

Switzerland No. 2 (2019)

Agreement

between the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation relating to Scheduled Air Services

Zurich, 17 December 2018

[The Agreement is not in force]

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
January 2019



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AGREEMENT BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE SWISS CONFEDERATION RELATING TO SCHEDULED AIR SERVICES

The United Kingdom of Great Britain and Northern Ireland ("United Kingdom") and the Swiss Confederation ("Switzerland"), hereinafter, "the Contracting Parties":

Desiring to promote an international aviation system based on competition among airlines in the marketplace with minimum government interference and regulation;

Desiring to facilitate the expansion of international air services opportunities;

Recognising that efficient and competitive international air services enhance trade, the welfare of consumers, and economic growth;

Desiring to make it possible for airlines to offer the travelling and shipping public competitive prices and services in open markets;

Desiring to ensure the highest degree of safety and security in international air services and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardise the safety of persons or property, adversely affect the operation of air services, and undermine public confidence in the safety of civil aviation; and

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on December 7, 1944;

Have agreed as follows:

ARTICLE 1

Definitions

- 1. For the purpose of this Agreement and its Annex, unless otherwise agreed:
 - a. the term "the 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 Convention under articles 90 and 94 thereof so far as those annexes and amendments are applicable for both Contracting Parties;
 - b. the term "aeronautical authorities" means, in the case of the United Kingdom, the Secretary of State for Transport, and, for the purpose of Article 18 (Prices) of this Agreement, the Civil Aviation Authority, and, in the case of Switzerland, the Federal Office of Civil Aviation, or

- in both cases any person or body, authorised to exercise the functions presently assigned to the said authorities;
- c. the term "designated airlines" means an airline or airlines which one Contracting Party has designated, in accordance with Article 6 of this Agreement, for the operation of the agreed air services;
- d. 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;
- e. the term "agreed services" means air services on the specified routes for the carriage of passengers, cargo and mail, separately or in combination;
- f. the terms "air service", "international air service", "airline" and "stop for non-traffic purposes" shall have the meaning respectively assigned to them in Article 96 of the Convention;
- g. the term "territory" in relation to a State shall have the meaning assigned to it in Article 2 of the Convention;
- h. the term "price" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which these prices apply, including prices and conditions of agency and other auxiliary services, but excluding remuneration for the carriage of mail and other conditions for the carriage of mail;
- i. the term "user charges" means a charge made to airlines by the competent authority or by bodies 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;
- j. the term "intermodal transport" means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire.
- 2. The Annex forms an integral part of this Agreement. All references to this Agreement shall include the Annex unless explicitly agreed otherwise.

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 rights specified in this Agreement for the purpose of operating international air services on the routes specified in the schedules of the Annex. Such services and routes are hereafter called "agreed services" and "specified routes" respectively.
- 2. Subject to the provisions of this Agreement the airlines designated by each Contracting Party shall enjoy, while operating international air services:
 - a. the right to fly across the territory of the other Contracting Party without landing;
 - b. the right to make stops in the said territory for non-traffic purposes;
 - c. the rights hereinafter specified in this Agreement for the purpose of operating international air services on the routes specified in the appropriate Section of the Schedule annexed to this Agreement.
- 3. If because of armed conflict, political disturbances or developments, or special and unusual circumstances, the designated airlines of one Contracting Party are unable to operate a service on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate rearrangements of such routes, including the grant of rights for such time as may be necessary to facilitate viable operations.

ARTICLE 4

Exercise of Rights

- 1. The designated airlines shall enjoy fair and equal opportunities to compete in providing the agreed services covered by this Agreement.
- 2. Neither Contracting Party shall restrict the right of each of the designated airlines to carry international traffic between the respective territories of the Contracting Parties or between the territory of one Contracting Party and the territories of third countries.

3. Each Contracting Party shall allow each designated airline to determine the frequency and capacity of the international air transport it offers in accordance with the agreed services on the specified routes. Consistent with this right, neither Contracting Party shall unilaterally limit the volume of traffic, the number of destinations, 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 Chicago Convention.

ARTICLE 5

Application of Laws and Regulations

- 1. The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air services, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft utilised by the designated airlines of the other Contracting Party, and shall be complied with by such aircraft upon entering or departing from or while within the territory of the first Contracting Party.
- 2. While entering, within, or leaving the territory of one Contracting Party, the laws and regulations applicable within that territory relating to the admission to or departure from its territory of passengers, crew or cargo on aircraft (including regulations relating to entry, clearance, immigration, passports, customs and quarantine or, in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew or cargo of the designated airlines of the other Contracting Party.
- 3. Neither Contracting Party may grant any preference to its own airlines with regard to the designated airlines of the other Contracting Party in the application of the laws and regulations provided for in this Article.

ARTICLE 6

Designation and Operating Authorisation

- 1. Each Contracting Party shall have the right to designate as many airlines as it wishes for the purpose of operating the agreed services on each of the specified routes and to withdraw or alter such designations. Such designation shall be transmitted to the other Contracting Party in writing between aeronautical authorities of both Contracting Parties.
- 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 appropriate authorisations and permissions without delay, provided:

- a. in the case of an airline designated by the United Kingdom:
 - (i) it is established in the territory of the United Kingdom and is licenced in accordance with the applicable law of the United Kingdom; and
 - (ii) effective regulatory control of the airline is exercised and maintained by the State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation; and
 - (iii) it is owned, directly or through majority ownership, and it is effectively controlled by the United Kingdom and/or EU Member States and/or Member States of the European Free Trade Association and/or by nationals of these States; and
- b. in the case of an airline designated by Switzerland:
 - (i) it is established in the territory of Switzerland and has a valid Operating Licence issued by Switzerland; and
 - (ii) effective regulatory control of the airline is exercised and maintained by Switzerland, which is responsible for issuing its Air Operator's Certificate; and
 - (iii) it is owned, directly or through majority ownership, and is effectively controlled by Switzerland and/or Member States of the EU and/or Member States of the European Free Trade Association and/or by nationals of these States; 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 authorised it may begin to operate the agreed services, provided that the airline complies with the applicable provisions of this Agreement.

Revocation and Suspension of Operating Authorisation

- 1. Either Contracting Party may revoke, suspend or limit the operating authorisation or technical permissions of an airline of the other Contracting Party:
 - a. where, in the case of an airline designated by the United Kingdom:
 - (i) it is not established in the territory of the United Kingdom or is not licenced in accordance with the applicable law of the United Kingdom; or
 - (ii) effective regulatory control of the airline is not exercised or not maintained by the State responsible for issuing its Air Operator's Certificate or the relevant aeronautical authority responsible for issuing its Air Operator's Certificate is not clearly identified in the designation; or
 - (iii) it is not owned, directly or through majority ownership, or it is not effectively controlled by the United Kingdom and/or EU Member States and/or Member States of the European Free Trade Association and/or by nationals of these States; or
 - b. where, in the case of an airline designated by Switzerland:
 - (i) it is not established in the territory of Switzerland or does not have a valid Operating Licence issued by Switzerland; or
 - (ii) effective regulatory control of the airline is not exercised or not maintained by Switzerland, or Switzerland is not responsible for issuing its Air Operator's Certificate; or
 - (iii) the airline is not owned, directly or through majority ownership, or is not effectively controlled by Switzerland and/or Member States of the European Union and/or Member States of the European Free Trade Association and/or by nationals of these States; or
 - 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. if it has been determined by a Contracting Party that there is a failure by the other Contracting Party or an airline to comply with any provision of Article 9 (Aviation Security) of this Agreement; or
- f. in the case of failure by the other Contracting Party to take appropriate action to improve safety in accordance with paragraph 4 of Article 10 (Aviation Safety) of this Agreement; or
- g. in accordance with paragraph 8 of Article 10 (Aviation Safety) of this Agreement.
- 2. Unless immediate revocation, suspension or the limiting of the operating authorisation or technical permissions 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.
- 3. Either Contracting Party that exercises the rights under paragraph 1 of this Article shall notify in writing the other Contracting Party as soon as possible of the reasons for the revocation, suspension or limitation of the operating authorisation or technical permission.
- 4. In exercising their rights under paragraph 1 of this Article the Contracting Parties shall not discriminate between airlines on the grounds of nationality.
- 5. This Article does not limit the rights of either Contracting Party to revoke, suspend or limit the operating authorisation or technical permissions of an airline of the other Contracting Party in accordance with the provisions of Article 9 (Aviation Security) of this Agreement.

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. 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 capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.
- 3. If a Contracting Party requires the filing of schedules or operational plans by airlines of the other Contracting Party, it shall minimise the administrative burdens on air transport intermediaries and on airlines of the other Contracting Party of such filing requirements and procedures.

- 4. 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 severely weakening a competitor or excluding a competitor from a route.
- 5. Neither Contracting Party shall provide or permit state subsidy or support for or to its designated airline or airlines in such a way that would adversely affect the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing international air services.
- 6. Where a Contracting Party provides state subsidy or support to a designated airline in respect of services operated under this Agreement, it shall require that airline to identify the subsidy or support clearly and separately in its accounts.
- 7. If one Contracting Party has reasonable grounds to consider that its designated airlines are being subjected to discrimination or unfair practices, or that a subsidy or support being considered or provided by the other Contracting Party for or to the airlines of that other Contracting Party would adversely affect or is adversely affecting the fair and equal opportunity of the airlines of the first Contracting Party to compete in providing international air services, it may request consultations and notify the other Contracting Party of the reasons for its dissatisfaction. These consultations shall be held not later than thirty (30) days after receipt of the request, unless otherwise agreed by both Contracting Parties.

Aviation Security

- In accordance 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 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, its Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, 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, as well as with any other convention and protocol relating to the security of civil aviation which both Contracting Parties adhere to.
- 2. 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. Subject to the laws and regulations of each Contracting Party, such assistance shall include the mutual acceptance of the deployment of inflight security officers on board their designated airlines.

- 3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention to the extent that such security provisions are applicable to the Contracting Parties; they 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 and the operators of airports in their territory act in conformity with such aviation security provisions.
- 4. Each Contracting Party agrees that such airlines shall be required to observe the aviation security provisions referred to in paragraph 3 of this Article required by the other Contracting Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
- 5. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of passengers, crew, aircraft, 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.
- 6. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorisation and technical permissions of the airlines of that Contracting Party. When required by an emergency, a Contracting Party may take interim action prior to the expiry of fifteen (15) days.

Aviation Safety

- 1. Each Contracting Party shall recognise as valid, for the purpose of operating the agreed services provided for in this Agreement, certificates of airworthiness, certificates of competency, and licenses issued or validated by the other Contracting Party and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention.
- 2. Each Contracting Party may, however, refuse to recognise as valid for the purpose of flights above its own territory, certificates of competency and licenses granted to or validated for its own nationals by the other Contracting Party or by a third country.
- 3. Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within thirty (30) days of that request.
- 4. 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 7 (Revocation and Suspension of Operating Authorisation) of this Agreement.
- 5. Notwithstanding the obligations mentioned in Article 33 of the Convention it is agreed that any aircraft operated by or, under a lease arrangement, on behalf of the designated airlines of one Contracting Party on services to or from the territory of another 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.
- 6. 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 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 Convention.
- 7. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the designated airlines of one Contracting Party in accordance with paragraph 5 above is denied by the representative of that designated airlines, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph 6 above arise and draw the conclusions referred in that paragraph.
- 8. Each Contracting Party reserves the right to suspend or vary the operating authorisation of the designated 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.
- 9. Any action by one Contracting Party in accordance with paragraphs 4 or 8 above shall be discontinued once the basis for the taking of that action ceases to exist.

Exemption of Duties and Taxes

- 1. On arriving in the territory of the other Contracting Party, aircraft operated on international services by the designated airlines of one Contracting Party, as well as their normal equipment, supplies of fuel and lubricants, aircraft stores including food, beverages and tobacco carried on board such aircraft, shall be exempt from all duties or taxes, provided such equipment, supplies and stores remain on board the aircraft until they are re-exported.
- 2. There shall also be exempt from the same duties and taxes, with exception of charges based on the cost of the service provided:
 - a. aircraft stores taken on board in the territory of one Contracting Party, within the limits fixed by the authorities of the said Contracting Party, and intended for use on board the aircraft operated on an international

service by the designated airlines of the other Contracting Party;

- b. spare parts (including engines) and normal on-board equipment introduced into the territory of one Contracting Party for the servicing, maintenance, or repair of an aircraft of the designated airlines of the other Contracting Party used in international air services;
- c. fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of one Contracting Party for use in an aircraft of the designated airlines of the other Contracting Party engaged in international air services, even when these supplies are to be used on a part of the journey performed over the territory of the Contracting Party in which they are taken on board;
- d. the necessary documents used by the designated airlines of one Contracting Party including transportation documents, airway bills and advertising material, as well as material and equipment which may be used by the designated airlines for commercial and operational purposes within the airport area provided such material and equipment serve the transportation of passengers and freight.
- 3. The on-board equipment, as well as the materials and supplies retained on board the aircraft operated by the designated airlines of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that territory. In such a case, they may be placed under the supervision of the said authorities until 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 Contracting Party have entered into arrangements with other airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraphs 1 and 2 of this Article provided such other airlines similarly enjoy such exemptions from such other Contracting Party.

ARTICLE 12

Direct Transit

Passengers, baggage and cargo in direct transit through the territory of any Contracting Party and not leaving the area of the airport reserved for such purpose shall not undergo any examination except for reasons of aviation security, narcotics control, prevention of illegal entry or in special circumstances.

User Charges

- 1. User charges that may be imposed by the competent charging authorities or bodies of each Contracting Party on the airlines of the other Contracting Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall not discriminate in price between airlines of either Contracting Party.
- 2. User charges imposed on the airlines of the other Contacting Party may reflect, but not exceed, the full cost to the competent charging authorities or bodies of providing appropriate and not excessive airport, airport environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such charges may include a reasonable return on assets. Facilities and services for which charges are made shall be provided on an efficient and economic basis.
- 3. Each Contracting Party shall make its best efforts to ensure that:
 - a. consultations take place between the competent charging authorities or bodies in its territory and the airlines using the services and facilities; and
 - b. the competent charging authorities or bodies and airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraphs 1 and 2 of this Article; and
 - c. the competent charging authorities or bodies provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.
- 4. Neither Contracting Party shall be held, in dispute resolutions procedures pursuant to Article 25 (Settlement of Disputes) of this Agreement, to be in breach of a provision of this Article, unless:
 - a. it fails to undertake a review, or fails to commission an independent review of the charge or practice that is the subject of complaint by the other Contracting Party within a reasonable time; or
 - b. following such a review, it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

Airline Representation and Sales

An authorised airline may:

- a. in accordance with the 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;
- b. use the services and personnel of any other organisation, company or airline operating in the territory of the other Contracting Party;
- c. establish offices in the territory of the other Contracting Party; and
- d. engage in the sale and marketing of air services and ancillary services 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 and ancillary services in local currency or in any freely convertible other currency.

ARTICLE 15

Codeshare

Any authorised airline or airlines may, subject to applicable laws and regulations governing competition, enter into code-sharing arrangements with any other airline or airlines, provided that:

- a. each flight forming part of a service to which the arrangements apply is operated by an airline entitled to operate that flight; and
- b. all airlines involved in codeshare arrangements shall hold the appropriate route and traffic rights; and
- c. in respect of each ticket sold, the purchaser is informed at the point of sale which airline will operate each sector of the service.

Leasing

- 1. The designated airlines of each Contracting Party shall have the right to perform the agreed services on the specified routes using aircraft (or aircraft and crew) leased from any company, including other airlines, subject to being authorised to use the aircraft on such basis by the aeronautical authority of both Contracting Parties. Except where the aeronautical authorities agree that exceptional circumstances apply, the use of leased aircraft shall not result in a lessor airline exercising traffic rights it does not have.
- 2. In order to use aircraft on a lease basis in accordance with paragraph 1 of this Article, the designated airlines shall also be required to meet the conditions prescribed under the law and regulations normally applied to the operation of international air services by the Contracting Parties.

ARTICLE 17

Conversion and Transfer of Revenues

- 1. Each designated airline may on demand convert and remit local revenues in excess of sums locally disbursed to a country of its choice. Prompt conversion and remittance shall be permitted without restrictions at the commercial rate of exchange prevailing 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. In the event that there exists a special agreement between the Contracting Parties for the avoidance of double taxation, or in the case where there is a special agreement governing the transfer of funds between the two Contracting Parties, such agreement shall prevail.

ARTICLE 18

Prices

- 1. Each Contracting Party shall allow prices for international air services to be established freely by each designated airline on the basis of fair competition.
- 2. Prices for international air transportation between the territories of the Contracting Parties shall not be required to be filed. Notwithstanding the foregoing, the airlines of the Contracting Parties shall provide timely access to information on historical, existing, and proposed prices as reasonably requested by the Aeronautical authorities of the Contracting Parties.

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Submission of Schedules

- 1. Each Contracting Party may require notification to its aeronautical authorities of the envisaged schedules by the designated airlines of the other Contracting Party no less than thirty (30) days prior to the operation of the agreed services. The same procedure shall apply to any modification thereof.
- 2. For supplementary flights, which the designated airlines of one Contracting Party wish to operate on the agreed services outside the notified schedule, the designated airlines have to request prior permission from the aeronautical authorities of the other Contracting Party. Such request shall usually be submitted at least two (2) working-days before operating such flights.

ARTICLE 20

Environmental Protection

- 1. The Contracting Parties support the need to protect the environment by promoting the sustainable development of aviation.
- 2. When environmental measures are established, the aviation environmental standards adopted by the International Civil Aviation Organisation in Annexes to the Chicago Convention shall be followed except where differences have been filed.
- 3. Nothing in this Agreement shall be construed to limit the authority of the competent authorities of a Contracting Party to take all appropriate measures to prevent or otherwise address the environmental impacts of air services, provided that such measures are fully consistent with their rights and obligations under international law and are applied without distinction as to nationality.

ARTICLE 21

Intermodal Transport

The airlines of each Contracting Party shall be permitted to employ, in connection with international air services and in accordance to national legislation, 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.

Ground Handling

Subject to the laws and regulations of each Contracting Party each designated airline shall have in the territory of the other Contracting Party the right to select among competing suppliers that provide ground handling services in whole or in part. 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 ground handling services provided by a supplier or suppliers.

ARTICLE 23

Provision of Statistics

The aeronautical authorities of both Contracting Parties shall supply each other, on request, with periodic statistics or other similar information, as may be reasonably required, relating to the traffic carried on the agreed services.

ARTICLE 24

Consultations

Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement. Such consultations, which may be between the aeronautical authorities, shall begin at the earliest possible date but not later than sixty (60) days from the date the other Contracting Party receives the written request, unless otherwise agreed by the Contracting Parties.

ARTICLE 25

Settlement of Disputes

1. Any dispute arising under this Agreement, except those that may arise under Article 18 (Prices), that is not resolved by a first round of formal consultations may be referred by agreement of the Contracting Parties for decision to some person or body. If the Contracting Parties do not so agree, the dispute shall, at the request of either Contracting Party, be submitted to arbitration in accordance with the procedures set forth below.

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- 2. Arbitration shall be by a tribunal of three arbitrators to be constituted as follows:
 - a. Within thirty (30) days after the receipt of a request for arbitration, each Contracting Party shall name one arbitrator. Within sixty (60) days after these two arbitrators have been named, the two arbitrators shall by agreement appoint a third arbitrator, who shall act as President of the arbitral tribunal.
 - b. If either Contracting Party fails to name an arbitrator, or if the third arbitrator is not appointed in accordance with subparagraph a of this paragraph, either Contracting Party may request the President of the Council of the International Civil Aviation Organization to appoint the necessary arbitrator or arbitrators within thirty (30) days. If the President of the Council is of the same nationality as one of the Contracting Parties, the most senior Vice President who is not disqualified on that ground shall make the appointment.
- 3. Except as otherwise agreed, the arbitral tribunal shall determine the limits of its jurisdiction in accordance with this Agreement and shall establish its own procedural rules. The tribunal, once formed, may recommend interim relief measures pending its final determination. 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 fifteen (15) days after the tribunal is fully constituted.
- 4. Except as otherwise agreed or as directed by the tribunal, the statement of claim shall be submitted within forty-five (45) days of the time the tribunal is fully constituted, and the statement of defence shall be submitted sixty (60) days thereafter. Any reply to the statement of defence shall be submitted within thirty (30) days of the submission of the statement of defence. Any response to this reply shall be submitted within thirty (30) days thereafter. If either Contracting Party requests it or the tribunal deems it appropriate, the tribunal shall hold a hearing within forty-five (45) days after the last pleading is due.
- 5. The tribunal shall attempt to render a written decision within thirty (30) days after completion of the hearing or, if no hearing is held, after the date that the last pleading is submitted. The decision of the majority of the tribunal shall prevail.
- 6. The Contracting Parties may submit requests for clarification of the decision within fifteen (15) days after it is rendered and any clarification given shall be issued within fifteen (15) days of such request.
- 7. Each Contracting Party shall, to the degree consistent with its national law, give full effect to any decision or award of the arbitral tribunal.
- 8. The expenses of the arbitral tribunal, including the fees and expenses of the arbitrators, shall be shared equally by the Contracting Parties. Any expenses

incurred by the President of the Council of the International Civil Aviation Organization in connection with the procedures of subparagraph 2(b) of this Article shall be considered to be part of the expenses of the arbitral tribunal.

ARTICLE 26

Modifications

- 1. This Agreement may be amended by written agreement of the Contracting Parties.
- 2. An amendment of this Agreement shall enter into force upon an exchange of diplomatic notes, following the completion of all internal procedures of the Contracting Parties. Such an amendment may be provisionally applied, upon agreement of the Contracting Parties.
- 3. If either Contracting Party considers it desirable to amend an Annex, it may request consultations between the competent authorities of the Contracting Parties. When these authorities agree on an amendment to an Annex, their recommendations on the matter will come into effect when they have been confirmed by an exchange of diplomatic notes.
- 4. In the event of the conclusion of any general multilateral convention concerning air transport by which both Contracting Parties become bound, this Agreement shall be modified so as to conform with the provisions of such convention.

ARTICLE 27

Termination

- 1. Each Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be sent simultaneously to the International Civil Aviation Organisation.
- 2. This Agreement shall terminate at the end of the International Air Transport Association (IATA) traffic season in effect one year following the date of written notification of termination, unless the notice is withdrawn by agreement of the Contracting Parties before the end of this period.
- 3. In default of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the date on which the International Civil Aviation Organisation will have received communication thereof.

4. Each Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting party of a decision to terminate provisional application of this Agreement. In that event, provisional application shall cease at the end of the International Air Transport Association (IATA) traffic season in effect one year following the date of written notification of termination, unless the notice is withdrawn by agreement of the Contracting Parties before the end of this period.

ARTICLE 28

Registration

This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organisation.

ARTICLE 29

Entry into Force

- 1. This Agreement shall enter into force when the Contracting Parties have notified each other by the exchange of diplomatic notes the fulfilment of their legal formalities with regard to the conclusion and the entering into force of international agreements.
- 2. Notwithstanding paragraph 1 of this Article, the Contracting Parties agree to provisionally apply this Agreement from the date on which the Agreement between the European Community and the Swiss Confederation on Air Transport, signed on 21 June 1999, ceases to apply to the United Kingdom. During the period of provisional application the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council for Air Services between and beyond their respective territories, dated 5 April 1950 shall be suspended.
- 3. Upon entry into force, this Agreement shall supersede the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Swiss Federal Council for Air Services between and beyond their respective territories, dated 5 April 1950.

In witness thereof the undersigned being duly authorised by their respective Governments have signed this Agreement.

DONE in duplicate at Berne¹ (Switzerland) on this 17th day of December 2018 in the English and French languages, both texts being equally authentic. In case of any divergence of implementation, interpretation or application, the English text shall prevail.

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¹ This is to read Zurich, exchange of notes to be concluded to formally amend place of signature.

For the

For the United Kingdom of Great Britain and Northern Ireland: **Swiss Confederation:**

CHRIS GRAYLING DORIS LEUTHARD

ANNEX

ROUTE SCHEDULES

Route Schedule I

Routes on which air services may be operated by the designated airlines of the United Kingdom of Great Britain and Northern Ireland (UK):

Points of departure	Intermediate points	Point in Switzerland	Points beyond Switzerland
UK	Any points in EU/EFTA	Any points	Any points in EU/EFTA

Route Schedule II

Routes on which air services may be operated by the designated airlines of Switzerland:

Points of departure	Intermediate points	Point in UK	Points beyond UK
Switzerland	Any points in EU/EFTA	Any points	Any points in EU/EFTA

NOTES:

There shall be no restrictions on the number of passenger or all-cargo services which may be operated by the designated airline or airlines of each Contracting Party on the routes set out herein, using aircraft of any type.

The designated airline or airlines of both Contracting Parties may exercise unlimited third and fourth freedom traffic rights between the UK and Switzerland. The designated airline or airlines of both Contracting Parties may exercise unlimited fifth and seventh freedom traffic rights on all intermediate and beyond points within the EU and EFTA.

The designated airlines of either Contracting Party have the right to co-terminalise their services in the territory of the other Contracting Party under the condition that no traffic rights (cabotage rights) are exercised between the points.

The designated airlines of either Contracting Party have the right to carry their own stop-over traffic in the territory of the other Contracting Party - under the condition that no traffic rights (cabotage rights) are exercised - as well as on international routes.

Each designated airline of either Contracting Party may, on any or all flights and at its option:

- 1. Operate flights in either or both directions;
- 2. Combine different flight numbers within one aircraft operation;
- 3. Serve behind, intermediate and beyond points and the designated points in the territories of the Contracting Parties on the routes in any combination and in any order;
- 4. Omit stops at any point or points;
- 5. Transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and
- 6. Serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services; without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under the present Agreement; provided that the service serves a point in the territory of the Contracting Party designating the airlines.