RECORD OF DISCUSSIONS

- 1. A delegation jointly representing the Governments of Denmark, Norway and Sweden, and a delegation representing the Government of the United Mexican States, met on 8 December 2016 at ICAN2016 in Nassau to discuss their civil aviation relations.
- 2. The talks were held in a very friendly and cordial atmosphere.
- 3. Lists of the delegations are attached as Appendices I and II.
- 4. The delegations discussed the content of the Scandinavian draft ASA and agreed on a majority of the Articles therein, as initialled, with the exception of the provisions within [brackets], Appendix III. It was agreed that the outstanding issues should be resolved through correspondence or negotiations in the near future.
- 5. Furthermore, the delegations agreed upon and initialled an MoU on the cooperation regarding Scandinavian Airlines System (SAS), Appendix IV.
- 6. Upon request from the Scandinavian delegation, the Mexican delegation accepted the insertion of a text in the ASA between Norway and Mexico regarding the exemption of the archipelago of Svalbard from the application of the ASA.
- 7. As regards the question of an Article on the avoidance of double taxation, as proposed by the Mexican side, the delegations took note of the Conventions in force between the Scandinavian countries and Mexico.
- 8. On the draft Article on Airline Representation, the Mexican delegation confirmed that there is no nationality requirement in place in Mexico for airline staff at managerial level.
- 9. The Scandinavian delegation proposed the insertion of the EU standard clause on Fair Competition. The Mexican delegation will consult internally before giving its final position on that clause.

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- 10. The Mexican delegation expressed that according to their legislation, tariffs have to be able to be presented to the aeronautical authorities, if requested, to be registered, pursuant to the provisions of the ASA. Mexican authorities will give response without administrative delay.
- 11. On the issue of the exercise of fifth freedom traffic rights, which was raised by the Scandinavian delegation, the Mexican delegation expressed that such exercise could be considered positively, but that some points may not be available for such rights.
- 12. Pending the finalizing of all provisions of the ASAs and the MoU, and their entry into force, the delegations agreed, on an administrative basis, to give immediate practical effect to the initialled provisions of the ASA and the MoU to the extent possible under national law of each Party.

Done at Nassau on 8 December 2016

For the Scandinavian delegation

For the Mexican delegation

Deputy Director General Minitry of Transport and

Communications

Deputy General Director of Transport and Aeronautical

Control

Appendix I

THE SCANDINAVIAN DELEGATION

Mr. Øyvind Ek

Head of Delegation,

Deputy Director General, Ministry of Transport and

Communications,

Norway

Ms. Ann-Kristin Hanssen

Senior Adviser,

Ministry of Transport and

Communications,

Norway

Mr. Niels Remmer

Director,

Danish Transport and Construction

Agency, **Denmark**

Mr. Thorkild Saxe

Senior Adviser,

Danish Transport and Construction

Agency, **Denmark**

Mr. Lars Österberg

Senior Adviser,

Ministry of Enterprise and

Innovation **Sweden**

Ms. Susanne Aristegui Adolphi

Senior Adviser,

Swedish Transport Agency,

Sweden

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Appendix II

THE DELEGATION OF THE UNITED MEXICAN STATES

Head of Delegation

Mr. Rodrigo Planas Rego Deputy General Director of Transport and Aeronautical Control DGAC

Mr. Rafael Garcia Gijon
Deputy Director of International Agreements
DGAC





Air Services Agreement

between

the Government of the United Mexican States

and

the Government of the Kingdom of [Denmark/Norway/Sweden]

The Government of the United Mexican States and the Government of the Kingdom of [Denmark/Norway/Sweden], 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:

Article 1

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

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- thereof, insofar as such Annexes and amendments have been adopted by both Contracting Parties;
- (b) "aeronautical authorities" means, in the case of the United Mexican States, the Secretariat of Communications and Transport, through the Directorate General of Civil Aviation, and in the case of the Kingdom of [Denmark/Norway/Sweden], [the Danish Transport and Construction Agency/the Ministry of Transport and Communications/the Swedish Transport Agency]; 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 17 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, their baggage, and/or cargo, 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;
- (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; and
- (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 "ICAO" means the International Civil Aviation Organization

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2. References in this Agreement to airlines of [Denmark/Norway/Sweden] shall be understood as referring to airlines designated by [Denmark Norway/Sweden].

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 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 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 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 I (a) and (b) of this Article.

Article 3 Designation and Authorization of Airlines

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party through diplomatic channels 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.

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- 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/Norway/Sweden]:
 - i. it is established in the territory of [Denmark/Norway/Sweden] under the EU Treaties or under the Agreement on the European Economic Area, and has a valid Operating License 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;
 - b) in the case of an airline designated by the United Mexican States:
 - i. it is established in the territory of the United Mexican States and is licensed in accordance with the applicable law of the United Mexican States; and
 - ii. the United Mexican States has and maintains effective regulatory control of the airline; and
 - 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.
 - 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.

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Article 4 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/Norway/Sweden]:
 - i. it is not established in the territory of [Denmark/Norway/Sweden] under the EU Treaties or in accordance with the Agreement on the European Economic Area, or does not have a valid Operating License 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;
 - (b) in the case of an airline designated by the United Mexican States:
 - i. it is not established in the territory of the United Mexican States and is not licensed in accordance with the applicable law of the United Mexican States; or
 - ii. the United Mexican States is not maintaining effective regulatory control of the airline;

or

- (c) that airline has failed to comply with the laws and regulations of the Contracting Party granting the authorization or permissions.
- 2. Unless immediate revocation or suspension of the operating authorization mentioned in paragraph I 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.

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Article 5 User Charges

- 1. Neither Contracting Party shall impose 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.
- 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 Exemptions from Customs Duties and other Charges

1. Aircraft operated on international air services by the designated airlines of one Contracting Party, as well as its regular equipment, spare parts supplies of fuel and lubricants, consumable technical supplies and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempted, on the basis of reciprocity and according to their national legislation, from all customs duties, inspection fees and other similar charges on arrival in the territory of the other Contracting Party, provided such equipment, spare parts, supplies and stores

remain on board the aircraft up to such time as they are re-exported or are consumed on the part of the journey performed over that territory.

- 2. The following equipment and materials, shall be exempted by the other Contracting Party, on the basis of reciprocity and according to its national legislation, from all customs duties, inspection fees and other similar charges, not based on the cost of the service provided on arrival, including:
 - (a) regular equipment, fuel, lubricants, consumable technical supplies, aircraft stores (including food, beverages and tobacco), introduced into the territory of the other Contracting Party, by or on behalf of a designated airline or taken on board aircraft operated by that designated airline, and intended, for use on aircraft engaged in an international air service, even when such regular equipment and materials are to be used on the part of the journey performed over the territory of the other Contracting Party;
 - (b) spare parts, including engines, introduced into the territory of the other Contracting Party by or on behalf of a designated airline or taken on board aircraft operated by that designated airline for the maintenance or repair of aircraft used in international air services a by that designated airline; and
 - (c) printed tickets, airways bills, as well as any printed material which bears insignia of the designated airline of one Contracting Party, and publicity material distributed without charge by that designated airline.
- 3. The materials referred to in paragraphs 1 and 2 of this Article shall be kept under the supervision or control of the customs authorities.
- 4. Regular airborne equipment as well as the materials and supplies retained on board the aircraft operated by the designated airline of one Contracting Party, may be unloaded in the territory of the other Contracting Party only with the approval of customs authorities of that territory. In such case, they shall be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed, in accordance with customs regulations.
 - 5. The exemptions provided by this Article shall also apply in cases where the designated airlines of one Contracting Party have entered into arrangements with other airlines for the loan or transfer in the territory of the other Contracting Party of the materials specified in paragraphs 1 and 2 of this Article, provided such other airlines similarly enjoy such exemptions from the other Contracting Party.



- 6. Nothing in this Agreement shall prevent [Denmark/Norway/Sweden] 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 the designated airlines of the United Mexican States that operates between a point in the territory of [Denmark/Norway/Sweden] and another point in the territory of [Denmark/Norway/Sweden] or a point in the territory of another European Union Member State or EEA EFTA State.
- 7. Nothing in this Agreement shall prevent the United Mexican States form 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 [Denmark/Norway/Sweden] that operates between a point in the territory of the United Mexican States and another point in that territory.]

[Article 7 Direct Transit

Passengers, baggage and cargo in direct transit through the territory of either Contracting Party and not leaving the area of the airport reserved for such purpose, shall only be subject to a simplified control, except for reasons of security measures against violence, air piracy, smuggling of narcotic drugs and psychotropic substances. Baggage and cargo in direct transit shall be exempted, on the basis of reciprocity and according to their national legislation, from all customs duties, inspections fees and other similar charges.]

Article 8 Application of Laws and Regulations

1. 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 passengers, crew, cargo and mail, upon transit of, admission to, departure from and while within the territory of such a Contracting Party.

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2. 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.

Article 9 Capacity Provisions

- 1. Each Contracting Party shall allow fair and equal opportunity for the designated airlines of both Contracting Parties to compete in the international air transportation covered by this Agreement.
- 2. Each Contracting Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the airlines of the other Contracting Party.
- 3. Neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs, technical, operational or environmental reasons under uniform conditions consistent with Article 15 of the Convention.
- 4. Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first refusal requirement, uplift ratio, no-objection fee or any other requirement with respect to the capacity, frequency or traffic which would be inconsistent with the purposes of this Agreement.

[Article 10 Fair Competition

1. The Contracting Parties acknowledge that it is their joint objective to have a fair and competitive environment and fair and equal opportunity for the airlines of both Contracting Parties to compete in operating the agreed services on the



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specified routes. Therefore, the Contracting Parties shall take all appropriate measures to ensure the full enforcement of this objective.

- 2. The Contracting Parties assert that free, fair and undistorted competition is important to promote the objectives of this Agreement and note that the existence of comprehensive competition laws and of an independent competition authority as well as the sound and effective enforcement of their respective competition laws are important for the efficient provision of air transport services. The competition laws of each Contracting Party addressing the issues covered by this Article, as amended from time to time, shall apply to the operation of the air carriers within the jurisdiction of the respective Contracting Party. The Contracting Parties share the objectives of compatibility and convergence of Competition law and of its effective application. They will cooperate as appropriate and where relevant on the effective application of competition law, including by allowing the disclosure, in accordance with their respective rules and jurisprudence, by their respective airline(s) or other nationals of information pertinent to a competition law action by the competition authorities of each other.
- 3. Nothing in this Agreement shall affect, limit or jeopardize in any way the authority and powers of the relevant competition authorities and courts of either Contracting Party (and of the European Commission), and all matters relating to the enforcement of competition law shall continue to fall under the exclusive competence of those authorities and courts. Therefore, any action taken pursuant to this Article by a Contracting Party shall be without prejudice to any possible actions taken by those authorities and courts.
- 4. Any action taken pursuant to this Article shall fall under the exclusive responsibility of the Contracting Parties and shall be exclusively directed towards the other Contracting Party and/or to airline(s) providing air transport services to/from the Contracting Parties. Such action shall not be subject to the dispute settlement procedure foreseen in Article.....

Unfair competition

5. Each Contracting Party shall eliminate all forms of discrimination or unfair practices which would adversely affect the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing air transport services.

Public subsidies and support

- 6. Neither Contracting Party shall provide or permit public subsidies or support to their respective airlines if these subsidies or support would significantly and adversely affect, in an unjustified way, the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing air transport services. Such public subsidies or support may include, but are not limited to: cross-subsidisation; the setting-off of operational losses; the provision of capital; grants; guarantees; loans or insurance on privileged terms; protection from bankruptcy; foregoing the recovery of amounts due; foregoing a normal return on public funds invested; tax relief or tax exemptions; compensation for financial burdens imposed by public authorities; and access on a discriminatory or noncommercial basis to air navigation or airport facilities and services, fuel, ground handling, security, computer reservation systems, slot allocation or other related facilities and services necessary for the operation of air services.
- 7. When a Contracting Party provides public subsidies or support in the sense of paragraph 6 above to an airline, it shall ensure the transparency of such measure through any appropriate means, which may include requiring that the airline identifies the subsidy or support clearly and separately in its accounts.
- 8. Each Contracting Party shall, at the request of the other Contracting Party, provide to the other Contracting Party within a reasonable time financial reports relating to the entities under the jurisdiction of the first Contracting Party, and any other such information that may be reasonably requested by the other Contracting Party to ensure that the provisions of this Article are being complied with. This may include detailed information relating to subsidies or support in the sense of paragraph 6 above. The submission of such information may be subject to its confidential treatment by the Contracting Party requesting access to the information.
- 9. Without prejudice to any action undertaken by the relevant competition authority and/or court for the enforcement of the rules referred to in paragraphs 5 and 6,

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- a) if one Contracting Party finds that an airline is being subject to discrimination or unfair practices in the sense of paragraphs 5 or 6 above and that this can be substantiated, it may submit observations in writing to the other Contracting Party. After informing the other Contracting Party, a Contracting Party may also approach responsible government entities in the territory of the other Contracting Party, including entities at the central, regional, provincial or local level to discuss matters relating to this Article. Moreover, a Contracting Party may request consultations on this matter with the other Contracting Party with a view to solving the problem. Such consultations shall start within a period of thirty (30) days of the receipt of the request. In the meantime, the Contracting Parties shall exchange sufficient information to enable a full examination of the concern expressed by one of the Contracting Parties.
- b) if the Contracting Parties fail to reach a resolution of the matter through consultations within thirty (30) days from the start of consultations or consultations do not start within a period of thirty (30) days of the receipt of the request concerning an alleged violation of paragraphs 5 or 6 above, the Contracting Party which requested the consultation shall have the right to suspend the exercise of the rights specified in this Agreement by the airline(s) of the other Contracting Party by refusing, withholding, revoking or suspending the operating authorisation/permit, or to impose such conditions as it may deem necessary on the exercise of such rights, or impose duties or take other actions. Any action taken pursuant to this paragraph shall be appropriate, proportionate and restricted with regard to scope and duration to what is strictly necessary.

Antitrust

- 10. Each Contracting Party shall effectively apply antitrust laws in accordance with paragraph 2, and shall prohibit airline(s):
- a) in conjunction with any other airline(s) to enter into agreements, take decisions or engage in concerted practices which may affect air transport services to/from that Contracting Party and which have as their object or effect the prevention, restriction or distortion of competition. This prohibition may be declared inapplicable where such agreements, decisions or practices contribute to improving the production or distribution of services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and do not: (a) impose on the airlines concerned restrictions which are not indispensable to the attainment of these objectives; (b) afford such airlines the possibility of eliminating competition in respect of a substantial part of the services in question, and

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- b) to abuse a dominant position in a way which may affect air transport services to/from that Contracting Party.
- 11. Each Contracting Party shall entrust the enforcement of the antitrust rules referred to in paragraph 10 above exclusively to its relevant and independent competition authority and/or court.
- 12. Without prejudice to any action undertaken by the relevant competition authority and/or court for the enforcement of the rules referred to in paragraph 10, if one Contracting Party finds that an airline suffers from an alleged violation of paragraph 10 above and that this can be substantiated, it may submit observations in writing to the other Contracting Party. After informing the other Contracting Party, a Contracting Party may also approach responsible government entities in the territory of the other Contracting Party, including entities at the central, regional, provincial or local level to discuss matters relating to this Article. Moreover, a Contracting Party may request consultations on this matter with the other Contracting Party with a view to solving the problem. Such consultations shall start within a period of thirty (30) days of the receipt of the request. In the meantime, the Contracting Parties shall exchange sufficient information to enable a full examination of the concern expressed by one of the Contracting Parties.
- 13. If the Contracting Parties fail to reach a resolution of the matter through consultations within thirty (30) days from the start of consultations or consultations do not start within a period of thirty (30) days of the receipt of the request concerning an alleged violation of paragraph 10, and provided the relevant competent competition authority or court has found an antitrust violation, the Contracting Party which requested the consultation shall have the right to suspend the exercise of the rights specified in this Agreement by the airline(s) of the other Contracting Party by refusing, withholding, revoking or suspending the operating authorisation/permit, or to impose such conditions as it may deem necessary on the exercise of such rights, or impose duties or take other actions. Any action taken pursuant to this paragraph shall be appropriate, proportionate and restricted with regard to scope and duration to what is strictly necessary.]



Article 11 Tariffs

- 1. Tariffs for international air transport operated pursuant to this Agreement shall not be required to be filed with the aeronautical authorities of either Contracting Party. Each Contracting Party may require designated airlines of the other Contracting Party to provide immediate access, on request, to information on prices to its aeronautical authorities in a manner and format acceptable to those aeronautical authorities.
- 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 restrictive due either to the abuse of a dominant position or to concerted practices among air carriers; and
 - c) protect airlines from tariffs that are artificially low because of direct or indirect governmental subsidy or support.
 - d) protect airlines from prices that are artificially low, where there is evidence of intent to eliminate competition.
- 3. If one Contracting Party believes that any tariff is inconsistent with the considerations set out in paragraph 2 above, it may request consultations and notify the other Contracting Party of the reasons for its dissatisfaction. These consultations shall be held not later than 14 days after receipt of the request. Without a mutual agreement the tariff shall take effect or continue in effect.

Article 12 Transfer of Earnings

Each Contracting Party shall grant to the designated airline of the other Contracting Party, the right of free transfer of the revenues over expenditure earned in the territory of the respective Contracting Party. Such transfer shall be effected in any freely usable currency at the rate of exchange in effect at the time such revenues are presented for conversion and remittance, in accordance with the domestic laws and regulations. Such transfer shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.



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Article 13 Airline Representation

- 1. Each Contracting Party, within the scope of the laws and regulations in force therein, grants to a designated airline of the other Contracting Party, on the basis of reciprocity, the right to maintain in its territory representatives including office, administrative, commercial and technical personnel as may be necessary for the requirements of the designated airline concerned.
- 2. 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, 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 usable 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 usable currency its 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 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.
- 2. Any alteration made in an approved air traffic programme at a later date shall also be submitted for approval.

Article 15 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



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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
 - (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.

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- 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/Norway/Sweden] 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 authorization of that air carrier.

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, done at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, done at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done 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 24 February 1988, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, done at Montreal on 1 March



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1991 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 such 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/Norway/ Sweden], 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 an-craft, their passengers and crew, airport 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 consultations on the implementation, interpretation or amendment to this Agreement or compliance

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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 18 Amendments

- 1. The Contracting Parties may agree any amendments to this Agreement.
- 2. Any amendments to this Agreement agreed by the Contracting Parties shall enter into force when approved in accordance with the constitutional requirements of both Contracting Parties and confirmed by an exchange of diplomatic notes.
- 3. Amendments to the Annex to this Agreement may be made by direct agreement in writing 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 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



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- 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.

Article 20 Registration

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

Article 21 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 22 Entry into Force

This Agreement shall enter into force thirty (30) days after the date of the receipt of the last written notification, through diplomatic channels, by which the Contracting Parties have notified each other that all necessary internal procedures for entry into force of this Agreement have been completed.

[For the ASA Norway-Mexico only: Upon signature of this Agreement, the Kingdom of Norway shall have the right to exempt the territory of Svalbard from the application of this Agreement.]

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

Done in duplicate at [......] this [......] day of [......] in the English, [Danish]; [Norwegian]; [Swedish] and Spanish languages.

In the event of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE UNITED MEXICAN STATES FOR THE GOVERNMENT OF THE KINGDOM OF [DENMARK/ NORWAY/SWEDEN]

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ANNEX

ROUTE SCHEDULE

- 1. a) Routes to be operated by the airlines designated by the United Mexican States:
 - From points in the United Mexican States via intermediate points to points in [Denmark/Norway/ Sweden] and points beyond.
 - b) Routes to be operated by the airlines designated by the Kingdom of [Denmark/Norway/Sweden]
 - From points in [Denmark/Norway/Sweden] via intermediate points to points in the United Mexican States and points beyond.
- 2. Nothing will prevent a designated airline of either Contracting Party to omit serving intermediate and/or beyond points.
- 3. Intermediate and beyond points could be served with fifth freedom traffic rights, when previously agreed to and authorized on each point by both aeronautical authorities of the Contracting Parties.



CO-OPERATIVE MARKETING ARRANGEMENTS

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

- a) an airline or airlines of either Contracting Party; and/or
- b) an airline or airlines of a third Party. If such third Party does not acknowledge or allow comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such third country, the Contracting Parties have the right not to accept such arrangements.

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.

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MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE KINGDOM OF DENMARK,
THE GOVERNMENT OF THE KINGDOM OF NORWAY,
THE GOVERNMENT OF THE KINGDOM OF SWEDEN

AND

THE GOVERNMENT OF THE UNITED MEXICAN STATES

ON

THE CO-OPERATION BETWEEN THE SCANDINAVIAN COUNTRIES

REGARDING SCANDINAVIAN AIRLINES SYSTEM (SAS)

With reference to Article 3 of the three Air Services Agreements signed today (the Agreements) between the Government of the United Mexican States the Governments of Denmark, Norway and Sweden regarding the designation of airlines, the Contracting Parties have agreed to the following understanding, should the three parent companies of Scandinavian Airlines System (SAS) be designated by the Kingdom of Denmark, the Kingdom of Norway and the Kingdom of Sweden, respectively.

1. Notwithstanding the provisions of Articles 3 and 4 of the Agreements, the three parent companies SAS Denmark A/S, SAS Norge AS and SAS Sverige AB, co-operating under the style of Scandinavian Airlines System (SAS), may operate services under the Agreements with aircraft, crew and equipment of any or all of the three parent companies.

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2. In so far as any of the parent companies employs aircraft, crew and equipment of the other two parent companies participating in Scandinavian Airlines System (SAS), the provisions of the Agreements will apply to such aircraft, crew and equipment, as though they were the aircraft, crew and equipment of SAS Denmark A/S, SAS Norge AS or SAS Sverige AB respectively. In this event the competent Danish, Norwegian or Swedish authorities and the respective parent company will accept full responsibility under the Agreement for such aircraft, crew and equipment.

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