

Air Services Agreement
between
the Government
of the Kingdom of Denmark
and
The Government of Macau

**Air Services Agreement between
the Government of the Kingdom of Denmark
and The Government of Macau, the latter being duly
authorized by the competent sovereign institution of the
Portuguese Republic and with the consent of the Government
of the People's Republic of China,**

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

Have agreed as follows:

**Article 1
Definitions**

For the purpose of this Agreement:

- (a) The term "area" in relation to Macau includes the Macau Peninsula and the Taipa and Coloane Islands and in relation to Denmark has the meaning assigned to "Territory" in Article 2 of the Convention on International Civil Aviation, opened for signature at Chicago, on the seventh day of December, 1944;
- (b) the term "aeronautical authorities" means, in the case of the Kingdom of Denmark, the Ministry of Transport; and in the case of Macau, the Civil Aviation Authority; or in both cases any person or body authorized to perform the functions presently exercised by the abovementioned authorities;
- (c) the term "designated airline" means an airline which has been designated in accordance with Article 4 of this Agreement;

- (d) the terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meaning laid down in Article 96 of the Convention referred to in Article 2;
- (e) "Agreement" means this Agreement, the Annex attached thereto, and any amendments thereto;
- (f) "Annex" means the Annexes to this Agreement or as amended in accordance with the provisions of paragraph 2 of Article 18 of this Agreement. The Annexes form an integral part of this Agreement and all references to the Agreement shall include reference to the Annexes except otherwise provided;
- (g) the term "tariff" means the prices to be paid for the carriage of passengers, baggage and freight, and the conditions under which those prices apply, including prices and conditions for other services performed by the carrier in connection with the air transportation, and including remuneration and conditions offered to agencies, but excluding remuneration or conditions for the carriage of mail;
- (h) the term "user charges" means a charge made to airlines by the competent authorities or permitted by them to be made for the provision of airport property or facilities or of air navigation facilities, including related services and facilities for aircraft, their crew, passengers and cargo.

Article 2
Provisions of the Chicago Convention Applicable
to International Air Services

In implementing this Agreement, the Contracting Parties shall act in conformity with the provisions of the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December 1944, including the relevant Annexes and any relevant amendments to the Convention or to its relevant Annexes, insofar as these provisions are applicable to international air services.

Article 3
Traffic Rights

1. Each Contracting Party grants to the other Contracting Party the following rights for the conduct of international air services by the airlines designated by the other Contracting Party:
 - (a) to fly without landing across its area,
 - (b) to make stops in the said area for non-traffic purposes,
 - (c) to make stops in the said area at the points specified in the Annex to this Agreement for the purpose of taking up and discharging on international traffic passengers, cargo and mail, separately or in combination.
2. Nothing in paragraph 1 of this Article shall be deemed to confer on a designated airline of one Contracting Party the privilege of taking up, in the area of the other Contracting Party, passengers, cargo and mail carried for remuneration or hire and destined for another point in the area of that Contracting Party.
3. The airlines of each Contracting Party, other than those designated under Article 4 of this Agreement shall also enjoy the rights specified in paragraph 1 (a) and (b) of this Article.

Article 4
Designation of Airline

1. Each Contracting Party shall have the right to designate in writing to 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 designation the other Contracting Party shall, subject to the provisions of paragraphs 3 and 4 of this Article, without delay grant to the designated airlines the appropriate operating authorizations.

3. The aeronautical authorities of one Contracting Party may require an 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 Convention.
4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article, or to impose such conditions, as it may deem necessary, on the exercise by a designated airline of the rights specified in Article 3, in any case where it is not satisfied that the airline is incorporated and has its principal place of business in the said area.
5. When an airline has been so designated and authorized, it may begin to operate the agreed services, provided that the airline complies with all applicable provisions of this Agreement, including those related to tariffs.

Article 5
Revocation, Suspension and
Imposition of Conditions

1. Each Contracting Party shall have the right to withhold or revoke an operating authorization or to suspend the exercise of the rights specified in Article 3 of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions, as it may deem necessary, on the exercise of these rights:
 - (a) in any case where it is not satisfied that the airline is incorporated and has its principal place of business in the said area.
 - (b) in the case of failure by that airline to comply with the laws and regulations of the Contracting Party granting these rights;
or
 - (c) in the case that the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

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 consultation with the other Contracting Party.

In this case consultations shall be held within thirty (30) days from the date the other Contracting Party receives such request in writing.

Article 6

Utilization of Airports and Facilities

1. A Contracting Party shall not impose on the designated airlines of the other Contracting Party user charges higher than those imposed on their own airlines operating between the areas of the Contracting Parties.

Any air navigation facility charge imposed on international traffic performed by airlines licensed by one of the Contracting Parties, shall be reasonably related to the cost of service rendered to the airline concerned, and the Contracting Parties will act in conformity with the relevant guidelines issued by the International Civil Aviation Organization (ICAO).
2. When operating the agreed services, the same uniform conditions shall apply to the use by the airlines of both Contracting Parties of airports as well as of all other facilities under their control.
3. Each Contracting Party shall encourage consultation on user charges between its competent charging authorities and the airlines using the services and facilities provided by those charging authorities, where practicable through those airlines' representative organizations. Reasonable notice of any proposals for changes in such charges should be given to such users to enable them to express their views before changes are made. Each Contracting Party shall further encourage its competent charging authorities and such users to exchange appropriate information concerning such charges.

Article 7
Customs Duties

1. Aircraft operated on international air services by the designated airlines of either Contracting Party, as well as their regular equipment, supplies of fuels and lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be relieved from all customs duties, inspection fees and other duties or taxes on arriving in the area of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.
2. With the exception of charges based on the cost of the service provided, the following items shall also be relieved from the duties, fees and charges referred to in paragraph 1 of this Article:
 - (a) aircraft stores, introduced into or supplied in the area of a Contracting Party, and taken on board, within reasonable limits, for use on 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 area of a Contracting Party for the maintenance or repair of aircraft used in an international air service of a designated airline of the other Contracting Party; and
 - (c) fuel, lubricants and consumable technical supplies introduced into or supplied in the area of a Contracting Party for use in an aircraft engaged in an international air service of a designated airline of the other Contracting Party, even when these supplies are to be used on a part of the journey performed over the area of the Contracting Party in which they are taken on board.
3. Equipment and supplies referred to in paragraphs 1 and 2 of this Article may be required to be kept under the supervision or control of the appropriate authorities.
4. The reliefs provided for by this Article shall also be available in situations where the designated airlines of one Contracting Party have entered into arrangements with another airline or airlines for the loan or transfer in the area of the other Contracting Party of the items specified in

paragraphs 1 and 2 of this Article provided such other airline or airlines similarly enjoy such reliefs from the other Contracting Party.

Article 8

Storage of Airborne Equipment and Supplies

The regular airborne equipment, as well as the materials and supplies retained on board the aircraft of either Contracting Party, may be unloaded in the area of the other Contracting Party only with the approval of the customs authorities of that area. In such case, they may be placed under the supervision of said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

Article 9

Entry Clearance Regulations

1. Passengers in transit across the area of either Contracting Party shall be subject to no more than a very simplified customs and immigration control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.
2. The laws and regulations of one Contracting Party regarding entry, clearance, transit, immigration, passports, customs and quarantine shall be complied with by the designated airlines of the other Contracting Party and by or on behalf of their crew, passengers, cargo and mail, upon transit of, admission to, departure from and while within the area of such a Contracting Party.

Article 10

Capacity Provisions

1. There shall be fair and equal opportunity for the designated airlines of each Contracting Party to operate air services on any route specified in the Annex to this Agreement.

2. In the operation of the agreed services on the routes specified in the Annex to this Agreement the designated airlines of either Contracting Party shall take into account the interests of the designated airlines of the other Contracting Party so as not to affect unduly the air services which the latter airlines operate.
3. The agreed services provided by a designated airline shall retain as their primary objective the provision of capacity adequate to current and reasonably anticipated requirements for the carriage of passengers, mail and freight, coming from or destined for the area of the Contracting Party designating the airline.

Article 11

Exchange of Statistics

The aeronautical authorities of either Contracting Party shall, on request, provide to the aeronautical authorities of the other Contracting Party such periodic or other statements of statistics, as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airlines of the first Contracting Party.

Such statements shall include all information required to determine the amount of traffic carried by the airlines on the agreed services.

Article 12

Tariffs

1. The tariffs to be applied by a designated airline of one Contracting Party for carriage to and from the area of the other Contracting Party shall be those approved by the aeronautical authorities of both Contracting Parties and shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, the interests of users, reasonable profit and the tariffs of other airlines operating over the whole or part of the same route.
2. The tariffs referred to in paragraph 1 of this Article may be agreed by the designated airlines of the Contracting Parties seeking approval of the

tariffs, which may consult other airlines operating over the whole or part of the same route, before proposing such tariffs. However, a designated airline shall not be precluded from proposing, nor the aeronautical authorities of the Contracting Parties from approving, any tariffs, if that airline shall have failed to obtain the agreement of the other designated airlines to such tariffs, or because no other designated airline is operating on the same route.

3. Any tariff proposed by a designated airline of one Contracting Party for carriage to and from the area of the other Contracting Party shall be filed with the aeronautical authorities of the Contracting Parties by the designated airline seeking approval of the tariff in such form as the aeronautical authorities may separately require to disclose the particulars referred to in Article 1 (g). It shall be filed not less than 60 days (or such shorter period as the aeronautical authorities of the Contracting Parties may agree) before the proposed effective date. The proposed tariff shall be treated as having been filed with the aeronautical authorities of a Contracting Party on the date on which it is received by those aeronautical authorities.
4. Any proposed tariff may be approved by the aeronautical authorities of a Contracting Party at any time and, provided it has been filed in accordance with paragraph 3 of this Article, shall be deemed to have been approved by the aeronautical authorities of that Contracting Party unless, within 30 days (or such shorter period as the aeronautical authorities of the Contracting Parties may agree) after the date of filing, the aeronautical authorities of one Contracting Party have served on the aeronautical authorities of the other Contracting Party written notice of disapproval of the proposed tariff.
5. If a notice of disapproval is given in accordance with the provisions of paragraph 4 of this Article, the aeronautical authorities of the Contracting Parties may jointly determine the tariff. For this purpose, one Contracting Party may, within 30 days of the service of the notice of disapproval, request consultations between the aeronautical authorities of the Contracting Parties which shall be held within 30 days from the date the other Contracting Party receives such request in writing.
6. In approving tariffs, the aeronautical authorities of a Contracting Party may attach to their approval such terminal dates as they consider

appropriate. Where a tariff has a terminal date, it shall remain in force until the due terminal date, unless withdrawn by the airline or airlines concerned with the approval of the aeronautical authorities of both Contracting Parties, or unless a replacement tariff is filed and approved prior to the terminal date.

When a tariff has been approved without a terminal date and where no new tariff has been filed and approved, this tariff shall remain in force until the aeronautical authorities of either Contracting Party give notice terminating its approval. Such notice shall be given at least 90 days before the intended terminal date of the tariff. The aeronautical authorities of the other Contracting Party may, within 30 days of receipt of the said notice, request consultations between the aeronautical authorities of the Contracting Parties for the purpose of jointly determining a replacement tariff. Such consultations shall be held within 30 days from the date the other Contracting Party receives such request in writing.

7. If a tariff has been disapproved by the aeronautical authorities of a Contracting Party in accordance with paragraph 4 of this Article, and if the aeronautical authorities of the Contracting Parties have been unable jointly to determine a tariff in accordance with paragraphs 5 and 6 of this Article, the dispute may be settled in accordance with the provisions of Article 17 of this Agreement.
8. The designated airlines of the Contracting Parties shall be allowed to match (i.e. price level, conditions and expiry date) any tariff duly approved and applied by a designated airline of one of the Contracting Parties for travel between the same city-pair(s) on a route between the Contracting Parties.

Article 13

Transfer of Earnings

Each designated airline shall have the right to convert and remit to its area on demand local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted without restrictions at the rate of exchange applicable to current transactions which is in effect at the time such revenues are presented for conversion and remittance, and

shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.

Article 14

Airline Representation

1. Each Contracting Party grants to the designated airlines of the other Contracting Party, on the basis of reciprocity, the right to maintain in its area their representatives including office, administrative, commercial and technical personnel as may be necessary for the requirements of the designated airlines concerned according to the laws and regulations of the Contracting Party in whose area the representatives are being maintained.
2. The designated airlines of both Contracting Parties shall have the right to engage in the sale of air transportation in the area of the other Contracting Party, either directly or through agents. The Contracting Parties shall not restrict the right of the designated airlines of each Contracting Party to sell, and of any person to purchase, such transportation in local or in any freely convertible currency.

Article 15

Approval of Flight Schedules

1. The airlines designated by one Contracting Party shall submit their traffic programme for approval to the aeronautical authorities of the other Contracting Party at least forty-five (45) 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.
2. Any alteration made in an approved air traffic programme at a later date shall also be submitted for approval.

Article 16

Aviation Security

1. Each Contracting Party reaffirms that its obligation to the other Contracting Party to protect the security of civil aviation against unlawful interference forms an integral part of this Agreement.

Each Contracting Party shall in particular act in conformity with the aviation security provisions of the "Convention on Offences and Certain Other Acts Committed on Board Aircraft", signed at Tokyo on 14 September, 1963, the "Convention for the Suppression of Unlawful Seizure of Aircraft", signed at The Hague on 16 December, 1970, the "Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation", signed at Montreal on 23 September, 1971.

2. Each Contracting Party shall be provided at its request with all necessary assistance by the other Contracting Party 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, in their mutual relations, act in conformity with the applicable aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation, opened for signature at Chicago on 7 December, 1944.

Each Contracting Party shall require that operators of aircraft of its registry or operators of aircraft having their principal place of business or permanent residence in its area, and the operators of airports in its area, act in conformity with such aviation security provisions.

4. Each Contracting Party agrees that operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 of this Article required by the other Contracting Party for entry into, departure from, or while within the area of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its area to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo, mail 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, each Contracting Party shall assist the other Contracting Party by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

Article 17 Consultations

Either Contracting Party may at any time request consultation on the implementation, interpretation, application or amendment of this Agreement or compliance with the Agreement. Such consultations, which may be between aeronautical authorities, shall begin within a period of sixty (60) days from the date the other Contracting Party receives a written request, unless otherwise agreed by the Contracting Parties.

Article 18 Amendments

1. If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may request consultation with the other Contracting Party; such consultation, which may be between aeronautical authorities, and which may be through discussion or by correspondence, shall begin within a period of sixty (60) days of the date of the receipt of the request, unless otherwise agreed by the Contracting Parties. Any modifications so agreed shall come into force when approved in accordance with the necessary requirements of both Contracting Parties and as confirmed in writing.
2. Modifications to the Annexes to this Agreement may be made by direct Agreement between the competent aeronautical authorities of the Contracting Parties.

Article 19
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 of the dispute by negotiation, they may agree to refer the dispute for decision to an arbitrator, or the dispute may 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 written notice requesting arbitration of the dispute 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, or if the third arbitrator is not appointed 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 requires. In all cases, the third arbitrator shall be a national of a state which can be regarded as neutral in relation to the dispute and shall act as president of the tribunal, and shall determine the place, where the arbitration will be held. If the President considers that he is a national of a State which cannot be regarded as neutral in relation to the dispute, the most Senior Vice-President who is not disqualified on that ground shall make the appointment. The arbitral tribunal shall reach its decision by a majority of votes.
3. The expenses of the Tribunal shall be shared equally between the Contracting Parties.
4. The Contracting Parties undertake to comply with any decision given under paragraph 2 of this Article.
5. If and so long as either Contracting Party fails to comply with any decision under paragraph 2 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 to the Contracting Party in default or to the designated airlines in default.

Article 20

Registration

This Agreement and its Annex and any subsequent amendment thereto shall be registered with the International Civil Aviation Organization.

Article 21

Termination

This agreement remains in force for an unlimited period of time.

Either Contracting Party may however at any time give notice to the other Contracting Party of its decision to terminate this Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) 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 22

Entry into Force


This Agreement will enter into force from the date of signature.

In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done at *Suva* on *12/12/1996* in duplicate in the English language.

FOR THE GOVERNMENT OF
THE KINGDOM OF DENMARK

FOR THE GOVERNMENT OF
MACAU


.....

Ib R. Andreasen
Ambassador


.....

Vasco Rocha Vieira
Governor

ANNEX
to the Air Services Agreement between
the Government of the Kingdom of Denmark
and the Government of Macau

Section 1

Routes which may be operated by the designated airline(s) of Denmark in both directions:

From points in Denmark via intermediate points to Macau and points beyond.

However, this does not include the right to provide air services between Macau and Hong Kong, points in Taiwan and the inland of China.

Section 2

Routes which may be operated by the designated airline(s) of Macau in both directions:

From Macau via intermediate points to points in Denmark and points beyond. *)

Section 3

The designated airlines of both Contracting Parties may on any or all flights omit calling at any of the intermediate and/or beyond points referred to above, provided that these flights originate or end in the area of the Contracting Party which has designated the airline concerned.

Section 4

Intermediate and beyond points including the exercise of fifth freedom traffic rights will be jointly decided by the aeronautical authorities of the Contracting Parties.

*) No points in Sweden or Norway may be provided with air services as intermediate points or points beyond.

Your Excellency,

With reference to the Air Services Agreement signed today between the Government of the Kingdom of Denmark and the Government of Macao, I have the honour to notify you that, in accordance with Article 4 of the Agreement, the Danish Government designates Det Danske Luftfartsselskab A/S (DDL) to operate the routes specified in the Annex attached to the Agreement.

In this connection I have the honour to confirm, on behalf of my Government, the following understanding:

1. Notwithstanding the provisions of Articles 4 and 5 of the Agreement, Det Danske Luftfartsselskab A/S (DDL) co-operating with Det Norske Luftfartsselskab A/S (DNL) and AB Aerotransport (ABA) under the style of Scandinavian Airlines System (SAS), may operate services under the Agreement with aircraft, crew and equipment of either or both of the other two airlines. While services are operated under the style of SAS, services may not be operated by DDL as an individual company.
2. Insofar as Det Danske Luftfartsselskab A/S (DDL) employs aircraft, crew and equipment of the other airlines participating in the Scandinavian Airlines System (SAS), the provisions of the Agreement will apply to such aircraft, crew and equipment as though they were the aircraft, crew and equipment of Det Danske Luftfartsselskab A/S (DDL) and the competent Danish authorities and Det Danske Luftfartsselskab A/S (DDL) will accept full responsibility under the Agreement therefore.

If the Government of Macao accepts these arrangements, I have the honour to suggest that this letter and Your Excellency's reply in the same sense should be regarded as placing on record the understanding of our two Governments on this matter.

Please accept, Your Excellency, the assurances of my highest consideration.

Oslo, 12 December 1996

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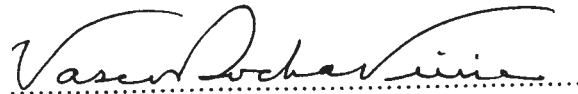
His Excellency Mr. Vasco Roeha Vieira
Governor of Macao

Your Excellency,

I have the honour to inform you that the arrangements set forth in your letter are acceptable to the Government of Macau, and to confirm that your letter and my reply will be regarded as placing on record the understanding of our two Governments on this matter.

Please accept, Your Excellency, the assurances of my highest consideration.

Date

A handwritten signature in cursive script, reading "Vasco Roeha Vieira", written over a dotted line.

Vasco Roeha Vieira
Govenor