

AIR SERVICES AGREEMENT

between

The Government of the Socialist Republic of Viet Nam

and

The Government of Iceland

PREAMBLE

The Government of the Socialist Republic of Viet Nam and the Government of Iceland (hereinafter referred to as the "Contracting Parties");

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

Desiring to promote their mutual relations in the field of civil aviation and to conclude an agreement for the purpose of establishing air services between and beyond their respective territories;

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

Desiring to facilitate the expansion of international air service opportunities;

Desiring to ensure the highest degree of safety and security in international air services and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property, adversely affect the operation of air services and undermine public confidence in the safety of civil aviation;

Have agreed as follows:

Article 1 Definitions

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

1. The term "Aeronautical Authorities" means, in the case of the Socialist Republic of Viet Nam, the Civil Aviation Administration of Vietnam, Ministry of Transport and any person or body authorized and, in the case of Iceland, the Civil Aviation Authority, the Ministry of Transport and any person or body authorized to perform any functions at present exercised by the said Organization or similar functions, or its successor to perform any functions at present exercised by the said Organization or similar functions.

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2. 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:
 - a) any amendment thereto which has entered into force under Article 94 (a) thereof and has been ratified by both Contracting Parties; and
 - b) any Annex or any amendments thereto adopted under Article 90 of that Convention, insofar as such amendment or Annex is at any given time effective for those Contracting Parties.
3. The term "Agreement" means this Agreement, the Annex attached thereto, and any amendment to the present Agreement or the Annex.
4. The term "designated airline" means, any airline which has been designated and authorized in accordance with the provisions of Article 3 of the present Agreement.
5. The term "agreed services" means scheduled air services on the routes specified in the Annex to this Agreement for the transport of passengers, cargo and mail, separately or in combination.
6. The term "capacity" in relation to an aircraft means, the payload of that aircraft available on a route or section of a route and the term "capacity" in relation to "an agreed service" means, the capacity of the aircraft used on such service, multiplied by the frequency operated by such aircraft over a given period and a route or section of a route.
7. The term "territory" in relation to a State has the meaning of the Article 2 of the Convention.
8. 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.
9. The terms "air service", "airline" and "stop for non-traffic purposes" shall have the meanings respectively assigned to them in Article 96 of the Convention.
10. The term "International air service" means an air service that passes through the airspace over the territory of more than one State.
11. The term "tariff" means the price to be charged for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services performed by the

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carrier in connection with the air transportation but excluding remuneration and conditions for the carriage of mail.

12. "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead.
13. The term "user charge" means a charge/charges imposed on airlines for the provision of airport, air navigation or aviation security facilities or services including related services and facilities.

It is understood that the titles given to the Articles of the present Agreement do in no way restrict or extend the meanings of any of the provisions of the present Agreement.

Article 2

Grant of Rights

1. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the conduct of scheduled international air services by the designated airline(s) of the other Contracting Party as follows:
 - a) To fly, without landing, across the territory of the other Contracting Party;
 - b) To make stops in the said territory for non traffic purposes; and
 - c) The rights otherwise specified in this Agreement.
2. Nothing in the provisions of paragraph (1) shall be deemed to confer on the airline(s) of one Contracting Party the right to take on board, in the territory of the other Contracting Party, passengers, their baggage, cargo or mail carried for remuneration or hire and destined for another point in the territory of the other Contracting Party.

Article 3

Designation and Authorizations

1. Each Contracting Party shall have the right to designate, and inform, through diplomatic channels the other Contracting Party, one or more airlines for the purpose of operating the agreed services on the specified routes, and to withdraw or alter such designations.
2. On receipt of such a designation the other Contracting Party shall grant the appropriate authorizations and permissions with the minimum procedural delay, provided :
 - a) in the case of an airline designated by Iceland:

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- i) it is established in the territory of Iceland under the Treaty establishing the European Community or under the Agreement on the European Economic Area, and has a valid Operating License in accordance with European Community law or in accordance with national law adopted in accordance with the Agreement on the European Economic Area;
 - ii) effective regulatory control of the airline is exercised and maintained by the European Community Member State or the EEA, EFTA State responsible for issuing its Air Operator's Certificate, and the relevant aeronautical authority is clearly identified in the designation; and
 - iii) Iceland has and maintains effective regulatory control of the airline and the aeronautical authority is clearly identified in the designation.
 - b) in the case of an airline designated by the Socialist Republic of Viet Nam
 - i) it is established in the territory of the Socialist Republic of Viet Nam and is licensed in accordance with the applicable law of the Socialist Republic of Viet Nam; and
 - ii) the Socialist Republic of Viet Nam has and maintains effective regulatory control of the airline; and
 - 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 Contracting Party considering the application or applications; and
 - d) the provisions set forth in Article 7 (Safety) and Article 8 (Security) are being maintained and administered.
3. On receipt of the operating authorization of paragraph 2, a designated airline may at any time begin to operate the agreed services for which it is so designated, provided that the airline complies with the applicable provisions of this Agreement.

Article 4 **Revocation of Authorization**

1. Either Contracting Party may revoke, suspend or limit the operating authorization or technical permissions of an airline by the other Contracting Party, where:
- a) in the case of an airline designated by Iceland:
 - i) it is not established in the territory of Iceland under the Treaty establishing the European Community or in accordance with the Agreement on the European Economic Area, or does not have a valid Operating Licence in accordance with European Community

law or in accordance with national law adopted in accordance with the Agreement on the European Economic Area; or

- ii) effective regulatory control of the airline is not exercised or not maintained by the European Community 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) the airline has failed to comply with the laws and regulations of the Contracting Party granting this authorization or these permissions.
- b) in the case of an airline designated by the Socialist Republic of Viet Nam:
- i) it is not established in the territory of the Socialist Republic of Viet Nam and is not licensed in accordance with the applicable law of the Socialist Republic of Viet Nam; or
 - ii) the Socialist Republic of Viet Nam is not maintaining effective regulatory control of the airline; or
 - iii) the airline has failed to comply with the laws and regulations of the Contracting Party granting this authorization or these permissions.
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 Contracting Party.
3. This Article does not limit the rights of either Contracting Party to withhold, revoke, limit or impose conditions on the operating authorization or technical permission of an airline or airlines of the other Contracting Party in accordance with the provisions of Article 7 (Safety) and Article 8 (Security).

Article 5 **Application of Laws**

1. The laws, regulations and procedures of one Contracting Party relating to entering into, remaining in or departing from its territory of aircraft engaged in international air navigation or to the operation and navigation of such aircraft shall be complied with by the designated airline of the other Contracting Party upon entrance into, while within and departure from the said territory.
2. The laws and regulations of one Contracting Party respecting entry, clearance, staying or transit, emigration or immigration, passports, customs and quarantine

shall be complied with by the designated airline of the other Contracting Party and by or on behalf of its crew, passengers, cargo and mail upon transit of, admission to, while within and departure from the territory of such Contracting Party.

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

Article 6 **Recognition of Certificates**

1. Each Contracting Party shall recognize as valid, for the purpose of operating the air services provided for in this Agreement, certificates of airworthiness, certificates of competency, and licenses issued or validated by the State responsible for the regulatory control of a designated airline and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention. Each Contracting Party reserves the right, however to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals or rendered valid for them by the other Contracting Party or by any other State.
2. If the privileges or conditions of the licences or certificates referred to in paragraph (1) above, issued by the Aeronautical Authorities of one Contracting Party to any person or designated airline or in respect of an aircraft operating the agreed services on the specified routes would permit a difference from the standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the Aeronautical Authorities of the other Contracting Party may request consultations in accordance with Article 15 of this Agreement with the Aeronautical Authorities of that Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement will constitute grounds for the application of Article 4 of this Agreement.

Article 7 **Aviation Safety**

1. Either Contracting Party may request consultations concerning the safety standards maintained in respect of an airline designated by the other Contracting Party relating to aeronautical facilities, aircrews, aircraft, and operation of the designated airlines.
2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 of this Article that meet the standards established at that time pursuant to the Convention, the other Contracting Party

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shall be informed of such findings and of the steps considered necessary to conform with the said standards. The other Contracting Party shall then take appropriate corrective action within an agreed time period.

3. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Contracting Party, on service to or from the territory of the other Contracting Party, may, while within the territory of the other Contracting Party be the subject of a search by the authorized representatives of the other Contracting Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the standards established at that time pursuant to the Convention .
4. When urgent action is essential to ensure the safety of an airline operation, each Contracting Party reserves the right to immediately withhold, revoke or limit the operating authorization or technical permission of an airline or airlines of the other Contracting Party.
5. Any action by one Contracting Party in accordance with paragraph 4 of this Article shall be discontinued once the basis of the taking of that action ceases to exist.
6. With reference to paragraph 2 of this Article, if it is determined that one Contracting Party remains in non-compliance with the said standards when the agreed time period has lapsed, the Secretary-General of ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.
7. Where one Contracting Party has designated an airline whose regulatory control is exercised and maintained by a third State, the rights of the other Contracting 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 8 Aviation Security

1. In accordance with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the *Convention on Offences and Certain Other Acts Committed on Board Aircraft*, done at Tokyo on 14 September 1963, the *Convention for the Suppression of Unlawful Seizure of*

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Aircraft, done at The Hague on 16 December 1970, the *Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation*, done at Montreal on 23 September 1971, and *Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation*, done at Montreal on 24 February 1988, and the *Convention on the Marking of Plastic Explosives for the Purpose of Detection*, done at Montreal on 1 March 1991, and any other convention on civil aviation security to which both Contracting Parties become parties.

2. Upon request the Contracting Parties shall provide each other with all necessary assistance to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, of their passengers and crew, of airports and air navigation facilities, and address any other threat to the security of civil air navigation.
3. The Contracting Parties shall, in their mutual relations, act in conformity with all aviation security standards and appropriate recommended practices established by the International Civil Aviation Organization and designated as Annexes to the Convention; they shall require that operators of aircraft of their registry, operators of aircraft 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.
4. Each Contracting Party agrees to observe the security provisions required by the other Contracting Party for entry into the territory of that other Contracting Party and to take adequate measures to protect aircraft and to inspect passengers, crew, and their baggage and carry-on items, as well as cargo and aircraft stores, prior to and during boarding or loading. Each Contracting Party shall also give positive consideration to any request from the other Contracting Party for special security measures to meet a particular threat.
5. When an incident or threat of an incident of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat.
6. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorization and technical permissions of an airline or airlines of that other Contracting Party. When required by an emergency, a Contracting Party may take interim action prior to the expiry of fifteen (15) days.

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Article 9
Commercial Opportunities

1. The designated airline(s) of one Contracting Party shall have the right to maintain its own representation in the territory of the other Contracting Party.
2. The designated airline(s) of one Contracting Party may, in accordance with the laws and regulations of the other Contracting Party relating to entry, residence and employment, bring in and maintain in the territory of the other Contracting Party managerial, sales, technical, operational and other specialist staff required for the provision of air services.
3. In case of nomination of a general agent or a general sales agent, this agent shall be appointed in accordance with the relevant applicable laws and regulations of each Contracting Party.
4. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly or through its agents and any person shall be able to purchase such transportation in accordance with the relevant applicable laws and regulations.
5. Each Contracting Party shall grant, to the designated airline(s) of the other Contracting Party, the right to transfer to its country on demand, in accordance with the foreign exchange regulations in force, the excess of receipts over expenditure achieved in connection with the carriage of passengers, cargo and mail on the agreed services in the territory of the other Contracting Party.
6. Each designated airline shall have the right to perform its own ground-handling in the territory of the other Contracting Party ("self-handling") or, at its option, select among competing agents for such services in whole or in part. The rights shall be subject only to physical constraints resulting from considerations of airport safety. Where such considerations preclude self-handling, ground services shall be available on an equal basis to all airlines; charges shall be based on the costs of services provided; and such services shall be comparable to the kind and quality of services as if self-handling were possible.
7. The airlines of each Contracting Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Party in local currency. At their discretion, the airlines of each Contracting Party may pay for such expenses in the territory of the other Contracting Party in freely convertible currencies according to local currency regulation.
8. In operating or holding out the authorized services on the agreed routes, any designated airline of one Contracting Party may enter into co-operative marketing arrangements such as blocked-space, code-sharing or leasing arrangements, with

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- i) an airline or airlines of either Contracting Party; and
 - ii) an airline or airlines of a third country,
- provided that such a third country authorizes or allows comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such a third country; provided that all airlines in such arrangements 1) hold the appropriate authority and 2) meet the requirements normally applied to such arrangements.
9. Notwithstanding any other provision of this Agreement, airlines and indirect providers of cargo transportation of both Contracting Parties shall be permitted, without restriction, to employ in connection with international air services any surface transportation for cargo to or from any points in the territories of the Contracting Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air services. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

Article 10

Customs Duties and Charges

1. Each Contracting Party shall, on the basis of reciprocity, exempt the designated airline of the other Contracting Party under its relevant applicable law from import restrictions, customs duties, other taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and other items intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Contracting Party operating the agreed services, as well as the office equipment introduced in the territory of either Contracting Party in order to be used in the offices of the designated airline within the limits of the international airports to which the designated airline operate, ticket stock, air way bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed without charge by that designated airline.
2. The exemptions granted by this Article shall apply to the items referred to in paragraph (1) of this Article:
 - a) introduced in the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party ;

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- b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party ;
 - c) taken on board aircraft of the designated airline of the other Contracting Party and intended for use in operating the agreed services; whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption, provided that the ownership and/or use of such items is not transferred in the territory of the said Contracting Party.
- 3. The regular airborne equipment, as well as the materials and supplies normally 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 the Customs Authorities of that Contracting Party. In such case, they may be placed under supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.
 - 4. The exemptions provided for by this Article shall also apply in situations where a designated airline of one Contracting Party has entered into arrangements with other airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraphs 1 and 2 of this Article, provided such other airlines similarly enjoy such exemptions from the other Contracting Party.

Article 11 User Charges

- 1. User charges that may be imposed by the competent charging authorities or bodies of each Contracting Party on the airlines of the other Contracting Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Contracting Party on terms not less favourable than the most favourable terms available to any other airline at the time the charges are assessed.
- 2. User charges imposed on the airlines of the other Contracting Party may reflect, but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.
- 3. Each Contracting Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines using the services and facilities, and shall encourage the competent charging authorities or bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the

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principles of 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.

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

Article 12

Fair Competition

1. Each Contracting Party shall allow a fair and equal opportunity for the designated airlines of both Contracting Parties to compete in providing the international air services governed by this Agreement.
2. Each Contracting Party shall allow each designated airline to determine the frequency and capacity of the international air services it offers based upon commercial considerations in the marketplace. Consistent with this right, neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Convention.
3. Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first-refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.
4. Neither Contracting Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Contracting Party for approval, except as may be required on a non-discriminatory basis to enforce the uniform conditions foreseen by paragraph 2 of this Article or as may be specifically authorized in an Annex to this Agreement. If a Contracting Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air services' intermediaries and on designated airlines of the other Contracting Party.

Article 13

Air Transport Tariffs

1. Each Contracting Party shall allow tariffs for air services to be established freely by each designated airline.

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2. Neither Contracting Party may require notification or filing of any tariff to be charged by an airline or airlines designated under this Agreement.
3. The tariffs shall be established at reasonable levels, due regard being paid to all relevant factors, including interests of users, cost of operation, characteristics of service, reasonable profit and other commercial considerations in the marketplace. The tariffs cannot be unreasonably discriminatory, unduly high, artificially low or restrictive.
4. Notwithstanding paragraphs 1, 2 and 3 of this Article, the tariffs to be charged by the designated airline of Viet Nam for carriage wholly within the European Economic Area shall be subject to the Agreement on the European Economic Area. However, each designated airline has the right to match any price offered in the marketplace.

Article 14 **Supply of Statistics**

The Aeronautical Authorities of either Contracting Party shall supply to the Aeronautical Authorities of the other Contracting Party, at their request, such information and statistics relating to the traffic carried on the agreed services by the designated airline of the first Contracting Party to and from the territory of the other Contracting Party as may normally be prepared and submitted by the designated airlines to their national Aeronautical Authorities. Any additional statistical traffic data which the Aeronautical Authorities of one Contracting Party may desire from the Aeronautical Authorities of the other Contracting Party shall, upon request, be a subject of mutual discussion and agreement between the two Contracting Parties.

Article 15 **Consultations and Amendments**

1. Each Contracting Party or its Aeronautical Authorities may at any time request consultations with the other Contracting Party or with its Aeronautical Authorities.
2. A consultation requested by one of the Contracting Parties or their Aeronautical Authorities shall begin within a period of sixty (60) days from the date of receipt of the request.
3. If either Contracting Party considers it desirable to amend any provision of this Agreement, including the Annexes thereto, it may request consultations between the aeronautical authorities of both Contracting Parties in relation to the proposed amendment. Such consultations shall commence within a period of sixty days (60) from the date of receipt of the request. Any amendments so agreed shall enter into force when they have been confirmed by an exchange of diplomatic notes by both Contracting Parties.

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

Article 16
Settlement of Disputes

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement and its Annex, the Contracting Parties shall in the first place endeavour to settle it by negotiations.
2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for an advisory opinion to some person or body.
3. If the Contracting Parties fail to reach a settlement pursuant to paragraphs 1 and 2 above, the dispute may be referred by mutual agreement of the Contracting Parties to a Tribunal of three arbitrators.. Each of the Contracting Parties 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 two arbitrators so appointed shall designate by common agreement the third arbitrator, who shall be the President of the Tribunal within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate its arbitrator within the period specified or if the third arbitrator has not been nominated within the period specified, 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 may require; provided that if the President of the Council of the International Civil Aviation Organization is a national of either Contracting Party, the senior Vice-President of the Council or if he is such a national, the Senior Member of the Council who is not such a national may be requested to make the appointments as the case may be. The third arbitrator, however, shall be a national of a third state and shall act as the President of the Tribunal and shall determine the place where arbitration will be held.
4. The Tribunal shall determine its own procedures.
5. The expenses of the Tribunal shall be shared equally between the Contracting Parties.
6. The Contracting Parties undertake to comply with any decision delivered in application of the present Article.
7. If and so long as either Contracting Party or its designated airline fail to comply with a decision given under paragraph (3) of this Article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of this Agreement.

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Article 17
Termination

Either Contracting Party may at any time give written notice to the other Contracting Party of its intention to terminate this Agreement, through diplomatic channels; such notice shall simultaneously be communicated to the International Civil Aviation Organization.

In such case the Agreement shall terminate twelve months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article 18
Conformity with Multilateral Conventions

If a general multilateral air transport convention or agreement, comes into force in respect of both Contracting Parties, the present Agreement and its Annex shall be deemed to be amended accordingly.

Article 19
Registration

This Agreement, its Annex and all amendments thereto shall be registered with the International Civil Aviation Organization.

Article 20
Entry into Force

This Agreement shall enter into force on the date of the last notification whereby the Contracting Parties notify each other in writing, through the diplomatic channel, of the fulfillment of their legal procedures for its entry into force.

In witness thereof, the undersigned plenipotentiaries being duly authorized by their respective Governments, have signed the present Agreement.

Done at in two original copies, this (date) day of (month), (20.....) in the Vietnamese, Icelandic and English languages, all three texts being equally authentic.

In case of divergence of interpretation the English text shall prevail.

**For the Government of
the Socialist Republic of Viet Nam**

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For the Government of Iceland

[Signature]

ANNEX
ROUTE SCHEDULE

1. SCHEDULE I

Routes to be operated by the designated airlines of the Socialist Republic of Viet Nam:

Points of Origin	Intermediate Points	Points of Destination	Points Beyond
Points in Viet Nam	Any points	Any points	Any points

2. SCHEDULE II

Routes to be operated by the designated airlines of Iceland:

Points of Origin	Intermediate Points	Points of Destination	Points Beyond
Points in Iceland	Any points	Any points	Any points

Notes:

1. The designated airlines of either Contracting Party may, on any or all flights, omit calling at any of the above points, provided that the service on this route starts and terminates in the territory of that Contracting Party.
2. The right of the designated airlines of either Contracting Party to transport passengers, cargo and mail between the points in the territory of the other Contracting Party and points in the territory of Third Parties shall be discussed and agreed upon by the aeronautical authorities of the two Contracting Parties.

Section 1

Operational Flexibility

Each designated airline may on any or all flights and at its option:

1. Operate flights in either or both directions;
2. Combine different flight numbers within one aircraft operation;
3. Serve behind, intermediate, and beyond points and points in the territories of the Contracting Parties on the routes in any combination and in any order;
4. Omit stops at any point or points;
5. Transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes;
6. Serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services;

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7. Make stopovers at any points whether within or outside the territory of either Contracting Party;
8. Carry transit traffic through the other Contracting Party's territory;
9. Combine traffic on the same aircraft regardless of where such traffic originates; without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement, provided that, with the exception of all-cargo services, the service serves a point in the territory of the Contracting Party designating the airline.

Section 2

Change of Gauge

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

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