautical Authorities of one Contracting Party may require the airline designated by the other Contracting Party to satisfy them that it is qualified to fulfill the conditions prescribed under the laws and regulations normally applied to the operation of international air services by such authorities.



4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in Article 3 of this Agreement, in any case where the said Contracting Party is not satisfied that:

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

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

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

- (i) it is established in the territory of the Republic of Mauritius and is licensed in accordance with the applicable law of the Republic of Mauritius; and
- (ii) the Republic of Mauritius has and maintains effective regulatory control of the airline and the aeronautical authority is clearly identified in the designation;
- (iii) it is owned and shall continue to be owned directly or through majority ownership by the Republic of Mauritius and / or nationals of the Republic of Mauritius and shall at all times be effectively controlled by the Republic of Mauritius 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 provisions set forth in Article 9 (Safety) and Article 10 (Security) are being maintained and administered.

5. When an airline has been designated and authorized in accordance with this Article, it may operate the agreed services for which it has been designated, provided that the airline complies with the applicable provisions of this Agreement.

ARTICLE 5

Revocation or Suspension of Operating Authorisation

1. Each Contracting Party shall have the right to withhold or revoke an operating authorization or to suspend the exercise of the rights granted under this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of these rights in any case where:

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

- i. it is not established in the territory of Iceland under the Treaty on the functioning of the European Union or under the Agreement on the European Economic Area, or does not have a valid Operating Licence in accordance with European Union law or under national law adopted in accordance with the Agreement on the European Economic Area; or
- ii. effective regulatory control of the airline is not exercised or not maintained by the European Union Member State or the EEA EFTA State responsible for issuing its Air Operator's Certificate, or the relevant aeronautical authority is not clearly identified in the designation; or
- iii. it is not owned, directly or through majority ownership by, or it is not effectively controlled by a Member State of the European Economic Area and/or nationals of Member States of the European Economic Area; or



iv. the airline has failed to comply with the laws and regulations of the Republic of Mauritius.

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

- i. it is not established in the territory of the Republic of Mauritius; or is not licensed in accordance with the applicable law of the Republic of Mauritius; or
- ii. the Republic of Mauritius is not maintaining effective regulatory control of the airline; or
- iii. it is not owned, directly or through majority ownership, or it is not effectively controlled by the Republic of Mauritius and / or its nationals; or
- iv. the airline has failed to comply with the laws and regulations of Iceland.

2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringement of the laws or the provisions of this agreement, such right shall be exercised only after consultation in accordance with Article 22 with the Aeronautical Authorities of the other Contracting Party.

3. This Article does not limit the rights of either Party to withhold, revoke, 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 9 (Safety) and Article 10 (Security).

ARTICLE 6

Application of Laws

1. The airlines of one Contracting Party, while entering, staying within or leaving the territory of the other Contracting Party shall comply with the laws and regulations in force of the other Contracting Party relating to operation and navigation of aircraft.



2. While entering, staying within, or leaving the territory of one Contracting Party, its laws and regulations in force relating to admission to or departure from its territory of passengers, crew, cargo, mail and aircraft (including regulations relating to entry, clearance, aviation safety, 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 and crew or cargo of the airlines of the other Contracting Party.

3. The above said laws and regulations of a Contracting Party shall be the same as are applicable to the aircraft of its own airlines engaged in similar international air services.

ARTICLE 7

Direct Transit

Passengers, baggage and cargo in direct transit across the territory of one Contracting Party, and not leaving the area of the airport reserved for such purpose, shall at the most be subjected to a very simplified control. Baggage and cargo in direct transit shall be exempt from duties and taxes including customs duty.

ARTICLE 8

Recognition of Certificates and Licences

1. Each Contracting Party shall recognize as valid for the purpose of air transport operations provided for in this Agreement, certificates of airworthiness, certificates of competency and licences issued or validated by the other party and still in force, provided that the requirements for issue or validation of such certificates or licences are



equal to or above the minimum standards that may be established pursuant to the Convention.

2. Each Contracting Party, however, reserves the right to refuse to recognize for the purpose of flights above its territory, certificates of competency and licences granted or validated to its own nationals by the other Contracting Party.

ARTICLE 9

Aviation Safety

1. Each Contracting Party may request consultations at any time concerning safety standards in any area relating to air crew, aircraft or their operation by the other Party. Such consultations shall take place within thirty (30) days of that request.
2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in any area that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such longer period as may be agreed, shall be a ground for the application of Article 5 (Revocation or Suspension of Operating Authorisation) of this Agreement.
3. Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated by a designated airline of one Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorized representatives of the other Contracting Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the



apparent condition of the aircraft and its equipment (ramp inspection), provided this does not lead to unreasonable delay.

4. If any such ramp inspection or series of ramp inspections gives rise to :

- (a) definite pieces of evidence that an aircraft or operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention; or
- (b) definite pieces of evidence that there is lack of effective adoption and implementation of safety standards established at that time pursuant to the Convention,

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

5. In the event that access for the purpose of application of paragraph 3 to an aircraft operated by or on behalf of an airline of one Contracting Party is denied, the other Contracting Party shall be free to infer that definite pieces of evidence of the type referred to in paragraph 4 arise and draw the conclusions referred to in that paragraph.

6. Each Contracting Party reserves the right to immediately suspend or vary the authorization to conduct international air transportation of an airline of the other Party in the event that the first Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultation or otherwise, that immediate action is essential to ensure the safety of an airline operation.

7. Any action by one Contracting Party in accordance with paragraph 1, 2 or 6 above shall be discontinued once the basis for the taking of that action ceases to exist.



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 10

Aviation Security

1. Consistent with their rights and obligations under international law, each Contracting Party reaffirms that its obligation to the other Contracting Party to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.
2. Subject to applicable domestic law and without limiting or derogating the generality of its rights and obligations in terms of international law, each Contracting Party shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed 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 23 September 1971, signed at Montreal on 24 February 1988 and the Convention on Marking of Plastic Explosives for the purpose of detection, signed at Montreal on March 1, 1991, and any other multilateral agreement or protocol relating to civil aviation security which has been adhered to by both Contracting Parties.



3. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other acts of unlawful interference against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
4. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to both Contracting Parties. They shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their respective territories, and the operators of airports in their respective territories, act in conformity with such aviation security provisions as are applicable to both Contracting Parties.
5. Each Contracting Party agrees that its operators of aircraft shall be required to observe the aviation security provisions referred to in paragraph 4 applied by the other Contracting Party for entry into, sojourn in or departure from the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to apply security controls to passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding and loading. Each Contracting Party shall give positive consideration to any request from the other Contracting Party for reasonable special security measures in its territory to meet a particular threat.
6. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
7. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party, subjected to an act of unlawful



seizure or any other act of unlawful interference, which is on ground in its territory, is detained thereon unless its departure is necessitated by the overriding duty to protect the lives of its crew and passengers. Wherever practicable, such measures shall be taken on the basis of consultations with the other Contracting Party.

8. If a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this article, the Aeronautical Authorities of the first Contracting Party may request immediate consultations with the Aeronautical Authorities of the other Contracting Party. Such consultations shall start within fifteen (15) days of the receipt of the request. Failure to reach a satisfactory agreement within fifteen (15) days from the start of consultations shall constitute grounds for application of paragraph 1 of Article 5. When required by an immediate and extraordinary threat, a Contracting Party may take such action prior to expiry of fifteen (15) days.

9. Any action taken in accordance with paragraph 8 shall be discontinued upon compliance by the other Contracting Party with the provisions of this Article.

ARTICLE 11

Customs Duty, Taxes and Similar Charges

1. Each Contracting Party shall on the basis of reciprocity exempt the designated Airline of the other Contracting Party from Customs Duty, Excise taxes, taxes and similar charges, all equipment and supplies for use on board the designated airline of either Contracting Party. All such equipment and supplies shall include:

a) Maintenance, repair, ground and servicing equipment.



- b) Aircraft spare parts including aircraft engines.
- c) Fuel, lubricating oils and other consumable technical supplies.
- d) Aircraft stores including food, beverages, wine, spirits and tobacco.
- e) Computer equipment and components thereof for use on board.
- f) Training aids and technical supplies for use in the training of flight or ground personnel.

2. The exemptions granted, under this Article, to items of Paragraph one shall also apply to:

- a) Items imported into the territory of either Contracting Party by or on behalf of the designated airline(s) provided that such items may be required to be bonded or kept under Customs control or supervision.
- b) Items retained on board for use by the designated Airline entering or leaving the territory of either Contracting Party.
- c) Taken on board by the designated airline(s) in the territory of either Contracting Party for use in operating the agreed services. Whether or not such items are used or wholly consumed within the territory of either Contracting Party granting the agreement.

3. The exemptions provide for by this Article shall also apply to cases where the designated Airline of either Contracting Party has entered into arrangements with



another airline for the loan or transfer in the territory of the either Contracting Party of the items specified in Paragraph (1) of this Article; provided such other airline similarly enjoys such exemption from the other Contracting Party.

ARTICLE 12

User Charges

1. Each Contracting Party shall endeavour to ensure that user charges imposed or permitted to be imposed by its competent authorities on a designated airline of the other Contracting Party are just and reasonable. These charges shall be based on sound economic principles.
2. Neither Contracting Party shall impose or permit to be imposed on a designated airline of the other Contracting Party user charges higher than those imposed on its own designated airline conducting similar international air transportation using similar aircraft and associated facilities and services.
3. Each Contracting Party shall encourage consultations between its responsible charging bodies and the designated airlines using the facilities and services. Where practicable, such consultations should be through the appropriate representative airline organization.
3. Each Contracting Party 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 enunciated in paragraphs 1 and 2 of this Article. Each Contracting Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.



ARTICLE 13

Place of Taxation

1. The revenue derived from international traffic operations by an airline designated by a Contracting Party shall be taxable only in the State where the headquarters of the said airline are situated.
2. In case a particular Agreement exists between the Contracting Parties on this subject, the provisions of that Agreement shall be applicable.

ARTICLE 14

Principles Governing Operation of Agreed Services

1. Each Contracting Party shall, in conformity with its laws and regulations, allow a fair and equal opportunity for the designated airlines of the other Contracting Party to compete in providing the international air transportation governed by this Agreement.
2. Each Contracting Party shall, in conformity with its laws and regulations, take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the designated airlines of the other Contracting Party.
3. The capacity to be provided by the designated airlines of each Contracting Party shall bear a relationship to the requirements of the public for transportation on the agreed routes and shall have as its primary objective the provision, at a reasonable load factor, of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers baggage, cargo and mail originating from or destined for the territory of the Contracting Party which has designated the airlines.



4. Any provision by the designated airlines for the carriage of traffic to be uplifted from or discharged at points on the specified routes in the territories of third States, shall be made in accordance with the general principles that capacity shall be related to -

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airlines;
- (b) traffic requirements of the area through which the agreed services pass, after taking account of other transport services established by the airlines of the States comprising the area; and
- (c) the requirements of through airline operation.

5. The capacity and frequency of services to be operated by the designated airlines of each Contracting Party shall be subject to predetermination jointly done by the Aeronautical Authorities of both Contracting Parties on the basis of the principles enshrined in this Article.

6. In order to meet seasonal fluctuations or unexpected traffic demands of a temporary nature, the designated airline(s) of one Contracting Party shall submit the necessary application to the Aeronautical Authority of the other Contracting Party for approval.



ARTICLE 15

Approval of Timetables

1. Each Contracting Party may require that a designated airline of the other Contracting Party to submit to the Aeronautical Authorities of that other Contracting Party for its approval, thirty(30) days in advance the timetable of its intended services, specifying the points to be served, the frequency, the type of aircraft, configuration and number of seats to be made available to the public.
2. If a designated airline wishes to operate flights supplementary to those covered in the approved timetables, it shall obtain prior permission of the Aeronautical Authorities of the Contracting Party concerned.
3. The approval of timetables or changes thereto submitted by a designated airline, or authorization for supplementary flights, shall not be refused by a Contracting Party without a valid reason.
4. Neither Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Party for approval, except as may be required on a non-discriminatory basis.

ARTICLE 16

Tariffs

1. The tariffs to be charged by the designated airlines of each Contracting Party for the international carriage in the services provided under this Agreement shall be freely established at reasonable levels, due regard being paid to all relevant factors, including the cost of operations, the characteristics of the service, the interest of users, a reasonable profit and other market consideration.



2. Each Contracting Party may require notification to or filing with its Aeronautical Authorities of tariffs to be charged to or from its territory by designated airlines of the other Contracting Party. Notification of filing by the designated airlines of both Contracting Parties may be required no more than thirty (30) working days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required. Neither Contracting Party shall require the notification nor filing by airlines of the other Contracting Party of tariffs charged by charterers to the public, except as be required in a non-discriminatory basis for information purposes.

3. Without prejudice of the applicable competition and consumer protection law prevailing in each Contracting Party, neither Contracting Party shall take unilateral action to prevent the inauguration or continuation of an effective tariff proposed to be charged or charged by a designated airline of the other Contracting Party for international air transportation in the services provided under this Agreement. Intervention by the Contracting Parties shall be limited to:

- (a) prevention of unreasonably discriminatory prices or practices;
- (b) protection of consumers from prices that are unreasonably high or restrictive due to abuse of a dominant position;
- (c) protection of airlines from prices that are artificially low due to direct or indirect subsidy or support; and
- (d) protection of airlines from prices that are artificially low, where evidence exists as to an intent to eliminate competition.

4. Without prejudice to the previous paragraph 3 of this Article, the Aeronautical Authorities of either Contracting Party may expressly approve the tariffs filed by the designated airlines. Where such aeronautical authorities find that a certain tariff falls within the categories set forth in paragraph 3(a), 3(b), 3(c) and 3(d), they shall send reasoned notification of its dissatisfaction to the aeronautical authorities of the other Contracting Party and to the concerned airline as soon as possible, and in no event later than thirty(30) working days after the date of filing of the tariff in question and may



request consultations. If the other Contracting Party/airline accepts the contention, the tariff shall be withdrawn forthwith. Otherwise the consultation requested by the first Contracting Party shall be within thirty(30) working days of the request and both Parties shall endeavour to reach a satisfactory resolution. Unless both Aeronautical Authorities have agreed to disapprove a tariff, the tariff shall be treated as having been approved and shall continue to be in effect.

ARTICLE 17

Statistics

The Aeronautical Authorities of either Contracting Party, or their designated airlines, may be required to supply to the Aeronautical Authorities of the other Contracting Party, the information and statistics related to the traffic carried by the designated airlines on the agreed services to and from the territory of the other Contracting Party.

ARTICLE 18

Representation and Personnel/ Commercial Activities

1. The designated airlines or airlines of each Contracting Party shall have the right, on the basis of reciprocity, to establish offices in the territory of the other Contracting Party, for the purpose of promotion and sale of air transportation.
2. The designated airline or airlines of each Contracting Party shall be authorized, on a reciprocal basis, to bring in and maintain in the territory of the other Contracting Party managerial, operational, sales and other specialist staff required for the operation of the agreed services. The required personnel of the designated airline or airlines shall be granted, on a reciprocal basis, the authorization for access to the airport(s) where



services are operated and to areas connected with the aircraft, the crew, the passengers and the cargo.

3. Each designated airline shall have the right to provide its own ground-handling services in the territory of the other Contracting Party or otherwise to contract these services out, in full or in part, at its option, with any of the suppliers authorized for the provision of such services. Where or as long as the regulations applicable to the provision of ground-handling in the territory of one Contracting Party prevent or limit either the freedom to contract these services out or self-handling, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground-handling services provided by a supplier or suppliers.

4. Each Contracting Party shall grant to the designated airline(s) of the other Contracting Party the right to engage in the sale of their documents for air transportation in its territory directly or at the airlines' discretion, through its agents. Each designated airline shall have the right to sell such transportation in the local currency or in freely convertible foreign currency. Any designated airline of a Contracting Party shall have the right to pay for local expenses in the territory of the other Contracting Party in local currency, or in freely convertible foreign currency, provided it complies with local currency regulations.



ARTICLE 19

Transfer of Earnings

1. Each Contracting Party shall, on the basis of reciprocity, grant to the designated airlines of the other Contracting Party subject to domestic law the right to transfer freely the excess of receipts over expenditure earned by the said airlines in connection with the provision of the agreed services.

2. The said transfer shall be made in hard currency according to the official exchange rate valid for the date of transfer and in accordance with the applicable currency regulations of the Contracting Party from whose territory the transfer is made.

ARTICLE 20

Code Sharing and Cooperative Arrangements

1. In operating or holding out the agreed services, a designated airline of one Contracting Party may enter into cooperative marketing arrangements like code-sharing, with-

- (a) an airline of the other Contracting Party;
- (b) an airline of a third country, provided that such third country authorises or allows comparable arrangements between the airlines of the other Contracting Party and other airlines on Code-Share services to, from and via such third country; and

provided that all airlines in such arrangements:-

- (i) hold the appropriate authorisations;
- (ii) meet the requirements normally applied to such arrangements; and



- (iii) must, in respect of any ticket sold by it, make it clear to the purchaser at the point of sale which airline or airlines will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship.

2. The designated airline(s) of a Contracting Party may also offer Codeshare Services between any point(s) in the territory of the other Contracting Party, provided that such services are operated by the airline(s) of the other Contracting Party and that these services form part of a through service.

3. Where a designated airline operates air services under code-share arrangements, as the operating airline, the operated capacity shall be counted against the capacity entitlements of the Contracting Party designating the said airline. Capacity offered by a designated airline acting as the marketing airline on the Code-Share services operated by other airlines shall not be counted against the capacity entitlements of the Contracting Party designating the said marketing airline.

4. No fifth freedom traffic rights shall be exercised by the marketing airlines on the air services provided under code-sharing arrangements.

5. Code-share services shall meet the regulatory requirements normally applied to such operations by the Contracting Parties, such as protection of and information to passengers, security, liability and any other requirements generally applied to other airlines operating international traffic.

6. In addition to the provisions of the Route Schedule annexed to this Agreement, the designated airline(s) of each Contracting Party may, when operating Code-Share services as the marketing carrier through cooperative marketing arrangements with an airline of the other Contracting Party, serve any points within the territory of the other Contracting Party.



ARTICLE 21

Intermodal Services

1. Notwithstanding any other provision of this Agreement, airlines and indirect providers of passenger transportation of each Contracting Party shall be permitted, without restriction, to employ in connection with international air transportation any surface transportation for passengers to or from any points in the territories of the Contracting Parties or in third countries, including transport to and from all airports with customs facilities. Airlines may elect to perform their own surface transportation or, at their discretion, to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of passenger air transportation. Such intermodal passenger services may be offered at a single, through price for the air and surface transportation combined, provided that passengers are informed as to the facts of this transportation.
2. Notwithstanding any other provision of this Agreement, airlines and indirect providers of cargo transportation of the Contracting Parties shall be permitted, without restriction, to employ in connection with international air transportation any surface transport for cargo to or from any points in the territories of the Contracting Parties or 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 domestic law. Access to airport customs processing and facilities shall be provided for such cargo, whether moving by surface or by air. Airlines may elect to perform their own surface transport or to provide it through arrangements with other surface carriers, including surface transport 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 transport combined, provided that shippers are informed as to the facts concerning such transport.



ARTICLE 22

Consultation

1. Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment, or compliance with this Agreement.
2. Subject to Articles 5 (Suspension or Revocation of Operating Authorisation), 9 (Aviation Safety) and 10 (Aviation Security), such consultations, which may be through discussion or correspondence, shall begin within a period of sixty (60) days of the date of receipt of such a request, unless otherwise mutually decided.

ARTICLE 23

Amendment of Agreement

1. If either of the Contracting Parties considers it desirable to amend any provisions of this agreement, such amendment shall be agreed upon in accordance with the provisions of Article 22 and shall be effected by an Exchange of Notes, through diplomatic channel, and shall come into effect on the date which each Contracting Party has notified the other of its compliance with the constitutional requirements necessary for implementation of the relevant amendment.
2. If, in conformity with domestic law, a multilateral convention concerning air transportation comes into force in respect of both Contracting Parties, this Agreement shall be deemed to be amended so far as is necessary to conform with the provisions of that convention.



ARTICLE 24

Settlement of Disputes

1. Any dispute between the Contracting Parties concerning the interpretation or application/implementation of this Agreement, with the exception of any dispute concerning tariffs, which cannot be settled by consultations or negotiations, or, where agreed, shall at the request of either Contracting Party be submitted to an arbitral tribunal.
2. Within a period of thirty (30) days from the date of receipt by either Contracting Party from the other Contracting Party of a note through the diplomatic channel requesting arbitration of the disputes by a tribunal, each Contracting Party shall nominate an arbitrator. Within a period of thirty (30) days from the appointment of the arbitrator last appointed, the two arbitrators shall appoint a president who shall be a national of a third state. If within thirty (30) days after one of the Contracting Parties has nominated its arbitrators, the other Contracting Party has not nominated its own or, if within thirty (30) days following the nomination of the second arbitrator, both arbitrators have not agreed on the appointment of the president, either Contracting Party may request the President of the Council of the International Civil Aviation Organisation to appoint an arbitrator or arbitrators as the case requires. If the President of the Council is of the same nationality as one of the Contracting Parties, the most senior Vice President who is not disqualified on that ground shall make the appointment.
3. Except as otherwise determined by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within thirty (30) days after the tribunal is fully constituted. Replies shall be due within thirty (30) days. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within thirty (30) days after replies are due.



4. The tribunal shall attempt to give a written award within thirty (30) days after completion of the hearing, or, if no hearing is held, after the date both replies are submitted. The award shall be taken by a majority vote.
5. The Contracting Parties may submit requests for clarification of the award within fifteen (15) days after it is received and such clarification shall be issued within fifteen (15) days of such request.
6. The award of the arbitral tribunal shall be final and binding upon the Parties.
7. The expenses of arbitration under this Article shall be shared equally between the Contracting Parties.
8. If and for so long as either Contracting Party fails to comply with an award under paragraph 6 of this Article, the other Contracting Party may limit, suspend or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default.

ARTICLE 25

Termination

1. Either Contracting Party may at any time give notice in writing to the other Party of its decision to terminate this Agreement. Such notice shall be communicated simultaneously to the International Civil Aviation Organisation (ICAO). The Agreement shall terminate at midnight (at a place of receipt of the notice to the other Contracting Party) immediately before the first yearly anniversary of the date of receipt of notice by the Party, unless the notice is withdrawn by mutual decision of the Contracting Parties before the end of this period.
2. In default of acknowledgment of receipt of a notice of termination by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days



after the date on which ICAO acknowledged receipt thereof, unless the notice to terminate is withdrawn by agreement before the expiry of this period.

ARTICLE 26

Registration with ICAO

The Agreement and any amendment thereto shall be registered with the International Civil Aviation Organisation.

ARTICLE 27

Entry into Force

The present Agreement shall be approved by each Contracting Party in compliance with its constitutional procedures and shall enter into force on the day of the exchange of Diplomatic Notes confirming such approval.

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

DONE in two originals at Bali, Indonesia, this 18th day of November 2014 in the English language.

Mr Dheerendra Kumar DABEE, GOSK, SC

Mr Kristjan Andri Stefansson

For the Aeronautical Authority of the
Government of the Republic of Mauritius

For the Aeronautical Authority of
the Government of Iceland



ANNEX
ROUTE SCHEDULE

Section 1

The designated airline(s) of each Contracting Party shall be entitled to perform international air services on their respective routes as given below:

Route for the designated airline(s) of the Republic of Mauritius

<u>Points in</u> <u>Mauritius</u>	<u>Intermediate</u> <u>Points</u>	<u>Points in</u> <u>Iceland</u>	<u>Beyond Points</u>
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Any one or more	Any one or more	Any one or more	Any one or more
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For all-cargo service or services, between the Republic of Mauritius and any point or points

Route for the designated airline(s) of Iceland

<u>Points in</u> <u>Iceland.</u>	<u>Intermediate</u> <u>Points</u>	<u>Points in</u> <u>Mauritius</u>	<u>Beyond Points</u>
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Any one or more	Any one or more	Any one or more	Any one or more
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For all-cargo service or services, between Iceland and any point or points

Notes:

1. The points on the above route shall be freely selected by the designated airlines of each Contracting Party and will be notified to the Aeronautical Authorities of both Contracting Parties thirty (30) days before the start of the services.



4. The designated airline(s) of each Contracting Party may perform their services in either or both directions, and may at their option change the order or omit one or more points on any of the above routes, in whole or part of its services(including intermediate, beyond points and points in the territories of the Contracting Parties), provided that the services commence or terminate at a point in the territory of the Contracting Party designating the airline.
5. The intermediate and beyond points on the above routes to be operated with fifth freedom traffic rights by the designated airlines, shall be agreed upon between the aeronautical authorities of the two Contracting Parties.
6. The designated airline(s) of each Contracting Party may serve points in the territory of the other Contracting Party in any combination, as part of a through international journey and without domestic traffic rights (cabotage).

Section 2

CHANGE OF GAUGE

On any sector or sectors of the routes in Section 1 of this Annex, an airline or airlines designated by either Contracting Party shall be entitled to perform international air transportation, including under code sharing arrangements permitted under Article 20 without any limitation as to change at any point or points on the route, in the type, size or number of aircraft operated, provided that the service is scheduled as a direct connection flight.

