

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

Delegations representing the Government of Iceland and the Republic of Uganda met in Riyadh, Saudi Arabia, on the 7th of December 2023 in order to assess their bilateral air transport relations. A list of members of the two Delegations is attached as Annex A.

The discussions were conducted in a friendly and positive atmosphere and both Delegations stressed their interest in expanding mutual relations in the field of air transport.

The Delegations discussed extensively the substance, and agreed on the text of an Air Services Agreement (ASA) between their respective Governments. The text is attached as Annex B.

The Government of Iceland designates Icelandair and the Republic of Uganda designates Uganda National Airlines Company Limited dba Uganda Airlines in accordance with Article 4 (Designation and Authorisation) of the ASA.

Both Delegations undertook to take such steps as will lead to an early signature, and completion of their respective constitutional requirements for the entry into force of the ASA and its Annexes as soon as possible. The Delegations agreed that the Parties inform each other in writing through diplomatic channels when the national requirements to bring the Air Service Agreement into force have been satisfied.

The venue and date of signing of the ASA will be agreed upon through diplomatic channels.

Pending the signing and completion of the national requirements necessary to formalize the Agreement, it was decided that the initialled Air Services Agreement shall have interim effect from the date of signature of this MOU.

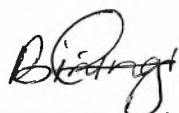
Signed in Riyadh Saudi Arabia on the 7th of December 2023.

For the Delegation of the
Government of Iceland



Mr. Pétur THORSTEINSSON
Director

For the Delegation of the Republic of
Uganda



Mrs Olive Birungi LUMONYA
Deputy Director General

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Annex A

**Iceland – Uganda
Air Services Agreement Meeting
Riyadh, Saudi Arabia
7th December 2023**

ICELANDIC DELEGATION

Mr. Pétur Thorsteinsson, Director
Ministry for Foreign Affairs (Head of Delegation)

UGANDA DELEGATION

Mrs. Olive Birungi Lumonya (Head of Delegation)
Deputy Director General
Uganda Civil Aviation Authority

Mr. John Bosco R. Suuza
Director, Legal Advisory Services

Mr. Christopher Kasozi
Ag. Manager Economic Regulation
Uganda Civil Aviation Authority

Mr. Deo Nyanzi
Manager, Government Relations and Routes Co-ordination
Uganda Airlines

Annex B

BILATERAL AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF ICELAND

AND

THE GOVERNMENT OF THE REPUBLIC OF UGANDA

The Government of the Iceland and the Government of the Republic of Uganda
(Hereinafter referred to as the "Contracting Parties");

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 contribute to the progress of international civil aviation;

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

HEREBY AGREE as follows:

ARTICLE 1

DEFINITIONS

1. For the purpose of this Agreement, unless the context otherwise requires;
 - (a) The term "The Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on the Seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or of the Convention under Articles 90 and 94 thereof in so far as those Annexes and amendments have become effective for or have been ratified by both Contracting Parties;
 - (b) "Aeronautical Authorities" means in the case of Iceland, the Ministry for Infrastructure and in the case of the Government of the Republic of Uganda, The Minister responsible for Aviation, or in both cases any person or body authorized to perform any functions at present exercised by the said authorities;
 - (c) "Agreed Services" means the international air services for the transportation of passengers, cargo and mail according to the provisions of this Agreement on the specified routes;
 - (d) "Agreement" means this Agreement, its Annexes, and any amendments thereto;

- (e) "Air Service", "International Air Service", "Airline" and "Stop for non-traffic purposes" have meanings respectively assigned to them in Article 96 of the Convention;
- (f) "Designated Airline" means an airline which has been designated and authorized to operate the agreed services in accordance with Article 4 of this Agreement;
- (g) "Effective Control" means a relationship constituted by rights, contracts or any other means which, either separately or jointly confer the possibility of a Contracting Party to directly or indirectly exercise a decisive influence on the running of the business of the airline or the right to use all or substantive part of the assets of the air carriers;
- (h) "European Economic Area" (EEA) 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 (now the European Union) and its Member States on the one hand and Iceland, Norway and Liechtenstein, Member States of the European Free Trade Association (EFTA) on the other hand;
- (i) "Specified Routes" means the routes established or to be established in the Annex to this Agreement;
- (j) "Tariff" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including commission charges and other additional remuneration for agency of sale of transportation documents, but excluding remuneration and conditions for the carriage of mail;
- (k) "Territory" has the meaning assigned to it in Article 2 of the Convention;

ARTICLE 2

APPLICABILITY OF CHICAGO CONVENTION

The provisions of this Agreement shall be subject to the provisions of the Convention in so far 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 rights specified in this Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate section of the Annex to this Agreement. Such services and routes are hereafter referred to as "the Agreed Services" and "the Specified Routes".

Each Contracting Party grants to the other Contracting Party, the following rights in respect of its scheduled 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;
 - (c) the right to make stops in the territory of the other Contracting Party at the points specified in the Annex of this Agreement for the purpose of and taking on board and disembarking passengers, baggage, cargo including mail, separately or in combination, destined for or coming from point(s) in the territory of the first party.
2. The airlines established in each party, other than those designated under Article 4 (Designation of Airlines) of this Agreement, shall also enjoy the rights specified in paragraph 2 a) and b) of this Article.
3. Nothing in this Article shall be deemed to confer on the designated airlines of one Contracting Party the privilege of taking on board in the territory of the other Contracting Party, passengers and cargo including mail carried for remuneration or hire destined for another point in the territory of the other Contracting Party.

ARTICLE 4

DESIGNATION AND AUTHORIZATION

1. Each Party shall have the right to designate an airline or airlines for the purpose of operating the agreed services on each of the routes specified in the Annexes and to withdraw or alter such designations. Such designations shall be made in writing and transmitted to the other Party through diplomatic channels.
2. Upon receipt of such a designation and of applications from the designated airline, in the form and manner prescribed for operating authorizations and technical permissions, the other Party shall grant the appropriate authorizations and permissions with minimum procedural delay, provided:
- a) in the case of an airline designated by Iceland:
 - (i) it is established in the territory of a Member State of the European Economic Area, in accordance with the Treaty on the functioning of the European Union or the Agreement on the European Economic Area, and has a valid Operating Licence in accordance with European Union law or 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 the 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 a Member State of the European Economic Area and/or its nationals and shall at all times be effectively controlled by such states and/or nationals.
- b) in the case of an airline designated by Uganda:
 - (i) it is established in the territory of Uganda and is licensed in accordance with the applicable law of Uganda; and
 - (ii) Uganda has and maintains effective regulatory control of the airline and the 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 Uganda and/or nationals of Uganda and shall at all times be effectively controlled by Uganda 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 7 (Safety) and Article 8 (Aviation Security) are being maintained and administered.

3. When an airline has been so designated and authorized, it may begin to operate air services on the specified routes provided that the airline complies with all applicable provisions of this Agreement.

ARTICLE 5

REVOCATION OF AUTHORIZATION

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

- a) in the case of an airline designated by Iceland:
 - (i) it is not established in the territory of a Member State of the European Economic Area, or does not have a valid Operating Licence in accordance with European Union law or national law adopted in accordance with the Agreement on the European Economic Area; or
 - (ii) effective regulatory control of the airline is not exercised or not maintained by the Member State of the European Economic Area responsible for issuing its Air Operator's Certificate, or the relevant aeronautical authority is not clearly identified in the designation; or
 - (iii) it is not owned, directly or through majority ownership, by a Member State of the European Economic Area and/or its nationals, or is not at all times effectively controlled by such state and/or its nationals; or
 - (iv) the airline has failed to comply with the laws and regulations of Uganda.
- b) in the case of an airline designated by Uganda:

- (i) it is not established in the territory of Uganda; or is not licensed in accordance with the applicable law of Uganda; or
 - (ii) Uganda is not maintaining effective regulatory control of the airline; or
 - (iii) it is not owned, directly or through majority ownership, or it is not at all times effectively controlled by Uganda and/or its nationals; or
 - (iv) the airline has failed to comply with the laws and regulations of Iceland.
2. Unless immediate revocation or suspension of the operating authorization mentioned in paragraph 1 of this Article, or imposition of the conditions therein, is essential to prevent further infringements of laws and regulations, such right shall be exercised only after consultations with the other 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 7 (Safety) and Article 8 (Security).

ARTICLE 6

APPLICABILITY OF NATIONAL LAWS AND REGULATIONS

1. The laws and regulations of one Contracting Party relating to admission to, flight within or departure from its territory of aircraft of its designated airline(s) engaged in international air navigation, or to the operation or navigation of such aircraft while within its territory shall likewise apply to the aircraft of the designated airline(s) of the other Contracting Party and shall be complied with by such aircraft upon entering or departing from or while within the territory of the Contracting Party.
2. The laws and regulations of one Contracting Party relating to admission to, stay in, or departure from its territory of passengers, crew or cargo including mail, such as regulations relating to entry, exit, emigration, immigration, passports as well as customs and sanitary measures, shall apply to passengers, crew and cargo including mail carried by the aircraft of the designated airline of the other Contracting Party upon entry into or departure from or while within the territory of the said Contracting Party.

ARTICLE 7

APPROVAL OF TIME TABLES

The designated airline(s) of each Contracting Party shall submit for approval to the aeronautical authorities of the other Contracting Party not later than Thirty days prior to the commencement of services on the specified routes, the flight schedules including

the types of aircraft to be used. This shall likewise apply to later changes. In special cases, this time limit may be reduced subject to the consent of the said authorities.

ARTICLE 8

PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

1. The designated airlines of the two Contracting Parties shall be afforded fair and equitable treatment in order that they may enjoy equal opportunity in the operation of the agreed services. In operating these services, the airline(s) of each Contracting Party shall take into account the interest of the airline(s) of the other Contracting Party so as not to affect unduly the services which the other provides on the whole or part of the specified routes.
2. The operation of the agreed services between the territories of the Contracting Parties in both directions along the specified routes constitutes a basic and primary right of the two Contracting Parties.
3. The primary objective of the Contracting Parties shall be the provision of capacity adequate for the current and reasonably anticipated requirements for the carriage, at a reasonable load factor, of passengers and cargo including mail originating from the territory of one Contracting Party and destined for the territory of the other Contracting Party.

ARTICLE 9

AIRPORTS AND FACILITY CHARGES

The charges imposed in the territory of either Contracting Party for the use of airports and other air navigation facilities by the aircraft of the designated airline(s) of the other Contracting Party shall not be higher than those imposed on aircraft of the national airline engaged in similar international air services.

ARTICLE 10

RECOGNITION OF CERTIFICATES AND LICENCES

1. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the routes and services provided for in this Agreement, provided that the requirement under which such certificates or licences were issued or rendered valid are equal

to or above the minimum standards which are or may be established pursuant to the Convention.

2. However, each Contracting Party reserves the right to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by the other Contracting Party or any other State if the standards do not meet its own legal requirements.

ARTICLE 11

EXEMPTION FROM CUSTOM DUTIES, INSPECTION FEES AND OTHER SIMILAR CHARGES

1. Aircraft operated on international air services by the designated airline(s) of either Contracting Party, as well as their regular equipment, supplies of fuel and lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other similar charges on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported or are used on the journey performed over that territory.
2. There shall be an exempt from the same duties, fees and charges with the exception of charges corresponding to the service performed:
 - (a) aircraft stores taken on board in the territory of a Contracting Party, within limits fixed by the Customs Authorities of the said territory and for use on board outbound aircraft of the other Contracting Party engaged in international air services;
 - (b) spare parts introduced into the territory of either Contracting Party for maintenance or repair of aircraft used on international air services by the designated airline(s) of the other Contracting Party;
 - (c) fuel and lubricants supplied to an aircraft of the designated airline of a Contracting Party, engaged in international air services, in the territory of the other Contracting Party and used on an inward flight until that flight is completed, on an outward flight until from the time that flight commences or on a through-transiting flight, notwithstanding that on all such flights the aircraft may make intermediate landings on that territory.

3. Materials referred to in sub-paragraphs (a), (b) and (c) above may be required to be kept under Customs supervision or control.
4. The regular airborne equipment as well as the material and supplies retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of Customs Authorities of that territory. In such cases they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with Customs regulations.

ARTICLE 12

AVIATION SAFETY

1. Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within 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 such 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 ICAO 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 shall be cause for the application of Article 5 of this Agreement.
3. Notwithstanding the obligations mentioned in Article 33 of the Convention
it is agreed that any aircraft operated by the designated airlines 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 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) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention, or
 - (a) serious concerns that there is a lack of effective maintenance and administration 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 certificate 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 undertaking a ramp inspection of an aircraft operated by the designated airlines of one Contracting Party in accordance with paragraph 3 above is denied by the representative of the airline concerned, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph 4 above arise and draw the conclusions referred to in that paragraph.
6. Each Contracting Party reserves the right to suspend or vary the operating authorization of an airline or airlines of the other Contracting Party immediately in the event that the first Contracting 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 essential to the safety of an airlines operation.
7. Any action by one Contracting Party in accordance with paragraph 2 or 6 above shall be discontinued once the basis for the taking of that action ceases to exist.

ARTICLE 13 AVIATION SECURITY

1. The assurance of safety for civil aircraft, their passengers and crew being a fundamental pre-condition for the operation of international air services, the Contracting Parties reaffirm that their obligations to each other to provide for the security of civil aviation against acts of unlawful interference (and in particular their obligations under the Chicago, Convention, the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14th September, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16th December, 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23rd September, 1971 form an integral part of this Agreement.
2. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other treat to the security of civil aviation.

3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security Standards and, so far as they are applied by them, the Recommended Practices established by the International Civil Aviation Organization and designated as Annexes to the Chicago convention; and shall require that operators of aircraft of their registry, operators who have their principal place of business or permanent residence in their territory, and the operators of airports in their territory, act in conformity with such aviation security provisions. In this paragraph the reference to aviation security Standards includes any difference notified by the contracting Party concerned. Each Contracting Party shall inform the other that it is filing a difference with ICAO at the time that it files that difference.
4. Each Contracting Party shall ensure that effective measures are taken within its territory to protect aircraft, to screen passengers and their carry-on items, and to carry out appropriate checks on crew, cargo (including hold baggage) and aircraft stores prior to and during boarding or loading and that those measures are adjusted to meet increases in the threat. Each Contracting Party agrees that its airlines may be required to observe the aviation security provisions referred to in paragraph (3) required by the other Contracting Party, for entrance into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall also act favourably upon any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
5. When an incident or threat of an incident of unlawful seizure 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 as rapidly as possible commensurate with minimum risk to life such incident or threat.
6. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the first Contracting Party may request immediate consultations with the other Contracting Party. Failure by the Contracting Parties to reach a satisfactory resolution of the matter within thirty (30) days from the date of receipt of such request shall constitute grounds for withholding, revoking, limiting or imposing conditions on the operating authorizations or technical permissions of an airline or airlines of the other Contracting Party. When justified by an emergency, a Contracting Party may take interim action prior to the expiry of thirty (30) days.

ARTICLE 14

ENVIRONMENTAL PROTECTION

Each Contracting Party shall 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 16 and the existing ICAO policy and guidance on environmental protection.

ARTICLE 15

TARIFFS

1. The tariffs to be charged by the airline(s) of one contracting Party for carriage of passengers, and cargo to or from the territory of the other Party shall be established by the designated airlines at reasonable levels, taking into account all relevant factors, particularly the operational costs, types of services, reasonable profits as well as the tariffs of other airlines operating similar routes. 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 dominant position; and
 - (c) Protection of airlines from prices that are artificially low due to direct or indirect governmental subsidy or support.
2. The tariffs referred to in paragraph (1) of this Article shall be required to be filed by the designated airlines of one Contracting Party with the aeronautical authorities of the other Contracting Party for information purposes. However, tariffs charged by airlines shall not be required to be approved by either Contracting Party.
3. Neither Contracting Party shall allow its designated airline or airlines, in establishment of tariffs, either in conjunction with any other airline or airlines or separately, to abuse market power in a way which has or is likely or intended to have the effect of severely weakening a competitor, being a designated airline of the other Contracting Party, or excluding such competitor from a route.
4. The Contracting Parties agree that the following airline practices, in relation to the establishment of tariffs, may be regarded as possible unfair competitive practices which may merit closer examination:

- (a) Charging fares and rates on routes at levels which are, in the aggregate, insufficient to cover the costs of providing the services to which they relate;
 - (b) The practices in question are sustained rather than temporary;
 - (c) The practices in question have a serious economic effect on, or cause significant damage to, designated airline (s) of the other Contracting Party;
 - (d) Behavior indicating an abuse of dominant position on the route.
5. Notwithstanding the foregoing, the designated airline of one Contracting Party shall provide, on request, to the aeronautical authorities of the other Contracting Party the information relating to the establishment of the tariffs, in a manner and format as specified by such authorities.

ARTICLE 16

TRANSFER OF EARNINGS

1. Each Contracting Party grants to the designated airline(s) of the other Contracting Party, the right of free transfer of the excess of receipts over expenditure earned by each designated airline in the territory of the other Contracting Party. Such transfers shall be effected on the basis of the official exchange rates for current payments, or where there are no official exchange rates, at prevailing foreign exchange market rates for current payments.
2. The earnings of the designated airlines are subject to payment of financial and contractual obligations that the airline may have in the host country.
3. Whenever the payments system between Contracting Parties is governed by a special agreement, such agreement shall apply." Except as otherwise provided in the Double Taxation Agreements between the parties, this agreement is subject to the tax laws of the host country".

ARTICLE 17

COMMERCIAL OPPORTUNITIES

1. Ground handling
Each designated Airline shall have a right to select among competing agents for ground handling services in the territory of the other Contracting Party. Ground handling services shall be available on equal basis to all Airlines. Charges shall be based on costs of services provided.

2. Code Share

- 2.1 The Designated Airline(s) of both Parties may, either as a marketing airline or as an operating airline, freely enter into cooperative marketing arrangements including but not limited to blocked space, single commercial codes and/ or code share arrangements including third country code share arrangements, with any other airline or airlines.
- 2.2 Each Party may require, within thirty days prior to the commencement of operations the filing or approval of code share arrangements in accordance with the applicable legislation of each Party. The administrative burden of filing or approval requirements shall be minimized and all filings and approvals shall be dealt with promptly by the respective aeronautical authorities.
- 2.3 Such arrangements shall be accepted by the Aeronautical Authorities concerned, provided that the operating airlines in these arrangements have the underlying traffic rights and the marketing airlines have the required authorizations.
- 2.4 In the event of a code share arrangement, the marketing airline should, in respect of every ticket sold, ensure that it is made clear to the purchaser at the point of sale, or in any case before boarding, which airline will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship.
- 2.5 The Designated Airline(s) of each Party may also offer code share services between any point(s) in the territory of the other Party, provided that such services are operated by an airline of the other Party.
- 2.6 The capacity provided under code share arrangements shall be counted only against the capacity entitlement of the operating airline. The capacity offered by the marketing airline shall not be counted against the capacity entitlement of the Party designating that airline.

ARTICLE 18

AIRLINE REPRESENTATION

The designated airline or airlines of one Contracting Party shall be entitled, in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, to bring in and maintain in the territory of the other Contracting Party of their own managerial, technical and operational staff who are required for the provision of air services.

ARTICLE 19

PROVISION OF STATISTICS

The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party on request with periodic statistics or other similar information relating to the traffic carried on the agreed services by the respective designated airline(s).

ARTICLE 20

CONSULTATIONS

1. In a spirit of close cooperation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with the provisions of this Agreement and the annex hereto and shall consult when necessary to provide for modification thereof.
2. Either Contracting Party may request consultations which shall be in writing, such consultations shall begin within a period of sixty (60) days of the date of the request unless both Contracting Parties agree to an extension of this period.

ARTICLE 21

SETTLEMENT OF DISPUTES

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place endeavor to settle it by negotiations.
2. If the Contracting Parties fail to reach a settlement by negotiations, either Party may refer the dispute to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated.
3. Each of the Contracting Party shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal and the third arbitrator shall be appointed within a further period of (60) days. If either of the Contracting Party fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the specified period, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In such a case, the third arbitrator shall be a national of a third State and shall act as President of the arbitral tribunal.

4. Each Contracting Party shall be responsible for the cost of its nominated arbitrator and both Contracting Parties shall share equally all further expenses involved in the activities of the tribunal including expenses of the President.
5. The arbitral tribunal shall determine its own procedure.
6. The decision of the tribunal shall be final and binding on the Contracting Parties.
7. The Contracting Parties undertake to comply with any decision given by the arbitral tribunal under paragraph 5 and 6 of this Article.

ARTICLE 22

AMENDMENTS

1. If either Contracting Party considers it desirable to amend any provisions of this Agreement other than the Annex, it may request consultations with the other Contracting Party in accordance with Article 20 of this Agreement. Any amendments agreed to by the Contracting Parties shall be made in writing and shall enter into force on the date of signature and upon notification by the Contracting Parties to one another through diplomatic channels that their constitutional requirements have been completed.
2. If either Contracting Party considers it desirable to amend the Annex to this Agreement, such amendments, if agreed between the Contracting Parties, shall enter into force when confirmed by an Exchange of Notes.
3. The Present Agreement shall be amended so as to conform to any multilateral agreement which may become binding on both Contracting Party.

ARTICLE 23

REGISTRATION OF AGREEMENT AND AMENDMENTS

The Present Agreement and any subsequent amendments thereto shall be registered with the International Civil Aviation Organization.

ARTICLE 24
TERMINATION

1. Either Contracting Party may at any time give notice in writing to the other Contracting Party of its intention to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization.
2. This Agreement shall terminate at midnight (at the place of receipt of the notice) twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn before the end of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after receipt of the notice by the International Civil Aviation Organization.

ARTICLE 25
ENTRY INTO FORCE

This agreement shall enter into force on the date when the Contracting Parties have notified one another through diplomatic channels that their clearance procedures have been completed.

IN WITNESS WHEREOF, the undersigned duly authorized by their respective Governments have signed this Agreement in two copies.

Done atthis day of in the year
.....

For the Government of
Iceland

For the Government of
The Republic of Uganda

ANNEX I

ROUTE SCHEDULE

Designated Airlines

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

Points in Iceland	Intermediate Points	Points in The Republic of Uganda	Points Beyond
Any points	Any points	Any points	Any points

For all-cargo service(s), from Uganda to any point or points.

2. The Designated Airline or airlines of the Republic of Uganda shall be entitled to operate scheduled international air services in both directions on the routes specified hereafter:

Points in the Republic of Uganda	Intermediary Points	Points in the Republic of Iceland	Points Beyond
Any points	Any points	Any points	Any points

For all-cargo service(s), from Iceland to any point or points.

Notes:

1. The Designated Airlines of both Contracting Parties are entitled to operate unlimited frequencies for Passenger and/or Cargo operations without any restriction on Aircraft type and capacity.
2. Any point on the above routes may, at the option of the airline concerned, be omitted on any or all flights, provided that any service either begins or terminates in the territory of the Contracting Party designating the airline.
3. The designated airline(s) of both Parties are entitled to exercise, in any type of service (passenger, cargo, separately or in combination), full third and fourth freedom traffic rights without any restrictions whatsoever.
4. Either Party shall at their discretion, consider the granting of Fifth Freedom traffic rights to the designated carrier(s) of the other Party on any or all flights at any of the intermediate and/or beyond points.

ANNEX II

Wet-Lease

Both sides allow any airline of the contracting party to operate international air transportation with aircraft and crews leased from:

- a. an airline or airlines of the same side,
- b. an airline or airlines of the other side, or
- c. an airline or airlines of third countries,

provided that all parties involved hold the required authorizations and meet the requirements normally applied by each side according to the laws and regulations applicable to such arrangements. Such arrangements will not be equivalent to giving the lessor airline access to traffic rights not otherwise available to that airline.

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