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No. 5921

**FEDERAL REPUBLIC OF GERMANY
and
ICELAND**

**Agreement (with exchange of notes) relating to air services.
Signed at Bonn, on 12 August 1959**

Official texts of the Agreement: German and Icelandic.

Official text of the notes: German.

Registered by the International Civil Aviation Organization on 25 October 1961.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ISLANDE**

**Accord (avec échange de notes) relatif aux transports
aériens. Signé à Bonn, le 12 août 1959**

Textes officiels de l'Accord: allemand et islandais.

Texte officiel des notes: allemand.

Enregistré par l'Organisation de l'aviation civile internationale le 25 octobre 1961.

[TRANSLATION — TRADUCTION]

No. 5921. AGREEMENT¹ BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE REPUBLIC OF ICELAND RELATING TO AIR SERVICES. SIGNED AT BONN, ON 12 AUGUST 1959

The Federal Republic of Germany and the Republic of Iceland,
Desiring to regulate air transport between and beyond their respective territories,
Have agreed as follows :

Article 1

- (1) For the purpose of this Agreement, except where the text otherwise provides :
- (a) The term "aeronautical authorities" means, in the case of the Federal Republic of Germany, the Federal Minister of Transport, and, in the case of the Republic of Iceland the Minister for Air Transport, or, in either case, any other person or body authorized to perform the above functions ;
 - (b) The term "designated airline" means an airline which one Contracting State shall have designated in writing to the other Contracting State, in accordance with article 3, as the airline authorized to operate international air services on the routes specified in article 2, paragraph (2).
- (2) The terms "territory", "air service", "international air service" and "stop for non-traffic purposes" shall, for the purpose of this Agreement, have the same meaning as that stated in articles 2 and 96 of the Convention on International Civil Aviation of 7 December 1944.²

Article 2

- (1) For the purpose of the operation of international air services by the designated airlines on the routes specified in paragraph (2), each Contracting State grants to the other Contracting State

The right to fly without landing across its territory ;

The right to make stops in its territory for non-traffic purposes, and

¹ Came into force on 5 January 1961, one month after the exchange of the instruments of ratification which took place at Bonn on 5 December 1960, in accordance with article 16.

² See footnote 2, p. 27 of this volume.

The right to make stops at the points in its territory listed on the specified routes for the purpose of taking on and putting down passengers, mail and/or cargo for commercial purposes.

(2) The routes on which the designated airlines of the two Contracting States shall have the right to operate international air services shall be specified in a route schedule to be agreed upon by an exchange of notes.¹

Article 3

(1) International air services may be inaugurated on the routes specified in accordance with article 2, paragraph (2), as soon as :

- (a) The Contracting State to which the rights specified in article 2, paragraph (1), are granted, has designated in writing an airline or airlines, and
- (b) The Contracting State which grants the rights has given the designated airline or airlines permission to inaugurate the air services.

(2) The Contracting State which grants the rights shall, subject to the provisions of paragraphs (3) and (4) and subject further to agreement being reached in accordance with article 9, without delay grant permission to operate international air services.

(3) Either Contracting State may require a designated airline of the other Contracting State to satisfy it that it is qualified to fulfil the conditions prescribed under its laws and regulations for the operation of international air services.

(4) Either Contracting State may withhold the exercise of the rights granted in article 2 from a designated airline of the other Contracting State, if that airline is unable on request to satisfy it that substantial ownership and effective control of the airline are vested in nationals or bodies corporate of the other Contracting State or in the other Contracting State itself.

Article 4

(1) Either Contracting State may revoke or restrict, by imposing conditions, the permission granted under article 3, paragraph (2), if a designated airline fails to comply with the laws and regulations of the Contracting State granting the rights or with the provisions of this Agreement, or fails to fulfil the obligations arising therefrom. The foregoing shall also apply in the event of failure to furnish the proof required under article 3, paragraph (4). Each Contracting State shall exercise this right only after consultation in accordance with article 13, unless immediate suspension of operations or immediate imposition of conditions is essential to prevent further infringements of laws or regulations.

¹ See p. 254 of this volume.

(2) Each Contracting State shall have the right, by written notification to the other Contracting State, to substitute one designated airline for another. The newly-designated airline shall have the same rights and obligations as the airline which it replaces.

Article 5

The charges imposed in each Contracting State for the use of airports and other aeronautical facilities by the aircraft of a designated airline of the other Contracting State shall not be higher than the charges imposed in respect of its national aircraft engaged in similar international air services.

Article 6

(1) The Contracting States shall grant the following exemptions from duty in respect of aircraft employed exclusively in international air services by a designated airline of the other Contracting State :

1. Aircraft operated by a designated airline of one Contracting State, entering and thereafter departing from or flying in transit through the territory of the other Contracting State, as well as the regular equipment and spare parts on board such aircraft, shall be exempt from customs duties and other charges levied in connexion with the importation, exportation and transit of goods.

2. Spare and equipment, in reasonable quantities, which are

- (a) Dismounted or otherwise removed, under customs supervision, from the aircraft referred to in paragraph 1 above, while within the territory of the other Contracting State, and there placed in storage, or
- (b) Imported into and stored in the territory of the other Contracting State for such aircraft, under customs supervision,

shall be exempt from the duties referred to in paragraph 1, provided that they are installed in or otherwise taken on board the said aircraft under customs supervision or are otherwise re-exported from the territory of that Contracting State.

The same exemption from duty shall be granted in respect of such spare parts and equipment as are drawn, under customs supervision, from corresponding stores of other airlines and are installed in or otherwise taken on board the said aircraft.

3. Aircraft fuel introduced into the territory of the other Contracting State on board the aircraft referred to in paragraph 1 shall be exempt from customs duties and other charges imposed in respect of the importation, exportation and transit of goods, if they are consumed on board such aircraft, even on portions of flights which take place between points in the territory of that Contracting State. In the case of aircraft fuel taken on board the aircraft of a designated airline under customs supervision in the territory of the other Contracting State and used in international air services,

the same treatment shall be accorded as is granted in respect of customs duties, other charges imposed in respect of the importation, exportation and transit of such goods and special consumption charges, to a national airline or an airline of the most favoured nation. If a Contracting State, in application of this principle, fails to exempt such goods from import charges or special consumption charges in the aforesaid circumstances, the other State shall be entitled to impose import charges or special consumption charges in respect of aircraft fuel taken on board the aircraft of a designated airline of the first Contracting State within its territory.

4. Foodstuffs and other provisions for the use of the passengers and crew members which are introduced into the territory of the other Contracting State on board the aircraft referred to in sub-paragraph 1, may be released for immediate use on board free of customs and other duties imposed in respect of the importation, exportation and transit of goods, provided that the aircraft can be kept under constant customs supervision at intermediate stops.

(2) If no duty is imposed in respect of the goods specified in paragraph (1), they shall not be subject to any import, export or transit prohibition or restriction otherwise applicable to them.

Article 7

(1) There shall be fair and equal opportunity for the designated airlines of both Contracting States to operate on each of the routes specified in accordance with article 2, paragraph (2).

(2) In operating international air services on the routes specified in accordance with article 2, paragraph (2), designated airlines of one Contracting State shall take into account the interests of designated airlines of the other Contracting State so as not to affect unduly the air services operated by the latter on the same routes, or on portions thereof.

(3) The international air services operated on the routes specified in accordance with article 2, paragraph (2), shall have as their primary objective the provision of capacity adequate to meet the foreseeable requirements of traffic to and from the territory of the Contracting State which has designated the airline. The right of such airline to operate flights between those points on a route specified in accordance with article 2, paragraph (2), which are situated in the other Contracting State, and points in third States shall be exercised in the interest of the orderly development of international traffic, in such a manner that capacity shall be adapted to :

(a) The requirements of traffic from and to the territory of the Contracting State which has designated the airline,