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Agreement

between the Government of the United Kingdom of Great Britain and
Northern Ireland and the Government of the Republic of Ecuador
concerning Air Services

Quito, 4 January 2007

[The Agreement entered into force on 6 March 2008]

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
January 2012

Cm 8280 £6.25

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Ecuador hereinafter referred to as the “Contracting Parties”;

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on 7 December 19441;

Desiring to conclude an Agreement supplementary to the said Convention for the purpose of establishing air services between their respective territories;

Have agreed as follows:

ARTICLE 1

Definitions

For the purpose of this Agreement, unless the context otherwise requires:

(a) the term “the Chicago Convention” means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944 and includes:

(i) any amendment thereof which has been ratified by both Contracting Parties; and

(ii) any Annex or any amendment thereto adopted under Article 90 of that Convention, insofar as such amendment or annex is at any given time effective for both Contracting Parties;

(b) the term “aeronautical authority” means in the case of the United Kingdom, the Secretary of State for Transport and, for the purpose of Article 7, the Civil Aviation Authority and in the case of the Republic of Ecuador, el Consejo Nacional de Avación Civil (the National Civil Aviation Council) and/or la Dirección General de Aviación Civil (Directorate General for Civil Aviation), or, in both cases, any person or body who may be authorised to perform any functions at present exercisable by the above-mentioned authority or similar functions;

1 Treaty Series No.08 (1953) Cmd 8742
(c) the term “designated airline” means an airline which has been designated and authorised in accordance with Article 4 of this Agreement;

(d) the term “territory” in relation to a State has the meaning assigned to it in Article 2 of the Chicago Convention;

(e) the terms “air service”, “international air service”, “airline” and “stop for non-traffic purposes” have the meanings respectively assigned to them in Article 96 of the Chicago Convention;

(f) the term “this Agreement” includes the Annexes hereto and any amendments to them or to this Agreement;

(g) the term “user charges” means a charge made to airlines by the competent authority or permitted by that authority to be made for the provision of airport property or facilities or of air navigation facilities (including facilities for overflights), or related services and facilities, for aircraft, their crews, passengers and cargo;

(h) the term “Air Operator’s Certificate” means a document issued to an airline which affirms that the airline in question has the professional ability and organisation to secure the safe operation of aircraft for the aviation activities specified in the certificate;

(i) the term “EC Member State” means a State that is now or in the future a contracting party to the Treaty establishing the European Community;

(j) references to airlines of the United Kingdom of Great Britain and Northern Ireland shall be understood as referring to airlines designated by the United Kingdom of Great Britain and Northern Ireland; references to nationals of the United Kingdom of Great Britain and Northern Ireland shall be understood as referring to nationals of European Community Member States.

**ARTICLE 2**

**Applicability of the Chicago Convention**

The provisions of this Agreement shall be subject to the provisions of the Chicago Convention insofar as those provisions are applicable to international air services.
ARTICLE 3

Grant of Rights

(1) Each Contracting Party grants to the other Contracting Party the following rights for the conduct of international air services by the airline(s) designated by the other Contracting Party:

   (a) To fly landing across the territory on the other Contracting Party

   (b) to make stops in the said territory for non-traffic purposes

   (c) to make stops in the said territory for the purpose of taking up and discharging, while operating the specified routed in Annex 1, international traffic in passengers, cargo, mail, separately or in combination.

(2) Nothing stipulated in paragraph (1) of this article shall be interpreted as to granting any of cabotage to the airlines of the Contracting Party.

(3) If because of armed conflict, political disturbances or developments, or special and unusual circumstances, a designated airline of one Contracting Party is unable to operate a service on its normal routeing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangements of routes.

ARTICLE 4

Designation and Authorisation

1. Each Contracting Party shall have the right to designate airlines for the purpose of operating the agreed services on each of the specified routes and to withdraw or alter such designations. Such designations shall be made in writing and shall be transmitted to the other Contracting Party through diplomatic channels.

2. On receipt of such a designation, and of applications from the designated airline, in the form and manner prescribed for operating authorisations and technical permissions, the other Contracting Party shall grant the appropriate authorisations and permissions with minimum procedural delay, provided:

   a) in the case of an airline designated by the United Kingdom of Great Britain and Northern Ireland:

      (i) it is established in the territory of the United Kingdom under the Treaty establishing the European Community and has a valid
operating licence in accordance with European Community law; effective regulatory control of the airline is exercised and maintained by the EC Member State responsible for issuing its Air Operator’s Certificate and the relevant aeronautical authority is clearly identified in the designation; and the airline is owned, directly or through majority ownership, and it is effectively controlled by Member States of the European Community or the European Free Trade Association and/or by nationals of such states.

b) in the case of an airline designated by the Republic of Ecuador:

(i) it is established in the territory of the Republic of Ecuador and has a valid operating license issued in accordance Ecuadorian law; and

(ii) effective regulatory control of the airline is exercised or maintained by the aeronautical authorities of the Republic of Ecuador; and

(iii) the airline is owned directly, or through majority ownership, and is effectively controlled by the Republic of Ecuador and/or nationals of the Republic of Ecuador.

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 authorised it may begin to operate the agreed services, provided that the airline complies with the applicable provisions of this Agreement.

ARTICLE 5

Revocation or Suspension of Operating Authorisations

(1) Either Contracting Party may revoke, suspend or limit the operating authorisation or technical permissions of an airline designated by the other Contracting Party:

(a) where, in the case of an airline designated by the United Kingdom of Great Britain and Northern Ireland:

(i) it is not established in the territory of the United Kingdom under the Treaty establishing the European Community or does not have
a valid operating licence in accordance with European Community law; or

(ii) effective regulatory control of the airline is not exercised or not maintained by the EC 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 is not owned, directly or through majority ownership, or is not effectively controlled by Member States of the European Community or the European Free Trade Association and/or by nationals of such states.

(b) where, in the case of an airline designated by the Republic of Ecuador:

(i) it is not established in the territory of the Republic of Ecuador or does not have a valid operating license issued in accordance with Ecuadorian law; or

(ii) effective regulatory control of the airline is not exercised or not maintained aeronautical authorities of the Republic of Ecuador; or

(iii) the airline is not owned directly, or through majority ownership, or is not effectively controlled by the Republic of Ecuador and/or nationals of the Republic of Ecuador.

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

(d) if the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement; or

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

(f) in accordance with paragraph (6) of Article 10.

(2) Unless immediate 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 Contracting Party.
ARTICLE 6

Fair Competition

(1) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to compete in operating the agreed services on the specified routes.

(2) In operating the agreed services, the designated airlines of each Contracting Party shall take into account the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same routes.

(3) Neither Contracting Party shall allow its designated airline or airlines, either in conjunction with any other airline or airlines or separately, to abuse market power in a way which has or is likely or intended to have the effect of excluding a competitor from a route.

ARTICLE 7

Tariffs

(1) Each Contracting Party shall allow tariffs for air services to be established freely by each designated airline.

(2) Neither Contracting Party may require notification or filing of any tariff to be charged by an airline or airlines designated under this Agreement.

(3) The tariffs to be charged by the airlines designated by the Republic of Ecuador for carriage wholly within the European Community shall be subject to European Community law.

ARTICLE 8

Duties, Taxes and Fees

(1) Aircraft on a flight to, from, or across the territory Contracting Party shall be admitted temporarily free of duty, subject to the customs regulations of the Contracting Party. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores on board an aircraft of a Contracting Party, on arrival in the territory of another Contracting Party and retained on board on leaving territory of the State shall be exempt from customs duty, inspection fees or similar national or local duties and charges. This exemption shall not apply to any quantities or articles unloaded, except in accordance with the customs regulations of the Contracting Party, which may require that they shall be kept under customs supervision.
(2) Spare parts and equipment imported into the territory of a Contracting Party for incorporation in or use on an aircraft of another Contracting Party engaged in international air navigation shall be admitted free of customs duty, subject to compliance with the regulations of Contracting Party concerned, which may provide that the articles shall be kept under customs supervision and control.

Article 9

Aviation Security

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

(2) Consistent with their rights and obligations under international law, the Contracting 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. Without limiting the generality of their rights and obligations under international law, the Contracting 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 1963¹, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970², the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971³, the Montreal Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988⁴, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1 March 1991⁵ and any aviation security agreement that becomes binding on both Contracting Parties.

(3) The Contracting 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 threat to the security of civil aviation.

(4) The Contracting 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 Chicago Convention to the extent that such security provisions are applicable to the Contracting Parties. Each Party shall require that airlines it has designated to operate the agreed services on the

¹ Treaty Series No. 126 (1969) Cmnd 4230
² Treaty Series No. 039 (1972) Cmnd 4956
³ Treaty Series No. 010 (1974) Cmnd 5524
⁴ Treaty Series No. 020 (1991) Cm 1470
⁵ Treaty Series No. 134 (2000) Cm 5018
specified routes, and the operators of airports in its territory, act in conformity with such aviation security provisions.

(5) Each Contracting Party agrees that its designated airlines shall be required to observe the aviation security provisions referred to in paragraph (4) above required by the other Contracting Party for entry into the territory of that other Contracting Party. For departure from, or while within, the territory of the United Kingdom of Great Britain and Northern Ireland, designated airlines shall be required to observe aviation security provisions in conformity with European Community law. For departure from, or while within, the territory of the Republic of Ecuador, designated airlines shall be required to observe aviation security provisions in conformity with the law in force in that country. Each Contracting Party shall ensure that adequate measures are effectively applicable to security applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also act favourably upon any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

(6) When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

ARTICLE 10

Safety

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

(2) Each Contracting Party shall comply with the minimum applicable International Civil Aviation Organisation standards. If 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 Chicago 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 the other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within 15 days or such longer period as may be agreed shall be grounds for the application of Article 5(1) of this Agreement (revocation or suspension of operating authorisation).
(3) Notwithstanding the obligations mentioned in Article 33 of the Chicago Convention it is agreed that any aircraft operated by or, under a lease arrangement, on behalf of 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 authorised 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 Chicago 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 Chicago Convention;

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

(5) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the airline or airlines of one Contracting Party in accordance with paragraph (3) of this Article is denied by a 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) of this Article arise and draw the conclusions referred in that paragraph.

(6) Each Contracting Party reserves the right to suspend or vary the operating authorisation 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, 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 Contracting Party in accordance with paragraphs (2) or (6) of this Article shall be discontinued once the basis for the taking of that action ceases to exist.
ARTICLE 11

Ground handling

Subject to the laws and regulations of each Contracting Party including, in the case of the United Kingdom, European Community law, each designated airline shall have in the territory of the other Contracting Party the right to perform its own ground handling (“self-handling”) or the option to select among competing suppliers that provide ground handling services in whole or in part. Where such laws and regulations limit or preclude self-handling and where there is no effective competition between suppliers that provide ground handling services, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground handling services provided by a supplier or suppliers.

ARTICLE 12

Regulatory Control

Where the United Kingdom of Great Britain and Northern Ireland has designated an airline whose regulatory control is exercised and maintained by another EC Member State, the rights of the other Contracting Party under Article 10 shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other EC Member State and in respect of the operating authorisation of that airline.

ARTICLE 13

Transfer of Earnings

(1) Each designated airline may on demand convert and remit local revenues in excess of sums locally disbursed to the country of its choice. Prompt conversion and remittance shall be permitted without restrictions at the rate of exchange applicable to current transactions which is in effect at the time such revenues are presented for conversion and remittance, and shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.

(2) Each designated airline has the rights of free transfer at the official rate of exchange of the excess of receipts over expenditure earned by the airline of the territory of the other Contracting Party in connection with the carriage of passengers, mail and cargo and other travel related services.
ARTICLE 14

Airline Representation and Sales

The designated airline(s) of each Contracting Party may:

(i) in accordance with laws and regulations relating to entry, residence and employment of the other Contracting Party bring in and maintain in the territory of the other Contracting Party those of their own managerial, technical, operational and other specialist staff which the airline reasonably considers necessary for the provision of air services;

(ii) use the service and personnel of any other organisation, company or airline operating in the territory of the other Contracting Party;

(iii) establish offices in the territory of the other Contracting Party;

(iv) engage in the sale and marketing of air transportation in the territory of the other Contracting Party, either directly or through agents or other intermediaries appointed by the airline. The airline may sell, and any person shall be free to purchase, such transportation in local currency or in any freely convertible other currency.

ARTICLE 15

Intermodal transport

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

ARTICLE 16

User Charges

(1) User charges shall be made in accordance with the rates and tariffs established by each Contracting Party.
(2) The designated airline(s) of one Contracting Party shall not pay higher fees than those imposed on the designated airline(s) of the other Contracting Party and/or on any other foreign airlines operating similar international services, for the use of installations and services of the other Contracting Party.

ARTICLE 17

Consultation

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

ARTICLE 18

Settlement of Disputes

(1) If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place try to settle it by negotiation.

(2) If the Contracting Parties fail to reach a settlement of the dispute by negotiation, it may be referred by them to such person or body as they may agree on or, at the request of either Contracting Party, shall be submitted for decision to a tribunal of three arbitrators which shall be constituted in the following manner:

(a) within 30 days after receipt of a request for arbitration, each Contracting Party shall appoint one arbitrator. A national of a third State, who shall act as President of the tribunal, shall be appointed as the third arbitrator by agreement between the two 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 Contracting Party may request the President of the Council of the International Civil Aviation Organisation to make the necessary appointment within 30 days. If the President has the nationality of one of the Contracting Parties, the most senior Vice-President who does not have the nationality of one of the Contracting Parties shall be requested to make the appointment.

(3) Except as hereinafter provided in this Article or as otherwise agreed by the Contracting Parties, the tribunal shall determine the limits of its jurisdiction and establish its own procedure. At the direction of the tribunal, or at the request of
either of the Contracting Parties, a conference to determine the precise issues to be arbitrated and the specific procedures to be followed shall be held not later than 30 days after the tribunal is fully constituted.

(4) Except as otherwise agreed by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within 45 days after the tribunal is fully constituted. Each Contracting Party may submit a reply within 60 days of submission of the other Contracting Party’s memorandum. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within 30 days after replies are due.

(5) 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 the date both replies are submitted. The decision shall be taken by a majority vote.

(6) The Contracting Parties may submit requests for clarification of the decision within 15 days after it is received and such clarification shall be issued within 15 days of such request.

(7) The decision of the tribunal shall be binding on the Contracting Parties.

(8) Each Contracting Party shall bear the costs of the arbitrator appointed by it. The other costs of the tribunal shall be shared equally by the Contracting Parties including any expenses incurred by the President or Vice-President of the Council of the International Civil Aviation Organisation in implementing the procedures in paragraph (2)(b) of this Article.

**ARTICLE 19**

**Amendment**

Subject to the completion of any constitutional formalities, the Contracting Parties shall agree any amendments to this Agreement by an Exchange of Notes.

**ARTICLE 20**

**Termination**

Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organisation. This Agreement shall terminate at midnight (at the place of receipt of the notice) immediately before the first anniversary of the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the end of this period. In the absence of acknowledgement of receipt by the other
Contracting Party, the notice shall be deemed to have been received 14 days after receipt of the notice by the International Civil Aviation Organisation.

**ARTICLE 21**

**Recognition of Certificates and Licences**

Certificates of airworthiness, certificates of competency and licences issued, or validated in accordance with the laws and procedures of one Contracting Party, including, in the case of the United Kingdom, the laws and regulations of the European Community, and unexpired shall be recognised as valid by the other Contracting Party for the purpose of operating the agreed services, provided always that such certificates or licences were issued, or validated, equal or above the minimum standards established under the Chicago Convention. Any differences to the standards established under the Chicago Convention shall be notified to the other Contracting Party by an Exchange of Notes.

**ARTICLE 22**

**Registration with ICAO**

This Agreement and any amendments to it shall be communicated to the International Civil Aviation Organisation for registration.

**ARTICLE 23**

**Entry into Force**

This Agreement shall be approved according to the constitutional requirements of each Contracting Party and shall enter into force on the date of an exchange of diplomatic notes confirming that all the constitutional procedures required for the entry into force of this Agreement by each Contracting Party have been completed. In witness whereof the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

Done in duplicate at Quito this fourth day of January 2007 in the English and Spanish languages, both texts being equally authoritative.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

**PETER EVANS**

For the Government of the Republic of Ecuador:

**FRANCISCO CARRION MENA**
ANNEX 1

ROUTE SCHEDULE

Section 1

Routes to be operated by the designated airline or airlines of the United Kingdom:
Points in the United Kingdom - Intermediate Points - Points in the Republic of Ecuador - Points Beyond

NOTES:

1. Intermediate points or points beyond may be omitted on any flight provided that the service begins or ends in the United Kingdom.

2. Section 1 does not confer fifth freedom traffic rights. Fifth freedom traffic rights may be agreed separately by the Contracting Parties.

3. Section 1 does not confer cabotage rights. Cabotage rights may be agreed separately by the Contracting Parties.

Section 2

Routes to be operated by the designated airline or airlines of the Republic of Ecuador:
Points in the Republic of Ecuador - Intermediate Points - Points in the United Kingdom - Points Beyond

NOTES:

1. Intermediate points or points beyond may be omitted on any flight provided that the service begins or ends in the Republic of Ecuador.

2. Section 2 does not confer fifth freedom traffic rights. Fifth freedom traffic rights may be agreed separately by the Contracting Parties.

3. Section 2 does not confer cabotage rights. Cabotage rights may be agreed separately by the Contracting Parties.
ANNEX 2

List of countries (other than European Community Member States) who, and whose nationals, are eligible to own and control airlines designated by the United Kingdom of Great Britain and Northern Ireland.

(The name of the country is followed by the title of the relevant international agreement allowing for ownership and control of airlines designated by the United Kingdom of Great Britain and Northern Ireland)

(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).