

**AIR SERVICES AGREEMENT**

**BETWEEN**

**THE PORTUGUESE REPUBLIC**

**AND**

**THE UNITED ARAB EMIRATES**

## **Index to the Articles**

PREAMBLE

ARTICLE 1 - DEFINITIONS

ARTICLE 2 - GRANT OF RIGHTS

ARTICLE 3 - DESIGNATION AND AUTHORIZATION

ARTICLE 4 - REFUSAL, REVOCATION, SUSPENSION AND LIMITATION OF OPERATING AUTHORIZATION

ARTICLE 5 – PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

ARTICLE 6 - CUSTOMS DUTIES AND OTHER CHARGES

ARTICLE 7 – APPLICATION OF NATIONAL LAWS AND REGULATIONS

ARTICLE 8 – TRAFFIC IN DIRECT TRANSIT

ARTICLE 9 - CERTIFICATES OF AIRWORTHINESS AND COMPETENCY

ARTICLE 10 – SAFETY

ARTICLE 11 – USER CHARGES

ARTICLE 12 – AVIATION SECURITY

ARTICLE 13 - COMMERCIAL ACTIVITIES

ARTICLE 14 – TRANSFER OF FUNDS

ARTICLE 15 – NOTIFICATION OF TIMETABLES

ARTICLE 16 – TARIFFS

ARTICLE 17 - EXCHANGE OF INFORMATION

ARTICLE 18 - CONSULTATION

ARTICLE 19 - SETTLEMENT OF DISPUTES

ARTICLE 20 - AMENDMENTS

ARTICLE 21 - REGISTRATION

ARTICLE 22 – DURATION AND TERMINATION

ARTICLE 23 – ENTRY INTO FORCE

## **PREAMBLE**

The Portuguese Republic and the United Arab Emirates (Hereinafter referred to as the "Parties");

**B**eing parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944;

**D**esiring to conclude an Agreement for the purpose of establishing and operating Air Services between and beyond their respective territories;

**A**cknowledging the importance of air transportation as a means of creating and fostering friendship, understanding and co-operation between the people of the two countries;

**D**esiring to facilitate the expansion of international air transport opportunities;

**AGREE AS FOLLOWS:**

**ARTICLE 1 - DEFINITIONS**

1. For the purpose of this Agreement, unless the context otherwise requires, the term:
- a) "Aeronautical Authority" shall mean in the case of the Portuguese Republic, the National Institute of Civil Aviation; and in the case of the United Arab Emirates (UAE), the General Civil Aviation Authority; or in either case any person or body authorized to perform any function to which this Agreement relates;
  - b) "Agreed Services" shall mean scheduled International Air Services between the respective territories of the Portuguese Republic and the United Arab Emirates (UAE) on the specified routes for the transport of passengers, baggage and cargo, separately or in any combination;
  - c) "Agreement" shall mean this Agreement, its Annexes drawn up in application thereof, and any amendment to the Agreement or to the Annexes;
  - d) "Air Service", "Airline", "International Air Service" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
  - e) "Annex 1" shall include the route schedule annexed to the Agreement and any clauses or notes appearing in such Annex 1 and any modification made thereto in accordance with the provisions of Article 20 of this Agreement;
  - f) "Convention" shall mean the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December 1944, and includes: (i) any amendment thereto which has entered into force under Article 94(a) of the Convention and has been ratified by both Parties; and (ii) any annex or amendment adopted thereto under Article 90 of that Convention, insofar as such annex or amendment is at any given time effective for both Parties;
  - g) "Designated Airlines" shall mean an airline or airlines that have been designated and authorized in accordance with Article 3 of this Agreement;
  - h) "Tariffs" shall mean the prices to be charged for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other ancillary services, but excluding remuneration and conditions for carriage of mail;
  - i) "Territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention;
  - j) "Traffic" shall mean the carriage of passengers, baggage cargo and mail;

k) "User Charges" shall mean charges made to airlines by the competent authorities or permitted by them to be made for the provision of airport facilities, property and/or of air navigation facilities, including related services and facilities for aircraft, their crews, passengers, baggage cargo and mail;

l) "Member States" shall mean Member States of the European Union;

2. The Annexes to this Agreement are considered an integral part thereof.

3. In implementing this Agreement, the Parties shall act in conformity with the provisions of the Convention insofar as those provisions are applicable to International Air Services.

## **ARTICLE 2 - GRANT OF RIGHTS**

1. Each Party grants to the other Party the rights specified in this Agreement to enable its designated airlines to establish and operate Agreed Services.

2. The designated airlines of each Party shall enjoy the following rights;

a) to fly across the Territory of the other Party without landing;

b) to make stops in the Territory of the other Party for non-traffic purposes, and

c) to make stops in the Territory of the other Party, for the purpose of taking on and/or discharging international traffic in passengers, baggage, cargo and mail, separately or in any combination, while operating the Agreed Services.

3. Additionally, the airline(s) of each Party, other than those designated under Article 3, shall also enjoy the rights specified in paragraph 2(a) and 2(b) of this Article.

4. Nothing in this Article shall be deemed to confer on any designated airlines of either Party the privilege of taking on, in the Territory of the other Party, passengers, baggage and Cargo carried for remuneration or hire and destined for another point within the Territory of that other Party.

5. If because of armed conflict, political disturbances or developments or special and unusual circumstances a Designated Airline of one Party is unable to operate a service on its normal routing, the other Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangement of routes as is mutually decided by the Parties.

6. The Designated Airlines shall have the right to use all airways, airports and other facilities provided by the Parties on a non-discriminatory basis.

### **ARTICLE 3 - DESIGNATION AND AUTHORIZATION**

1. Each Party shall have the right to designate one or more airlines for the purpose of operating the Agreed Services and to withdraw or alter the designation of any such airline or to substitute another airline for one previously designated. Such designation may specify the scope of the authorization granted to each airline in relation to the operation of the Agreed Services. Designations and any changes thereto shall be made in writing and shall be transmitted to the other Party through diplomatic channels.

2. On receipt of such a designation, substitution or alteration thereto, and on application from the Designated Airline in the form and manner prescribed, the other Party shall, subject to the provisions of paragraphs (3) and (4) of this Article, without delay grant to the airline(s) designated the appropriate operating authorizations.

3. One Party may require an airline designated by the other Party to satisfy them that it is qualified to fulfill the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of International Air Services by such authority in conformity with the provisions of the Convention.

4. Each Party shall grant the operating authorizations referred to in paragraph (2) of this Article, provided that:

a) in the case of an airline designated by Portuguese Republic:

i. it is established in the Territory of Portuguese Republic under the EU Treaties and has a valid Operating Licence granted by a Member State in accordance with European Union law; and

ii. effective regulatory control of the airline is exercised and maintained by the Member State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation; and

iii. the airline has its principal place of business in the Territory of the Member State from which it has received the valid Operating Licence; and

iv. the airline is owned, directly or through majority ownership, and it is effectively controlled by Member States and/or nationals of Member States, and/or by other states listed in Annex 2 to this Agreement and/or nationals of such other states.

b) in the case of an airline designated by the UAE:

i. it is established in the Territory of the UAE and is licensed in accordance with the

applicable law of the UAE; and

- ii. the UAE has and maintains effective regulatory control of the airline.
- c) the airline is in compliance with the provisions set forth in Article 10 (Safety) and Article 12 (Aviation Security).

5. When an airline has been so designated and authorized, it may begin at any time to operate the Agreed Services in whole or in part, provided that a timetable is established in accordance with Article 15 of this Agreement in respect of such services.

#### **ARTICLE 4 – REFUSAL, REVOCATION, SUSPENSION AND LIMITATION OF OPERATING AUTHORIZATION**

1. Each Party shall, with respect to an airline designated by the other Party, have the right to refuse, revoke, suspend or limit an operating authorization or technical permissions of an airline designated by the other Party of the rights specified in Article 2 of this Agreement, or to impose conditions, temporarily or permanently, as it may deem necessary on the exercise of those rights:

a) in the case of failure by that airline to comply with the laws and regulations normally and reasonably applied by the Party granting those rights in conformity with the Convention; or

b) in case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement; or

c) 1. in the case of an airline designated by Portuguese Republic:

i) it is not established in the Territory of Portuguese Republic under the EU Treaties or does not have a valid Operating Licence granted by a Member State in accordance with the European Union law; or

ii) effective regulatory control of the airline is not exercised or not maintained by the EU Member 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 does not have its principal place of business in the Territory of the Member State from which it has received its Operating Licence; or

iv) the airline is not owned, directly or through majority ownership, or it is not effectively controlled by Member States and/or nationals of Member States, and/or by

other states members listed in Annex 2 to this Agreement and/or nationals of such other states; or

v) the airline holds an Air Operator's Certificate issued by another Member State and it can be demonstrated that by exercising traffic rights under this Agreement on a route that includes a point in that other Member State, including the operation of a service which is marketed as, or otherwise constitutes a through service, it would in effect be circumventing restrictions on traffic rights imposed by a bilateral air services agreement between the UAE and that other Member State; or

vi) the airline holds an Air Operator's Certificate issued by a Member State and there is no bilateral air services agreement between the UAE and that Member State, and it can be demonstrated that the necessary traffic rights to conduct the proposed operation are not reciprocally available to the airline (s) designated by the UAE.

2. in the case of an airline designated by the UAE:

i) The airline is not established in the Territory of the UAE or is not licensed in accordance with the applicable law of the UAE; or

ii) The UAE does not have or does not maintain effective regulatory control of the airline; or

iii) the airline is majority owned and controlled by nationals of a state other than the UAE and it can be demonstrated that by exercising traffic rights under this Agreement on a route that includes a point in that other state, including the operation of a service which is marketed as, or otherwise constitutes a through service, it would in effect be circumventing restrictions on traffic rights imposed by a bilateral air services agreement between the Portuguese Republic and that other state; or

iv) the airline is majority owned and controlled by nationals of a state other than the UAE and there is no bilateral air services agreement between the Portuguese Republic and that other state, and it can be demonstrated that the necessary traffic rights to conduct the proposed operation are not reciprocally available to the airline (s) designated by the Portuguese Republic.

In exercising its right under this paragraph, and without prejudice to its rights under paragraph c) 1.v) and vi) of this Article, the UAE shall not discriminate between European Union air carriers on the grounds of nationality.

d) in accordance with paragraph (6) of Article 10 and paragraph (10) of Article 12 of this Agreement;

e) in the case of failure by the other Party to take appropriate action to improve safety in accordance with paragraph (2) of Article 10 of this Agreement; or

f) in any case where the other Party fails to comply with any decision or stipulation arising from the application of Article 19 of this Agreement.

2. Unless immediate refusal, revocation, suspension, or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Party, as provided for in Article 18.

3. In the event of action by one Party under this Article, the rights of the other Party under Article 19 shall not be prejudiced.

#### **ARTICLE 5 – PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES**

1. Each Party shall reciprocally allow the Designated Airlines of both Parties to compete freely in providing the international air transportation governed by this Agreement.

2. Each Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination and anti-competitive or predatory practices in the exercise of the rights and entitlements set out in this Agreement.

3. There shall be no restriction on the capacity and the number of frequencies and/or type(s) of aircraft to be operated by the Designated Airlines of both Parties in any type of service (passenger, cargo, separately or in combination). Each Designated Airline is permitted to determine the frequency, capacity it offers on the Agreed Services.

4. Neither Party shall unilaterally limit the volume of traffic, frequencies, regularity of service or the aircraft type(s) operated by the Designated Airlines of the other Party, except as may be required for customs, technical, operational or environmental requirements under uniform conditions consistent with Article 15 of the Convention.

5. Neither Party shall impose on the Designated Airlines of the other Party a first refusal requirement, uplift ratio, no objection fee or any other requirement with respect to capacity, frequencies or traffic which would be inconsistent with the purposes of this Agreement.

#### **ARTICLE 6 - CUSTOMS DUTIES AND OTHER CHARGES**

1. Each Party exempts the Designated Airlines of the other Party from import

restrictions, customs duties, direct or indirect taxes, inspection fees and all other national and/or local duties and charges on aircraft as well as their regular equipment, fuel, lubricants, maintenance equipment, aircraft tools, consumable technical supplies, spare parts including engines, catering equipment, aircraft stores including but not limited to such items as cutlery, food, beverages, liquor, tobacco and other products for sale to or use by passengers during flight and other items intended for or used solely in connection with the operation or servicing of aircraft used by such Designated Airline operating the Agreed Services, as well as printed ticket stock, airway bills, any printed material which bears the insignia of the Designated Airline printed thereon and usual publicity and promotional materials distributed free of charge by such Designated Airline. The above exemption shall also apply to staff uniforms, computers and ticket printers, within reasonable limits, intended for use by a Designated Airline of one Party provided they are imported temporarily into the Territory of the other Party and re-exported within a maximum period of 24 months.

2. The exemptions granted by this Article shall apply to the items referred to in paragraph (1) of this Article which are:

- a) introduced into the Territory of one Party by or on behalf of a Designated Airline of the other Party;
- b) retained on board the aircraft of a Designated Airline of one Party upon arriving in and until leaving the Territory of the other Party and/or consumed during flight over that Territory;
- c) taken on board the aircraft of a Designated Airline of one Party in the Territory of the other Party and intended for use in operating the Agreed Services;

whether or not such items are used or consumed wholly or partly within the Territory of the Party granting the exemption, provided such items are not alienated in the Territory of the said Party.

3. The regular airborne equipment, as well as the materials, supplies and stores normally retained on board the aircraft used by the Designated Airline of either Party may be unloaded in the Territory of the other Party only with the approval of the customs authorities of that other Party. In such case, such equipment and items shall enjoy the exemptions provided for by paragraph (1) of this Article provided that they may be required to 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.

4. The exemptions provided for by this Article shall also be available in situations where the Designated Airlines of either Party have entered into arrangements with another airline(s), for the loan or transfer in the Territory of the other Party, of the regular equipment and the other items referred to in paragraph (1) of this Article, provided that the other airline enjoys the same exemption(s) from that other Party.

5. Nothing in this Agreement shall prevent the Portuguese Republic 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 Airline of the UAE that operates between points in the Territory of the Portuguese Republic and another point in that Territory or in the Territory of another Member State. In such case, the UAE would have a similar right to reciprocate without discrimination the imposition of similar taxes, levies, duties, fees or charges on fuel supplied in its Territory.

#### **ARTICLE 7 – APPLICATION OF NATIONAL LAWS AND REGULATIONS**

1. The laws, regulations and procedures of one Party relating to the admission to, sojourn in, or departure from its Territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its Territory, shall be applied to aircraft operated by the airline(s) of the other Party without distinction as to nationality as they are applied to its own, and shall be complied with by such aircraft upon entry into, departure from and while within the Territory of that Party.

2. The laws, regulations and procedures of one Party as to the admission to, sojourn in, or departure from its Territory of passengers, baggage, crew and cargo, transported on board the aircraft, such as regulations relating to entry, clearance, immigration, passports, customs, health, quarantine and sanitary measures or in the case of mail, postal laws and regulations shall be complied with by or on behalf of such passengers, baggage, crew and Cargo upon entry into and departure from and while within the Territory of the first Party.

3. Neither Party may grant any preference to its own or any other airline(s) over the Designated Airline(s) of the other Party in the application of the laws and regulations provided for in this Article.

## **ARTICLE 8 – TRAFFIC IN DIRECT TRANSIT**

Passengers, baggage, cargo and mail in direct transit across the Territory of either Party and not leaving areas of the airport reserved for such purpose shall, except in respect of security measures against violence, air piracy, narcotics control be subject to no more than a simplified control. Such baggage and Cargo shall be exempt from customs duties, excise taxes and other similar national and/or local fees and charges.

## **ARTICLE 9 – CERTIFICATES OF AIRWORTHINESS AND COMPETENCY**

1. Certificates of airworthiness, certificates of competency and licenses issued, or validated in accordance with the laws and regulations of one Party including in the case of the Portuguese Republic, EU laws and regulations and still in force, shall be recognized as valid by the other Party for the purpose of operating the Agreed Services provided always that such certificates or licenses were issued, or rendered valid, pursuant to and in conformity with the minimum standards established under the Convention.

2. Each Party, reserves the right, however, to refuse to recognize, for flights above its own Territory, certificates of competency and licenses granted to its own nationals by the other Party.

3. If the privileges or conditions of the licenses or certificates issued or rendered valid by one Party permit a difference from the standards established under the Convention, whether or not such difference has been filed with the International Civil Aviation Organization, the Aeronautical Authority of the other Party may, without prejudice to the rights of the first Party under Article 10(2), request consultations with the Aeronautical Authority of the other Party in accordance with Article 18, with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach satisfactory agreement shall constitute grounds for the application of Article 4(1) of this Agreement.

## **ARTICLE 10 – Safety**

1. Each Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Party. Such consultations shall take place within 30 days of that request.

2. If, following such consultations, one Party finds that the other 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 Party shall notify the other Party of those findings and the steps considered necessary to conform with those minimum standards, and that other Party shall take appropriate corrective action. Failure by the other Party to take appropriate action within 15 days or such longer period as may be agreed, shall be grounds for the application of Article 4(1) of this Agreement.

3. Notwithstanding the obligations in Article 33 of the Convention, it is agreed that any aircraft operated by an airline of one Party on services to or from the Territory of the other Party may, while within the Territory of the other Party, be made the subject of an examination by the authorized representatives of the other 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 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 an airline of one Party in accordance with paragraph (3) of this Article is denied by a representative of that airline, the other Party shall be free to infer that serious concerns of the type referred to in paragraph (4) of this Article arise and draw the conclusions referred to in that paragraph.

6. Each Party reserves the right to suspend or vary the operating authorization of an airline or airlines of the other Party immediately in the event the first Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultation or otherwise, that immediate action is essential to the safety of an airline operation.

7. Any action by one Party in accordance with paragraphs (2) or (6) of this Article shall be discontinued once the basis for taking that action ceases to exist.

8. Where Portuguese Republic has designated an air carrier whose regulatory control is exercised and maintained by another Member State, the rights of the UAE under the safety provisions of this agreement shall apply equally in respect of the adoption, exercise

or maintenance of safety standards by that other Member State and in respect of the operating authorization of that air carrier.

### **ARTICLE 11 – USER CHARGES**

1. Each Party shall ensure that the User Charges imposed or permitted to be imposed by its competent charging bodies on the Designated Airlines of the other Party for the use of airports and other aviation facilities are just and reasonable. These charges shall be based on sound economic principles and shall not be higher than the charges imposed upon aircraft of the designated airlines of each Party engaged in similar international services.

2. Neither Party shall give preference, with respect to User Charges, to its own or to any other airline(s) engaged in similar International Air Services and shall not impose or permit to be imposed, on the Designated Airline(s) of the other Party User Charges higher than those imposed on its own Designated Airline(s) operating similar International Air Services using similar aircraft and associated facilities and services.

3. Each Party shall encourage consultations between its competent charging bodies and the Designated Airlines using the services and facilities. Reasonable notice shall be given whenever possible to such users of any proposal for changes in User Charges together with relevant supporting information and data, to enable them to express their views before the charges are revised.

### **ARTICLE 12 – AVIATION SECURITY**

1. Consistent with their rights and obligations under international law, the Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.

2. Without limiting the generality of their rights and obligations under international law, the Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September, 1971 and the 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, The Convention on the Marking of Plastic explosives for the Purpose of Detection, signed at Montreal on 1 March 1991, and any other agreement governing civil aviation security binding upon both Parties.

3. The Parties shall provide upon request all necessary assistance to each other 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 relevant threat to the security of civil aviation.
4. The Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization and designated as annexes to the Convention to the extent that such security provisions are applicable to the Parties.
5. In addition, the Parties shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their Territory or in the case of the Portuguese Republic operators of aircraft which are established in its territory under the EU treaties and have valid operating licences in accordance with the European Union law, and the operators of airports in their Territory act in conformity with such aviation security provisions as are applicable to the Parties.
6. Each Party agrees that its operators of aircraft shall be required to observe the aviation security provisions referred to in paragraph 4 above, including in the case of the Portuguese Republic, European Union law, applied by the other Party for entry into, departure from, or while within the Territory of that other Party.
7. Each Party shall ensure that measures are effectively applied within its Territory to protect the aircraft and to security screen their passengers, crew and carry-on items and to carry out appropriate security checks on baggage, Cargo and aircraft stores prior to boarding or loading. Each Party also agrees to give positive consideration to any request from the other Party for reasonable special security measures to meet a particular threat.
8. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate such incident or threat as rapidly as possible commensurate with minimum risk to life from such incident or threat.
9. Each Party shall take such measures as it may find practicable to ensure that an aircraft of the other Party subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its Territory is detained thereon unless its departure is necessitated by the overriding duty to protect the lives of its passengers and crew.
10. When a Party has reasonable grounds to believe that the other Party has departed from the provisions of this Article, the Aeronautical Authority of the first Party may request

immediate consultations with the Aeronautical Authority of the other Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds for the application of paragraph (1) of Article 4 of this Agreement. When required by an emergency, a Party may take interim action under paragraph (1) of Article 4 prior to the expiry of fifteen (15) days. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Party with the security provisions of this Article.

### **ARTICLE 13 - COMMERCIAL ACTIVITIES**

1. The Designated Airlines of each Party shall have the right to establish in the Territory of the other Party offices for the purpose of promotion of air transportation and sale of transport documents as well as for other ancillary products and facilities required for the provision of air transportation.
2. The Designated Airlines of each Party shall be entitled to bring into and maintain in the Territory of the other Party those of their own managerial, commercial, operational, sales, technical and other personnel and representatives as it may require in connection with the provision of air transportation.
3. Such representatives and staff requirements mentioned in paragraph 2 of this Article may, at the option of the Designated Airline, be satisfied by its own personnel of any nationality or by using the services of any other airline, organization or company operating in the Territory of the other Party and authorized to perform such services in the Territory of such other Party.
4. The Designated Airlines of each Party shall, either directly and at their discretion, through agents, have the right to engage in the sale of air transportation and its ancillary products and facilities in the Territory of the other Party. For this purpose, the Designated Airlines shall have the right to use its own transportation documents. The Designated Airline of each Party shall have the right to sell, and any person shall be free to purchase, such transportation and its ancillary products and facilities in local currency or in any other freely convertible currency.
5. The Designated Airlines of one Party shall have the right to pay for local expenses in the Territory of the other Party in local currency or provided that this is in accordance with local currency regulations, in any freely convertible currencies.
6. Notwithstanding any other provision of this Agreement, the Designated Airlines and indirect providers of air cargo transportation of both Parties shall be permitted, without restriction, to employ any surface transportation for air cargo to or from points in the Territories of the Parties or in third countries including transport to and from all airports with

customs facilities, and including, where applicable, the right to transport air cargo in bond under applicable laws and regulations. Such air cargo, whether moving by surface or by air, shall have access to airport customs and processing facilities. The Designated Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of air cargo transportation. Such intermodal cargo services may be offered at a single through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

7. In connection with international air transportation, the Designated Airlines of each Party shall be permitted to hold out passenger services under their own name, through cooperative arrangements with surface transportation providers holding the appropriate authority to provide such surface transportation to and from any points in the Territories of the Parties and beyond. Surface transportation providers shall not be subject to the laws and regulations governing air transportation on the sole basis that such surface transportation is held out by an airline under its own name. Such intermodal services may be offered at a single through price for the air and surface transportation combined, provided that passengers are not misled as to the facts concerning such transportation. Surface transportation providers have the discretion to decide whether to enter into the cooperative arrangements referred to above. In deciding on any particular arrangement, surface transportation providers may consider, among other things, consumer interest and technical, economic, space or capacity constraints.

8. All the above activities in this Article shall be carried out in accordance with the applicable laws and regulations in force in the Territory of the other Party.

#### **ARTICLE 14 – TRANSFER OF FUNDS**

1. Each Party grants to the Designated Airlines of the other Party the right to transfer freely the excess of receipts over expenditure earned by such airlines in its Territory in connection with the sale of air transportation, sale of other ancillary products and services as well as commercial interest earned on such revenues (including interest earned on deposits awaiting transfer). Such transfers shall be effected in any convertible currency, at the rate of exchange in effect at the time such revenues are presented for conversion and remittance, in accordance with the foreign exchange regulations of the Party in the Territory of which the revenue accrued. Such transfer shall be effected on the basis of official exchange rates or 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.

2. If a Party imposes restrictions on the transfer of excess of receipts over expenditure by the Designated Airlines of the other Party, the latter shall have a right to impose reciprocal restrictions on the Designated Airlines of the first Party.

3. In the event that there exists, a special agreement between the Parties for the avoidance of double taxation, or in the case where there is a special agreement ruling the transfer of funds between the two Parties, such agreement shall prevail.

### **ARTICLE 15 - NOTIFICATION OF TIMETABLES**

Prior to the inauguration of its services, the timetable of the agreed services, specifying the frequency, the type of aircraft, and period of validity, shall be notified by the designated airline of one Party to the aeronautical authorities of the other Party. This requirement shall likewise apply to any modification thereof.

### **ARTICLE 16 – TARIFFS**

1. Each Party shall allow Tariffs to be established by each Designated Airline based upon its commercial considerations in the market place. Neither Party shall require the Designated Airlines to consult other airlines about the Tariffs they charge or propose to charge.

2. Each Party may require prior filing with its Aeronautical Authorities, of prices to be charged to or from its Territory by Designated Airlines of both Parties. Such filing by or on behalf of the Designated Airlines may be required by no more than 30 days before the proposed date of effectiveness. In individual cases, filing may be permitted on shorter notice than normally required. If a Party permits an airline to file a price on short notice, the price shall become effective on the proposed date for traffic originating in the Territory of that Party.

3. Except as otherwise provided in this Article, neither Party shall take unilateral action to prevent the inauguration or continuation of a price proposed to be charged or charged by a Designated Airline of either Party for international air transportation.

4. Intervention by the Parties shall be limited to:

a) Prevention of Tariffs whose application constitutes anti-competitive behavior which has or is likely to or intended to have the effect of crippling a competitor or excluding a competitor from a route;

b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and

(c) Protection of Designated Airlines from prices that are artificially low.

5. If a Party believes that a price proposed to be charged by a Designated Airline of

the other Party for international air transportation is inconsistent with considerations set forth in paragraph (4) of this Article, it shall request consultations and notify the other Party of the reasons for its dissatisfaction as soon as possible. These consultations shall be held not later than 30 days after receipt of the request, and the Parties shall cooperate in securing information necessary for reasoned resolution of the issue. If the Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Party shall use its best efforts to put that agreement into effect. Without such mutual agreement to the contrary, the previously existing price shall continue in effect.

6. The Tariffs to be charged by the air carrier(s) designated by the UAE for carriage wholly within the European Union shall be subject to European Union law.

7. Notwithstanding the provisions in paragraph 6 of this Article, the air carrier(s) designated by the UAE shall be allowed to match existing prices charged by other airlines for carriage wholly within the European Union.

#### **ARTICLE 17 - EXCHANGE OF INFORMATION**

1. The Aeronautical Authorities of both Parties, on request, shall provide information, as promptly as possible, concerning the current authorizations extended to their respective Designated Airlines to render service to, through, and from the Territory of the other Party. This will include copies of current certificates and authorizations for services on proposed routes, together with amendments or exemption orders.

2. The Aeronautical Authorities of either Party shall supply to the Aeronautical Authorities of the other Party, at their request, such periodic or other statements of statistics of traffic uplifted from and discharged in the Territory of that other Party as may be reasonably required.

#### **ARTICLE 18 - CONSULTATION**

1. In a spirit of close cooperation, the Aeronautical Authorities of the Parties shall consult each other from time to time with a view to ensuring the implementation of and satisfactory compliance with, the provisions of this Agreement and either Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement.

2. Subject to Articles 4, 10 and 12, such consultations, which may be through discussion or correspondence, shall begin within a period of forty five (45) days of the date of receipt of such a request, unless otherwise agreed by both Parties.

## **ARTICLE 19 - SETTLEMENT OF DISPUTES**

1. If any dispute arises between the Parties relating to the interpretation or application of this Agreement the Parties shall in the first place endeavor to settle it by negotiation.
2. If the Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body for mediation.
3. If the Parties do not agree to mediation, or if a settlement is not reached by negotiation, the dispute shall, at the request of either Party, be submitted for decision to a tribunal of three (3) arbitrators which shall be constituted in the following manner:
  - a) Within 60 days of receipt of a request for arbitration, each Party shall appoint one arbitrator. A national of a third State, who shall act as the President of the tribunal, shall be nominated as the third arbitrator by the two appointed arbitrators within 60 days of the appointment of the second;
  - b) If within the time limits specified above any appointment has not been made, either Party may request the President of the Council of the International Civil Aviation Organization to make the necessary appointment within 30 days. If the President is of the same nationality as one of the Parties, the most senior Vice President who is not disqualified on that same ground shall make the appointment. In such case the arbitrator or arbitrators appointed by the said President or the Vice President as the case may be, shall not be nationals or permanent residents of the States parties to this Agreement.
4. Except as hereinafter provided in this Article or otherwise agreed by the Parties, the tribunal shall determine the place where the proceedings will be held and the limits of its jurisdiction in accordance with this Agreement. The tribunal shall establish its own procedure. A conference to determine the precise issues to be arbitrated shall be held not later than 30 days after the tribunal is fully constituted.
5. Except as otherwise agreed by the Parties or prescribed by the tribunal, each Party shall submit a memorandum within 45 days after the tribunal is fully constituted. Replies shall be due 60 days later. The tribunal shall hold a hearing at the request of either Party, or at its discretion, within 30 days after replies are due.
6. The tribunal shall attempt to give a written decision within 30 days after completion of the hearing or, if no hearing is held, 30 days after both replies are submitted. The decision shall be taken by a majority vote.
7. The Parties may submit requests for clarification of the decision within 15 days after it receives the decision of the tribunal, and such clarification shall be issued within 15 days

of such request.

8. The Parties shall comply with any stipulation, provisional ruling or final decision of the tribunal.

9. Subject to the final decision of the tribunal, the Parties shall bear the costs of its arbitrator and an equal share of the other costs of the tribunal, including any expenses incurred by the President or Vice President of the Council of the International Civil Aviation Organization in implementing the procedures in paragraph 3(b) of this Article.

10. If, and as long as, either Party fails to comply with a decision contemplated in paragraph (8) of this Article, the other Party may limit, suspend or revoke any rights or privileges which it has granted under this Agreement to the Party in default.

#### **ARTICLE 20 - AMENDMENTS**

1. If either Party considers it desirable to modify any provision of this Agreement, it may at any time request consultation to the other Party. Such consultation, shall begin within a period of forty five (45) days from the date the other Party has received the written request.

2. The amendments shall enter into force in accordance with what is established in Article 23 of this Agreement.

#### **ARTICLE 21 - REGISTRATION**

This Agreement and any amendments thereto, shall be submitted by the Parties to the International Civil Aviation Organization for registration.

#### **ARTICLE 22 -DURATION AND TERMINATION**

1. This Agreement shall remain in force for an undetermined period.

2. Either Party may at any time give notice in writing through diplomatic channels to the other 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 notice by the other Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period.

3. In the absence of acknowledgment of receipt of a notice of termination by the other Party, notice shall be deemed to have been received by it fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

### **ARTICLE 23 – ENTRY INTO FORCE**

This Agreement shall enter into force thirty (30) days after the date of the receipt of the last notification, through diplomatic channels, indicating that all the internal procedures required for the purpose have been fulfilled.

IN WITNESS WHEREOF the undersigned being duly authorized thereto by their respective Governments, have signed this Agreement in duplicate in the Portuguese, Arabic and English Languages, all texts being equally authentic and each Party retains one original in each language for implementation. In the event of any divergence of interpretation, the English text shall prevail.

Done at Lisbon on this 27<sup>th</sup> day of July of the year 2015

FOR THE PORTUGUESE REPUBLIC

FOR THE UNITED ARAB EMIRATES

**ANNEX 1**  
**ROUTE SCHEDULE**

**Section 1:**

Routes to be operated by the Designated Airline(s) of the United Arab Emirates (UAE).

FROM	INTERMEDIATE POINTS	TO	BEYOND POINTS
Any Points in the UAE	Any Points	Any Points in Portuguese Republic	Any Points

**Section 2:**

Routes to be operated by the Designated Airline(s) of Portuguese Republic

FROM	INTERMEDIATE POINTS	TO	BEYOND POINTS
Any Points in Portuguese Republic	Any Points	Any Points in the UAE	Any Points

**Operation of the Agreed Services**

**Notes**

1. The designated airlines of each Party may on any or all flights omit calling at any of the intermediate and/or beyond points mentioned above, provided that the agreed services on the route begin or end in the territory of the Party who has designated the airline, using owned or leased aircraft (wet or dry).

2. The designated airlines of each Party shall have the right to exercise fifth freedom traffic rights on the following routes:

- a) For airlines of the Portuguese Republic, from points in Portugal via any intermediate points to any points in the United Arab Emirates;

- b) For airlines of the United Arab Emirates, from points in the United Arab Emirates via intra-European Union points to any points in Portugal.

## **ANNEX 2**

### **LIST OF OTHER STATES REFERRED TO IN ARTICLES 3 AND 4 OF THIS AGREEMENT**

- (a) The Republic of Iceland (under the Agreement on the European Economic Area);
- (b) The Principality of Liechtenstein (under the Agreement on the European Economic Area);
- (c) The Kingdom of Norway (under the Agreement on the European Economic Area);
- (d) The Swiss Confederation (under the Agreement between the European Community and the Swiss Confederation on Air Transport).