# AIR SERVICES AGREEMENT
# BETWEEN THE GOVERNMENT OF THE STATE OF ISRAEL AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND

The Government of the State of Israel and the Government of the Republic of Finland, hereinafter referred to as "the Contracting Parties";

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

Desiring to promote the development of air transport between Israel and Finland and to the fullest extent possible continue international cooperation in this field;

Desiring to conclude an Agreement, in conformity with and supplementary to the said Convention, on air services between and beyond their respective territories;

Have agreed as follows:

Article 1

Definitions

1. For the purposes of this Agreement, unless the context otherwise requires:

a) the term "the Chicago 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 amendment of the Annexes and Convention adopted under Articles 90 and 94 thereof so far as those Annexes and amendments have been adopted by both Contracting Parties;

b) the term "aeronautical authorities" means, in the case of the State of Israel, the Minister of Transport, and in the case of the Republic of Finland, the Civil Aviation Administration, or, in both cases, any other person or body authorized to perform any functions at present exercised by the said aeronautical authorities or similar functions;

c) the term "designated airline" means an airline which has been designated and authorized in accordance with Article 3 of this Agreement;

d) the terms "territory", "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Articles 2 and 96 of the Chicago Convention;

e) the term "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of paragraph 2 of Article 19 of this Agreement;

f) the term "agreed services" means scheduled air services on the routes specified in the Annex to this Agreement for the carriage of passengers, cargo and mail, separately or in combination;

g) the term "capacity" in relation to "agreed services" means the capacity of the aircraft used on such services, multiplied by the frequency operated by such aircraft over a given period of time and route or section of a route;

h) the term "tariff" means the prices to be charged for the carriage of passengers, baggage or cargo (excluding mail), including any significant additional benefits to be furnished or made available in conjunction with such carriage, and the commission to be paid on the sales of tickets for the carriage of persons, or on corresponding transactions for the carriage of cargo. It includes also the conditions that govern the applicability of the price for carriage or the payment of commission.

2. The Annex forms an integral part of this Agreement and all references to this Agreement shall include reference to the Annex unless otherwise provided.

3. Titles given to the Articles of this Agreement are for reference purposes only.

## Article 2
## Grant of Traffic Rights

1. Each Contracting Party grants to the other Contracting Party the following rights in respect of the latter Party's 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.

2. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of operating international air services on the routes specified in the Annex to this Agreement. Such services and routes

are hereinafter called "the agreed services" and "the specified routes" respectively. While operating an agreed service on a specified route the airline designated by each Contracting Party shall enjoy, in addition to the rights specified in paragraph 1 of this Article, the right to make stops in the territory of the other Contracting Party at the points specified for that route in the Annex for the purpose of taking up and/or putting down international traffic in passengers, cargo and mail, separately or in combination.

3. Nothing in this Agreement shall be deemed to confer on the designated airline of one Contracting Party the right of taking on, in the territory of the other Contracting Party, passengers, cargo and mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

## Article 3
## Designation of Airlines and Operating Authorization

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes.

2. Each Contracting Party shall have the right to withdraw or alter such designation.

3. On receipt of such written designation the aeronautical authorities of the other Contracting Party shall, subject to the provisions of paragraph 4 of this Article and paragraph 1 of Article 4, without delay grant to the designated airline the appropriate operating authorization.

4. 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 fulfil the conditions prescribed under the laws and regulations normally and reasonably

applied to the operation of international air services by such authorities in conformity with the provisions of the Chicago Convention.

5. When an airline has been so designated and authorized it may begin at any time to operate the agreed services, provided that the airline complies with all applicable provisions of this Agreement, including those relating to tariffs.

Article 4

Refusal, Revocation or Suspension of Operating Authorization

1. The aeronautical authorities of each Contracting Party shall have the right to refuse to grant or to revoke an operating authorization or to suspend the exercise of the rights specified in paragraph 2 of Article 2 of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as they may deem necessary on the exercise of those rights:

a) in any case where they are not satisfied that effective oversight of that airline is maintained in the territory of the other Contracting Party and that the airline is incorporated and has its principal place of business in the said territory; or

b) in case of failure by that airline to comply with the laws and/or regulations of the Contracting Party granting the rights; or

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

2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringements of laws and/or regulations, such right shall be exercised only after consultations with the aeronautical authorities of the other Contracting Party. Such

consultations shall begin within a period of fifteen (15) days from the date of a request for consultations.

Article 5

Air Traffic Charges

Fees and charges for the use of airports and other aviation facilities imposed by the competent authorities in the territory of either Contracting Party on the aircraft of the designated airline of the other Contracting Party shall not be higher than those imposed on aircraft of a national airline engaged in similar international air services.

Article 6

Exemption from Customs and other Duties

1. Aircraft operated on international air services by a designated airline of one Contracting Party, as well as their regular equipment, spare parts, supplies of fuel and lubricants, aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempted from all customs duties, inspection fees and other similar charges on arriving in the territory of the other Contracting Party, provided such equipment, spare parts, supplies and stores remain on board the aircraft up to such time as they are re-exported or are used or consumed by such aircraft on flights over that territory.

2. There shall also be exempt from the duties, fees and charges referred to in paragraph 1 of this Article, with the exception of charges based on the cost of the service provided:

a) aircraft stores taken on board in the territory of one Contracting Party, within reasonable limits, for use on an outbound aircraft engaged in an

international air service of a designated airline of the other Contracting Party;

b) spare parts, including engines, introduced into the territory of one Contracting Party for the maintenance or repair of aircraft engaged in an international air service of a designated airline of the other Contracting Party;

c) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of one Contracting Party for use in an international air service of a designated airline of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the first mentioned Contracting Party, in which territory they are taken on board.

3. Materials referred to in paragraph 2 of this Article may be required to be kept under Customs supervision or control.

4. The regular airborne equipment, as well as the materials, supplies and spare parts normally retained on board aircraft operated by a designated airline of one 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 the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

5. Necessary airline documents, such as timetables, air tickets and air waybills, intended for the use of a designated airline of one Contracting Party and introduced into the territory of the other Contracting Party, shall be exempted from customs duties and similar charges in the latter territory.

6. Baggage and cargo in direct transit across the territory of a Contracting Party shall be exempt from customs duties, fees and other similar charges not based on the cost of services on arrival or departure.

Article 7

Capacity Provisions

1. The designated airlines of the Contracting Parties shall have fair and equal opportunity to operate the agreed services on any route specified in the Annex to this Agreement.

2. In operating the agreed services the designated airline of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or any part of the same routes.

3. The agreed services provided by the designated airlines of the Contracting Parties shall retain as their primary objective the provision, at a reasonable load factor, of capacity adequate to the current and reasonably anticipated requirements for the carriage of passengers and cargo, including mail, coming from or destined for the territory of the Contracting Party which has designated the airline.

4. The right to take up or discharge on the agreed services international traffic destined for and coming from third countries at a point or points on the routes specified in the Annex to this Agreement shall be exercised in accordance with the general principles of orderly development of international air transport and shall be subject to the general principle that capacity should be related to:

a) the traffic requirements between the country of origin and the countries of ultimate destination of the traffic;

b) the requirements of through airline operations; and

c) the traffic requirements of the area through which the airline passes, after taking account of local and regional services.

## Article 8
## Approval of Traffic Programmes

1. The airline designated by one Contracting Party shall submit its traffic programmes (for the Summer and Winter Traffic periods) for approval to the aeronautical authorities of the other Contracting Party at least thirty (30) days prior to the beginning of the operation. The programme shall include in particular the timetables, the frequency of the services and the types of aircraft to be used. The aeronautical authorities shall give their decision on such traffic programme submissions within twenty (20) days from the date the airline concerned submits its programme for approval.

2. Each alteration in the traffic programme as well as requests for permission to operate additional flights shall be submitted by the airline designated by one Contracting Party for approval to the aeronautical authorities of the other Contracting Party. Such requests for alteration or for additional flights shall be dealt with promptly by the aeronautical authorities.

## Article 9
## Information and 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 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 to its national aeronautical authorities. Any additional statistical traffic data which the aeronautical authorities of one Contracting Party may desire shall, upon request, be a subject of mutual discussion and agreement between the aeronautical authorities of the two Contracting Parties.

## Article 10
## Tariffs

1. The tariffs to be charged by the designated airline of one Contracting Party for the carriage to or from the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, reasonable profit, characteristics of service (such as standards of speed and accommodation), the interests of users and the tariffs of other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this Article.

2. The tariffs referred to in paragraph 1 of this Article may be agreed between the designated airlines concerned in respect of each of the specified routes. However, inter-airline consultations shall not be a mandatory requirement for the filing and establishment of tariffs.

3. Each tariff shall be filed for the approval of the aeronautical authorities of both Contracting Parties at least thirty (30) days (or such shorter period as the aeronautical authorities of both Contracting Parties may agree) before the proposed date of its introduction.

4. Each proposed tariff may be approved by the aeronautical authorities of either Contracting Party at any time. In the absence of such approval it will be treated as having been approved by the aeronautical authorities of a Contracting Party unless within twenty (20) days after the date of filing the aeronautical authorities of that Contracting Party have served on the aeronautical authorities of the other Contracting Party written notice of disapproval of the proposed tariff. If, however, either of the aeronautical authorities gives such written notice of disapproval the aeronautical authorities may at the request of either try to determine the tariff by agreement.

5. If the aeronautical authorities cannot determine a tariff under the provisions of paragraph 4 of this Article the dispute may at the request of either be settled in accordance with the provisions of Article 18 of this Agreement.

6. Each tariff established in accordance with the provisions of this Article shall remain in force until it has been replaced by a new tariff determined in accordance with the provisions of this Article. Unless otherwise agreed by the aeronautical authorities of both Contracting Parties a tariff shall not have its validity extended by virtue of this paragraph for more than twelve (12) months after the date on which it would otherwise have expired.

## Article 11
## Flight Safety

1. Each Contracting Party may request consultations concerning safety standards maintained in any area relating to aircrew, aircraft or their operation adopted by the other Contracting 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 such area that are at least equal to the minimum standards established at that time pursuant to the Chicago 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 any such longer period as may be agreed, shall be grounds for the application of Article 4 of this Agreement.

3. Notwithstanding the obligations mentioned in Article 33 of the Chicago Convention, it is agreed that any aircraft operated by the designated airline of one

Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of that other Contracting Party, be made the subject of an examination by the authorized representatives of that other 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 (in this Article called "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 Chicago Convention, or

b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Chicago Convention,

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Chicago 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 Chicago Convention.

5. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the designated airline of one Contracting Party in accordance with paragraph 3 above is denied by the representative of such airline, 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 the designated airline of the other Contracting Party immediately in the event 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 is essential for the safety of an airline operation.

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

## Article 12
## Fair Competition

1. There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to participate in international air transportation covered by this Agreement.

2. Each Contracting Party shall, where necessary, 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 airline of the other Contracting Party.

## Article 13
## Commercial Activities

1. The designated airline of each Contracting Party shall have the right to maintain in the territory of the other Contracting Party, within the scope of the laws and regulations in force therein, such offices and administrative, commercial

and technical personnel as may be necessary for the requirements of the designated airline concerned.

2. The designated airlines of the Contracting Parties shall be free to sell air transport services on their own transportation documents in the territories of both Contracting Parties, either directly or through an agent, in any currency. Each Contracting Party shall refrain from restricting the right of the designated airline of the other Contracting Party to sell, and of any person to purchase such transportation.

## Article 14
## Transfer of Funds

1. The designated airlines of the Contracting Parties shall be free to transfer the excess of the receipts over expenditure in the territory of the sale. The revenues from sales of air transport services and ancillary or supplemental services provided directly or through agents, as well as commercial interest earned on such revenues while on deposit awaiting transfer, shall be included in such net transfer.

2. Such transfers shall be effected in a freely convertible currency at the official rate of exchange and shall not, with the exception of normal banking charges and procedures, be subject to any charge, limitation, imposition or delay.

## Article 15
## Aviation Security

1. Consistent 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, 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 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971.

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 threat to the security of civil aviation.

3. The Contracting Parties shall act in conformity with the aviation security provisions and technical requirements established by the International Civil Aviation Organization and designated as Annexes to the Chicago Convention to the extent that such security provisions and requirements are applicable to the 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 territory and the operators of airport in their territory act in conformity with such aviation security provisions

4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions and requirements referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within 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 inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to 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 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.

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 the first Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party.

## Article 16
## Application of Laws and Regulations

1. The laws and regulations of one Contracting Party relating to the entry into, or departure from its territory of aircraft engaged in international air services or to the operation and navigation of such aircraft while within the said territory shall apply to the designated airline of the other Contracting Party.

2. The laws and regulations of one Contracting Party governing entry to, stay in or departure from its territory of passengers, crew, cargo or mail, such as formalities regarding entry, exit, emigration, immigration, customs, currency, health and quarantine shall apply to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party, while they are within the said territory.

3. Passengers, baggage and cargo in direct transit across the territory of either Contracting Party and not leaving the area of the airport reserved for such purposes shall, except in respect of security measures against acts of violence and

air piracy, be subject to no more than a simplified control.

Article 17

Consultations

In a spirit of close co-operation 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.

Article 18

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, endeavour to settle it by negotiation.

2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body; if they do not so agree, the dispute shall, at the request of either Contracting Party, be submitted for decision 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. 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 third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, the President of the Council of the International Civil Aviation Organization may at the request of either Contracting Party appoint an arbitrator or arbitrators as the case requires. In all cases, the third arbitrator shall

be a national of a third State and shall act as President of the arbitral tribunal.

3. The Contracting Parties shall comply with any decision given under paragraph 2 of this Article.

4. The expenses of the arbitration shall be equally shared between the Contracting Parties.

Article 19

Amendments

1. If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may request consultations with the other Contracting Party. Such consultations shall begin within a period of sixty (60) days from the date of the request, unless both Contracting Parties agree to an extension of this period. Any modification agreed in such consultations shall be approved by each Contracting Party in accordance with its legal procedures and shall enter into force on the first day of the second month after the Contracting Parties have notified each other that these procedures have been complied with.

2. Notwithstanding the provisions of paragraph 1 of this Article, amendments relating only to the Annex may be agreed upon between the aeronautical authorities of the Contracting Parties and shall become effective as agreed between them.

Article 20

Termination

1. Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate this Agreement. Such notice shall simultaneously be communicated to the International Civil Aviation Organization.

2. In such case this Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party. 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 21

Multilateral Conventions

If a general multilateral air convention enters into force in respect of both Contracting Parties, the provisions of such convention shall prevail. Consultations in accordance with Article 17 of this Agreement may be held with a view to determining the extent to which this Agreement is affected by the provisions of the said multilateral convention.

Article 22

Registration with ICAO

This Agreement and any amendments thereto shall be registered with the International Civil Aviation Organization.

Article 23

Entry into Force

This Agreement shall enter into force on the first day of the second month after the Contracting Parties have notified each other through diplomatic channels that the procedures necessary for the entry into force of this Agreement have been completed.

Done at Helsinki on 24 June 1997, which corresponds to 19 Sivan 5757

in two original copies in the Hebrew, Finnish and English languages, all texts being equally authentic. In case of divergence of interpretation the English text shall prevail.

For the Government of
the State of Israel

For the Government of
the Republic of Finland

**ANNEX**

**to the Air Services Agreement between the Government of the State of Israel and the Government of the Republic of Finland**

1. Routes which may be operated by the designated airline of Finland, in both directions:

| Points of origin | Intermediate points | Points in Israel | Points beyond |
|---|---|---|---|
| Points in Finland | Any point named by Finland | Points in Israel | Any point named by Finland |

2. Routes which may be operated by the designated airline of Israel, in both directions:

| Points of origin | Intermediate points | Points in Finland | Points beyond |
|---|---|---|---|
| Points in Israel | Any point named by Israel | Points in Finland | Any point named by Israel |

3. The designated airline of either Contracting Party may on any or all flights omit calling at any intermediate or beyond point provided that all services begin or terminate in the territory of the Contracting Party designating the airline.

4. Fifth freedom and stop-over rights may be exercised only if an agreement to that effect is made between the aeronautical authorities of the Contracting Parties.