## Air Services Agreement

## between

The Government of the Arab Republic of Egypt

and

the Government of the Kingdom of Denmark

The

The Government of the Arab Republic of Egypt and the Government of the Kingdom of Denmark, hereinafter referred to as the "Contracting Parties",

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 for the main purpose of establishing scheduled air services between and beyond their respective territories;

Have agreed as follows:

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#### **Definitions**

- 1. For the purpose of this Agreement, unless the context otherwise requires:
- (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, insofar as such Annexes and amendments have been adopted by both Contracting Parties;
- (b) "aeronautical authorities" means, in the case of the Arab Republic of Egypt the Minister of Civil Aviation; and in the case of the Kingdom of Denmark; the Danish Transport Authority or in either case anybody authorized to perform any particular function to which this Agreement relates;
- (c) "designated airline" means an airline which has been designated in accordance with Article 3 of this Agreement;
- (d) "territory", "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meaning laid down in Articles 2 and 96 of the Convention;
- (e) "Agreement" means this Agreement, its Annex and any amendments thereto;
- (f) "Annex" means any Annex to this Agreement or as amended in accordance with the provisions of paragraph 2 of Article 16 of this Agreement. The Annex forms an integral part of this Agreement and all references to the Agreement include the Annex unless otherwise stated;
- (g) "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 and conditions for the carriage of mail;

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- (h) "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 crew, passengers and cargo;
- (i) "EEA Member States" means Member States of the European Union (EU) and the Member States of the European Free Trade Association (EFTA) that also are Contracting Parties to the Agreement on the European Economic Area (EEA).
- (j) the term "specified routes" means the routes established or to be established in the Annex to this Agreement;
- (k) the term "agreed services" means the international air services which can be operated, according to the provisions of this Agreement, on the specified routes;
- (l) the term "capacity" means, in relation to an aircraft, the payload of that aircraft available on a route or a sector of a route; and in relation to the agreed services, it means the capacity of the aircraft used on the said services, multiplied by the number of frequencies operated by the said aircraft during each season on one route or on a sector of the route;
- (m) the term "all cargo air services" means an international air service performed by aircraft on which cargo or mail (with ancillary attendance) is carried separately or in combination, but on which revenue passengers are not carried; and
- (n) the term "Intermodal Air Transportation" means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire
- 2. References in this Agreement to airlines of Denmark shall be understood as referring to airlines designated by Denmark and references in this Agreement to airlines of the Arab Republic of Egypt shall be understood as referring to airlines designated by the Arab Republic of Egypt

#### **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:

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- (a) to fly across its territory without landing,
- (b) to make stops in its 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 in international traffic passengers, cargo and mail, separately or in combination destined for or coming from points in the territory of the other contracting party.
- 2. Nothing in paragraph 1 of this Article shall be deemed to confer on a designated airline of one Contracting Party the right of taking on board 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, shall also enjoy the rights specified in paragraph 1 (a) and (b) of this Article.
- 4. If because of armed conflict, political disturbances or developments or special and unusual circumstances a designated airline of one Contracting Party is unable to operate the agreed services on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such agreed service through appropriate temporary rearrangements of routes as mutually decided by the Contracting Parties.

## **Designation and Authorization 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 air services on the routes specified in the Annex and to withdraw or alter such designations through diplomatic channels.
- 2. On receipt of such a designation, and of applications from the designated airline, the other Contracting Party shall grant the appropriate authorizations and permissions with minimum procedural delay, provided:
- a) in the case of an airline designated by Denmark:

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- (i) it is established in the territory of Denmark under the EU Treaties or under the Agreement on the European Economic Area, and has a valid Operating Licence in accordance with European Union law or in accordance with national law adopted under the Agreement on the European Economic Area; and
- (ii) effective regulatory control of the airline is exercised and maintained by the European Union Member State or the EEA EFTA State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation; and
- (iii) The airline is owned, directly or through majority ownership by an European Union Member State or an EEA EFTA State or its nationals.
- b) in the case of an airline designated by the Arab Republic of Egypt:
  - i) it is established in the territory of the Arab Republic of Egypt and has a valid Operating License in accordance with applicable laws of the Arab Republic of Egypt; and
  - ii) effective regulatory control of the airline is exercised and maintained by the Arab Republic of Egypt; and
  - iii) The airline is owned directly or through majority ownership by the Arab Republic of Egypt or its nationals.
- c) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Contracting Party considering the application or applications in conformity with the provisions of the Convention.
- 3. When an airline has been so designated and authorized, it may begin to operate air services on the routes specified in the Annex provided that the airline complies with all applicable provisions of this Agreement.

## Revocation or Suspension of Authorization

- 1. Either Contracting Party may revoke, suspend or limit the operating authorization or technical permissions of an airline designated by the other Contracting Party where:
- a) in the case of an airline designated by Denmark:

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- i. it is not established in the territory of Denmark under the EU Treaties or in accordance with the Agreement on the European Economic Area, or does not have a valid Operating Licence in accordance with European Union law or in accordance with national law adopted in accordance with the Agreement on the European Economic Area; or
- ii. effective regulatory control of the airline is not exercised or not maintained by the European Union Member State or the EEA EFTA State responsible for issuing its Air Operator's Certificate, or the relevant aeronautical authority is not clearly identified in the designation; or
- iii. the airline is not owned directly or through majority ownership by an European Union Member State or an EEA EFTA State or their nationals; or
- iv. The air carrier holds an Air operators certificate issued by an European Union Member State or an EEA EFTA State and there is no bilateral air service agreement between the Arab Republic of Egypt and that that state, and traffic rights to that State have been denied to the airline designated by the Arab Republic of Egypt.

## b) In the case of an airline designated by the Arab Republic of Egypt:

- i. the airline is not established in the territory of the Arab Republic of Egypt or has not a valid Operating License in accordance with the Arab Republic of Egypt law; or
- ii. effective regulatory control of the airline is not exercised or not maintained by the Arab Republic of Egypt; or
- iii. it is not owned, directly or through majority ownership by the Arab Republic of Egypt or its nationals; or
- iv. the airline does not hold a current Air Operator's Certificate (AOC) issued by the Arab Republic of Egypt

or

- c) that airline has failed to comply with the laws and regulations of the Contracting Party granting this authorization or these permissions, or
- (d) the airline fails to operate in accordance with the conditions prescribed under this Agreement, or
- (e) in the case of failure by the other Contracting Party to take appropriate actions to improve safety in accordance with Article 13 (2) of this Agreement.

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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.

#### Article 5

## **User Charges**

- 1. Neither Contracting Party shall impose or permit to be imposed on a designated airline of the other Contracting Party user charges higher than those imposed on its own airlines operating between the territories of the Contracting Parties, or airlines operating similar international air services.
- 2. Any air navigation facility charge imposed on international traffic performed by airlines designated or 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 bodies and the airlines using the services and facilities provided by those charging bodies, 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 bodies and such users to exchange appropriate information concerning such charges.

#### Article 6

#### **Customs Duties**

1. Aircraft operated on international air 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

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Contracting Party, provided such equipment, supplies and stores 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 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;
- (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.
- (d) as well as printed tickets stock, air way bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that designated airline subject to the applicable national laws and regulations.
- 3. The items 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 apply in situations where a designated airline of one Contracting Party has entered into arrangements with other airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraphs 1 and 2 of this Article, provided such other airlines similarly enjoy such exemptions from the other Contracting Party.
- 5. Nothing in this Agreement shall prevent Denmark from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated air carrier of the Arab Republic of Egypt that operates between a point in the territory of

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Denmark and another point in the territory of Denmark or a point in the territory of another European Union Member State or EEA EFTA State

- 6. Nothing in this Agreement shall prevent the Arab Republic of Egypt from imposing on a non discriminatory basis taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated air carrier of the Kingdom of Denmark that operates between a point in the Arab Republic of Egypt and another point in the territory of the Arab Republic of Egypt.
- 7. 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 its customs authorities. Such items 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 7

## **Application of Laws and Regulations**

- 1. Passengers, baggage, cargo, and mail in direct transit across the territory of either Contracting Party or not leaving the area of the airport reserved for such purpose shall, except in respect of security measures against violence, air piracy and narcotics control, be subject to no more than a simplified control. Such baggage, cargo, and mail shall be exempt from customs duties excise duties and similar duties, fees and charges not based on the cost of services provided on arrival.
- 2. The laws and regulations of one Contracting Party regarding entry, clearance, transit, immigration, passports, customs, currency,health, veterinary, sanitary rules and quarantine shall be complied with by the designated airlines of the other Contracting Party and by or on behalf of passengers, crew, cargo and mail, upon transit of, admission to, departure from and while within the territory of such a Contracting Party.
- 3. Neither Contracting Party may grant any preference to any airline over a designated airline of the other Contracting Party in the application of the laws and regulations provided for in this Article.
- 4. The laws, regulations and procedures of the state of one Contracting Party governing entry into, sojourn in and departure from its territory of aircraft engaged in international air navigation or right of such aircraft to over fly that territory shall be complied with by the

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designated airline of the other Contracting Party.

#### Article 8

## **Capacity Provisions**

- 1. Each Contracting Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination and unfair, anti-competitive or predatory practices adversely affecting the competitive position of the designated airlines of the other Contracting Party in the exercise of their rights and entitlements set out in this Agreement.
- 2. The aeronatutical authorities of the two Contracting Parties shall agree on the capacity to be operated in accordance with the following principles:
  - a) There shall be fair and equal opportunity for the designated airline(s) of both Contracting Parties to operate the agreed services on the specified routes.
  - b) In operating the agreed services the designated airline(s) of each Contracting Party shall take into account the interests of the designated airline(s) of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same routes.
  - c) The agreed services provided by the designated airlines of the Contracting Parties shall bear a close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision of capacity adequate to carry the current anticipated requirements for the carriage of passengers, cargo and mail coming from or destined for the territory of the Contracting Party which has designated the airline(s).

## Article 9 Tariffs

- 1. Tariffs for international air transport operated pursuant to this Agreement may be required to be filed with the aeronautical authorities of either Contracting Party.
- 2. Without limiting the application of general competition and consumer law in each Contracting Party, intervention by the Contracting Parties may be initiated to:
  - a) prevent unreasonably discriminatory tariffs or practices;
  - b) protect consumers from tariffs that are unreasonably high or unreasonably restrictive due either to the abuse of a dominant position or to concerted practices among air carriers; and

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- d) protect airlines from tariffs that are artificially low because of direct or indirect governmental subsidy or support.
- 3. Neither Contracting Party shall take unilateral action to prevent the inauguration or continuation of a tariff proposed to be charged or charged by the designated airlines of either Contracting Party for international air services between the territories of the Contracting Parties. If either Contracting Party believes that any such tariff is inconsistent with the consideration set forth in this Article, it shall request consultations and notify the other Contracting Party of the reasons for its dissatisfaction within fourteen (14) days from receiving the filing. These consultations shall be held not later than fourteen (14) days after receipt of the request. Without a mutual agreement, the previously approved tariff shall continue into effect.

## **Transfer of Earnings**

- 1. In accordance with the laws and regulations in force in the territory of the respective Contracting Party 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 but where there is no official exchange rate such transfers shall be effected on the basis of the prevailing foreign exchange market rates for current payments, and such transfers shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.
- 2. If a Contracting Party imposes restrictions in a discriminatory manner on the transfer of excess of receipts over expenditure by the designated airline(s) of the other Contracting Party, the latter shall have the right to impose reciprocal restrictions on the designated airline(s) of that Contracting Party.

#### Article 11

#### **Commercial Activities**

1. The designated airline(s) of each Contracting Party shall have the right to establish in the territory of the other Contracting Party offices for the purpose of provision and sale of air services as well as for other matters incidental to the provision of air transportation.

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- 2. The designated airline(s) of each Contracting Party shall have the right, in accordance with the laws and regulations in force in the territory of the other Contracting Party relating to entry, residence and employment, to bring into and maintain in the territory of that other Contracting Party those of their own managerial, commercial, operational, sales, technical and other specialist staff and representatives who are required in connection with the operation of the agreed services.
- 3. These representative staff requirements may, at the option of a designated airline, be satisfied by its own personnel or by using the services of any other airline, organization or company operating in the territory of the other Contracting Party and authorized to perform such services in the territory of such other Contracting Party.
- 4. Consistent with the laws and regulations in force in the respective territory, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary work permits, employment visas or other similar documents to the representatives and staff referred to in paragraph (2) of this Article.
- 5. The designated airlines of a Contracting Party shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party in accordance with the respective laws and regulations in force in the territory of this first Contracting Party, either directly or through agents. A Contracting Party shall not restrict the right of the designated airlines 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 of the other Contracting Party to pay in local or in any freely convertible currency its locally incurred costs.

## **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 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 In special cases, this time limit may be reduced subject to the consent of the said authorities.
- 2. Any alteration made in an approved air traffic programme at a later date shall also be submitted for approval.

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## **Aviation Safety**

- 1. Each Contracting Party may request consultations at any time concerning safety standards 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 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 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 Convention, it is agreed that any aircraft operated by the airline or airlines of one Contracting Party on services to or from the territory of the other Contracting Party, may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorized representatives of the other Contracting 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 Convention, or

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

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificate or licenses 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 Convention.

- 5.In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the airline or airlines of one Contracting Party in accordance with paragraph 3 above is denied by the representative of that airline or airlines, 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 in that paragraph.
- 6.Each Contracting Party reserves the right to suspend or vary the operating authorization of an airline or airlines of the other Contracting Party immediately in the event the first Contracting Party concludes, whether as a result of a ramp inspection, consultation or otherwise, that immediate action is essential to 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.
- 8. Where Denmark has designated an air carrier whose regulatory control is exercised and maintained by another European Union Member State or EEA EFTA State, the rights of the other Contracting Party under Articles 3 and 4 shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other European Union Member State or EEA EFTA State, and in respect of the operating authorisation of that air carrier.

#### Article 14

## **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

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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, and any other multilateral agreement governing civil aviation security binding upon both Contracting Parties.

- 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. 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 its operators of aircraft shall be required to observe, for entry into, departure from or while within the territory of the other Contracting Party, aviation security provisions in conformity with the law in force in that country, including, in the case of Denmark, European Union law and EEA law. 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.If 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, airport or air navigation facilities occurs, each Contracting Party shall assist the other Contracting Party by facilitating communications and other

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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 aeronatutical authorities of that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party.
- 7. Without prejudice to Article 4 of this Agreement, failure to reach a satisfactory agreement within fifteen (15) days from the date of such request will constitute grounds to withhold, revoke, limit or impose conditions on the operating authorization or technical permission of the airlines of both Contracting Parties.
- 8. When required by an immediate and extraordinary threat, a Contracting Party may take interim action prior to the expiry of fifteen (15) days.

#### Article 15

#### **Consultations**

Either Contracting Party may at any time request consultations on the implementation, interpretation or amendment to this Agreement or compliance with the Agreement. Such consultations, which may be between aeronautical authorities, shall begin within a period of thirty (30) days from the date the other Contracting Party receives a written request, unless otherwise agreed by the Contracting Parties.

#### Article 16

#### **Amendments**

- 1. If either Contracting Party considers it desirable to amend any provision of this Agreement, such amendment shall be agreed upon in accordance with the provisions of Article 15. Such amendment shall enter into force on the sixtieth (60) day after delivery of the latter of diplomatic notes confirming that the formalities constitutionally required for approval of this amendment have been complied with.
- 2. Amendments to the Annex to this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting Parties.

#### Article 17

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## **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 endeavour to settle it by negotiation.
- 2. If the Contracting Parties fail to reach a settlement of the dispute by negotiation, the dispute may at the request of either Contracting Party be submitted for decision to an arbitration 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 and the third arbitrator shall be appointed within a period of sixty (60) days from the date of nomination of the two other arbitrators. 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.Each Contracting Party shall bear the costs of the arbitrator it has nominated as well as of its representation in the arbitral proceeding. The cost of the president and any other costs shall be born in equal parts by 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.

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## Registration

This Agreement, its Annex and any subsequent amendments thereto shall be submitted by the Contracting Parties to the International Civil Aviation Organization.

#### Article 19

#### Termination

Either Contracting Party may at any time give notice through diplomatic channels 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 20

#### Intermodal services

The designated airlines of each contracting party shall be permitted to employ, in connection with all air cargo transport, any intermodal transport to or from any points in the territories of the contracting parties or third countries. Airlines may select their own intermodal transport or to provide it through arrangements, including code share, with other carriers. Such intermodal services may be offered as a through service and at a single price for the air and intermodal transport combined, provided that shippers are informed as to the providers of the transport involved.

#### Article 21

## **Entry into Force**

This Agreement shall be approved pursuant to the national legislation of each Contracting Party which shall be confirmed by exchange of diplomatic notes. This Agreement shall come into force on the day of the last notification confirming that the Contracting Parties have completed procedures required for the entry into force of this Agreement.

Upon entry into force of this Agreement, the Air Service Agreement between the Government of Egypt and the Government of Denmark signed on the 14<sup>th</sup> of March 1950, as amended, shall be terminated.

This Agreement is drawn in two originals in the Arabic , Danish and English languages, all originals being equally authentic. In case of divergence of interpretation the English text shall prevail.

In Witness Whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

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FOR THE GOVERNMENT OF
THE ARAB REPUBLIC OF EGYPT

FOR THE GOVERNMENT OF THE KINGDOM OF DENMARK

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# ANNEX Route Schedule

1. a) Routes to be operated by the airlines designated by the Arab Republic of Egypt:

From points in Egypt via any intermediate points to any points in Denmark and any points beyond.

b) Routes to be operated by the airlines designated by the Kingdom of Denmark:

From points in Denmark via any intermediate points to any points in Egypt and any points beyond.

- 2. Nothing will prevent a designated airline of either Contracting Party to omit serving intermediate and/or beyond points.
- 3. The exercise of any 5th freedom rights would have to be agreed upon between the competent aeronautical authorities of the Contracting Parties
- 4. The designated airlines of each Contracting Party on all passengers services shall be entitled to operate up to 14 weekly flights in each direction, on the specified routes as stipulated in the Route Schedule, by any type of aircraft. In addition, according to the Ministerial decree 164/2006, airlines from both sides may operate to/ from 8 Airports in EGYPT (Luxor, Hurghada, Aswan, Sharm-el-Sheikh, Taba, St. Catherine, Marsa Alam and El Alamein) without frequency or capacity limitation.
- 5. Designated airlines of each Contracting Party will be entitled to operate up to one weekly all Cargo flight in each direction.

## **Codesharing Arrangement**

In operating or holding out services on the agreed routes, any designated airline of one Contracting Party may enter into co-operative marketing arrangements such as blocked-space or code sharing arrangements, with

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- a) an airline or airlines of either Contracting Party; and/or
- b) an airline or airlines of a third Party.

The above provisions are, however, subject to the following conditions:

- 1. The operating airline must, for a route sector to/from the territory of one of the Contracting Parties, hold route rights for that sector.
- 2. The operating airline or the airline holding out services under its own code on a code sharing sector must hold traffic rights for that code sharing sector.
- 3. All airlines must meet the requirements applied to such arrangements regarding information to customers and filing procedures.
- 4. Capacity offered by a designated airline acting as the marketing airline on the services operated by other airlines shall not be counted against the capacity entitlements of the contracting party designating the said airline.
- 5. No fifth freedom traffic rights shall be exercised by the marketing airlines on the services provided under code share arrangements.
- 6. The designated airline or airlines of one contracting party may also offer code share services on the connecting domestic segments to & from the gateway points specified in the route schedule in the territory of the other contracting party; provided that such services are operated by an airline of the other contracting party and forms a part of a through international journey.
- 7. The absence of an understanding between either contracting party and a third party relating to third country code share arrangements will not preclude the exercise of this entitlements by the designated airlines of either contracting party.
- 8. The schedules of the code sharing services will be notified to the aeronautical authorities of both Contracting Parties before the proposed date of their introduction in accordance with domestic regulations.

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