

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE KINGDOM OF DENMARK
AND
THE GOVERNMENT OF MONGOLIA,
RELATING TO AIR SERVICES**

The Government of the Kingdom of Denmark and the Government of Mongolia,

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944, and

Desiring to conclude an Agreement, in conformity with the said Convention, for the purpose of establishing scheduled air services between and beyond their respective territories;

Have agreed as follows:

Article 1

Definitions

For the purpose of this Agreement:

- (a) "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944 and includes any annex adopted under Article 90 of that Convention and any amendment of the Annexes or of the Convention under Articles 90 and 94 thereof 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 Kingdom of Denmark, the Ministry of Transport; and in the case of Mongolia, the Ministry of Infrastructure Development; 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 3 of this Agreement;
- (d) the term "territory" has the meaning laid down in Article 2 of the Convention;
- (e) the terms "air services", "international air service", "airline" and "stop for non-traffic purposes" have the meaning laid down in Article 96 of the Convention;
- (f) "Agreement" means this Agreement, the Annex attached thereto, and any amendments thereto;
- (g) "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of paragraph 2 of Article 17 of this Agreement. The Annex forms an integral part of this Agreement and all references to the Agreement shall include reference to the Annex except otherwise provided;

- (h) the term "tariff" means the prices to be paid for the carriage of passengers and baggage, 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;

ARTICLE 2
TRAFFIC RIGHTS

1. Each Contracting Party grants to the other Contracting Party the following rights for the conduct of international air services by airlines designated by the other Contracting Party:
 - (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,
 - (c) to make stops in the said territory at the points specified in the Annex to this Agreement for the purpose of taking on board and discharging passengers and cargo, including mail, separately or in combination, in an international air service.
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 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 Contracting Party.
3. The airlines of each Contracting Party, other than those designated under Article 3 of this Agreement, shall also enjoy the rights specified in paragraph 1 (a) and (b) of this Article.

ARTICLE 3
DESIGNATION OF AIRLINES

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 a designated airline 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 2, in any case where it is not satisfied that effective control 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.
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.

ARTICLE 4
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 2 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 effective control of that airline is maintained in the territory of the other Contracting Party, which has designated the airline, and that the airline is incorporated and has its principal place of business in the said territory;
 - (b) in the case of failure by that airline to comply with the laws or 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 consultations with the other Contracting Party.

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

ARTICLE 5
UTILIZATION OF AIRPORTS AND FACILITIES

1. The term "user charge" 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 crews, passengers and cargo.
2. 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 levied in accordance with the relevant guidelines issued by the International Civil Aviation Organization (ICAO).
3. 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.
4. Each Contracting Party shall encourage consultations 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 changes in such charges should be given to such users before changes come into force.

ARTICLE 6
CUSTOMS DUTIES

1. Aircraft operated on international services by a designated airline of either Contracting Party, as well as its regular equipment, supplies of fuel and lubricants and aircraft stores (including food, beverages, and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees, and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.

2. With the exception of charges based on the cost of the service provided, the following items shall also be exempt from the duties, fees and charges referred to in paragraph 1 of this Article:
 - (a) aircraft stores, introduced into or supplied in the territory 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 territory 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 territory 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 territory 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 exemptions provided for by this Article shall also be available 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 7
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 territory of the other Contracting Party only with the approval of the customs authorities of that territory. 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.

ARTICLE 8
ENTRY CLEARANCE REGULATIONS

1. Passengers in transit across the territory 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 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 territory of such Contracting Party.

ARTICLE 9
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 designated airlines of either Contracting Party shall take into account the interests of 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 territory of the Contracting Party designating the airline.

ARTICLE 10
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 11
TARIFFS

1. Tariffs shall be established at reasonable levels, due regard being paid to all relevant factors including costs of operation, reasonable return on investment, characteristics of service, the interests of users and the tariffs of other airlines.
2. Any tariff filed in accordance with the provisions of this Article shall be approved by the aeronautical authorities of the Contracting Party from whose territory the tariff is to be applied (country of origin principle).

Such filing is to be received by the aeronautical authorities at least 14 days before the tariff's proposed date of effectiveness. This time limit may be reduced, subject to the consent of the said authorities.

3. The designated airlines are required to file a proposed tariff for carriage between the territories of the Contracting Parties with the aeronautical authorities from whose territory the tariff is to be applied in such a form as those aeronautical authorities may require. For designated airlines of a Contracting Party into whose territory the tariff is to be applied, the tariff in question will be treated as having been approved unless, within 14 days after the date of receipt of filing, the aeronautical authorities of that Contracting Party have received a written notice of disapproval from the other Contracting Party.
4. In approving tariffs, the aeronautical authorities of a Contracting Party may attach to their approval such expiry dates as they consider appropriate. Where a tariff has an expiry date, it shall remain in force until the due expiry date, unless withdrawn by the airline or airlines concerned or unless a replacement tariff is filed and approved prior to the expiry date.
5. The designated airlines have the right to match the approved tariffs of any airline between the same points on routes between the territories of the Parties.

A matching tariff in accordance with the paragraph shall be filed for information purposes not later than its date of effectiveness with the aeronautical authorities from whose territory the tariff is to be applied.

6. The aeronautical authorities into whose territory a tariff is to be applied may - for information purposes only - require filing of proposed tariffs in such a way as those aeronautical authorities may require.
7. The aeronautical authorities of either Contracting Party may, at any time, request consultations with the aeronautical authorities of the other Contracting Party on the application of the provisions of this Article.

Such consultations shall be held within 30 days from receipt of the request.

ARTICLE 12
TRANSFER OF EARNINGS

Each designated airline shall have the right to convert and remit to its country 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 13
AIRLINE REPRESENTATION

1. Each Contracting Party grants to a designated airline of the other Contracting Party, on the basis of reciprocity, the right to maintain in its territory its representatives including office, administrative, commercial and technical personnel as may be necessary for the requirements of the designated airline concerned.

2. Designated airlines of both Contracting Parties shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party, either directly or through agents. A Contracting Party shall not restrict the right of a designated airline of the other Contracting Party to sell, and of any person to purchase, such transportation in local or in any freely convertible currency. Nor shall a Contracting Party restrict the right of a designated airline to pay in local or in any freely convertible currency their locally incurred costs.

ARTICLE 14
APPROVAL OF FLIGHT SCHEDULES

1. Airlines designated by a Contracting Party shall submit their traffic programmes 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 15
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, 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 23 September 1971", signed at Montreal on 24 February 1988.
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 territory, and the operators of airports in its territory, 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 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, 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 16
CONSULTATIONS

Either Contracting Party may at any time request consultations 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 of other Contracting Party receives a written request, unless otherwise agreed by the Contracting Parties.

ARTICLE 17
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, which may be between aeronautical authorities, and which may be through discussions or 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 constitutional requirements of both Contracting Parties and as confirmed by a exchange of diplomatic notes.

2. Modifications to the Annex to this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting Parties.

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 of the dispute by negotiation, they may agree to refer the dispute for decision to one 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 Contracting Party of a notice through diplomatic channels 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 third State, 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 as 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 a designated airline in default.

ARTICLE 19
REGISTRATION

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

ARTICLE 20
TERMINATION

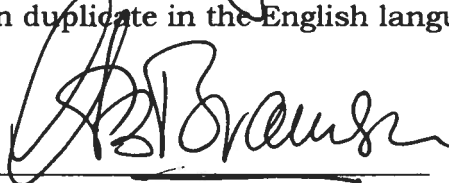
Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate this Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) months after the date 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 21
ENTRY INTO FORCE

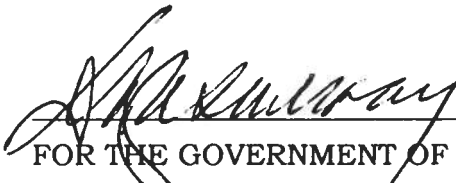
This Agreement will enter into force on the date of signature.

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

Done at Beijing on 19 June 1987
in duplicate in the English language.



FOR THE GOVERNMENT OF
THE KINGDOM OF DENMARK



FOR THE GOVERNMENT OF
MONGOLIA

ANNEX

1. Routes to be operated by the designated airline or airlines of the Government of the Kingdom of Denmark:

Column 1	Column 2
Points in Denmark	Ulaanbaatar

2. Routes to be operated by the designated airline or airlines of the Government of Mongolia:

Column 1	Column 2
Points in Mongolia	Copenhagen

3. Nothing will prevent a designated airline of either Contracting Party to serve other points than those specified in this Annex provided that no commercial rights are exercised between those points and the territory of the other Contracting Party. Exercising of the commercial rights between such other points and the territory of the other Contracting Party shall be subject to Agreement between the aeronautical authorities of the Contracting Parties.