



Canada No. 1 (2023)

Agreement

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

Leipzig, 18 May 2022

[The Agreement is not in force]

*Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and Development Affairs
by Command of His Majesty
June 2023*

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**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF CANADA CONCERNING AIR SERVICES**

The Government of Canada (“Canada”) and the Government of the United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”), hereinafter referred to as the “Contracting Parties”,

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

Desiring to conclude an agreement supplementary to the said Convention for the purpose of establishing air services;

Have agreed as follows:

ARTICLE 1

Definitions

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

- (a) the term "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944 and includes: (i) any amendment thereto which has entered into force under Article 94(a) thereof and 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 authorities" means, in the case of Canada, the Minister of Transport of Canada and the Canadian Transportation Agency, and, in the case of the United Kingdom, the Department for Transport and the Civil Aviation Authority, or, in both cases, any person or body authorized to perform any functions at present exercisable by the above- mentioned authorities or similar functions;
- (c) the term "designated airline" means an airline which has been designated and authorized in accordance with Article 4 of this Agreement;
- (d) the term "territory" means, for each Contracting Party, the land areas, internal waters, and territorial sea under its sovereignty, and includes the airspace above those areas;
- (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 Convention;

- (f) the term "Agreement" includes the Annexes hereto and any amendments to them or to the Agreement;
- (g) the terms "the agreed services" and "the specified routes" have the meanings respectively assigned to them in Article 3(2) of this Agreement;
- (h) the term "ICAO" means the International Civil Aviation Organization;
- (i) the term "prices" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration for the carriage of mail and conditions for the carriage of mail; and
- (j) the term "user charge" means a charge imposed on airlines by the competent charging authority or permitted by that authority to be imposed 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.

ARTICLE 2

Applicability of the Chicago Convention

The provisions of this Agreement are subject to the provisions of the 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:

- (a) the right to fly across its territory without landing; and
- (b) the right to make stops for non-traffic purposes in its territory.

2. Each Contracting Party grants to the other Contracting Party, to the extent permitted in this Agreement, the right for the designated airlines of that other Contracting Party to operate international air services on the routes specified in Annex I to this Agreement. Such services and routes are hereinafter called "the agreed services" and "the specified routes" respectively. Each Contracting Party grants to the designated airlines of the other Contracting Party, while those designated airlines are operating an agreed service on a specified route, in addition

to the rights specified in paragraph 1 of this Article, the right to make stops in its territory on the specified routes for the purpose of taking up and discharging passengers and cargo, including mail, separately or in combination.

3. Nothing in paragraph 2 of this Article shall be deemed to confer on a designated airline of one Contracting Party the right to take on board, in the territory of the other Contracting Party, passengers and cargo, including mail, destined for another point in the territory of that other Contracting Party.

4. If, because of armed conflict, political disturbances or developments or special or unusual circumstances, a designated airline of one Contracting Party is 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 temporary rearrangements of routes.

ARTICLE 4

Designation and Authorization

1. Each Contracting Party shall have the right to designate by a diplomatic note to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes, and to withdraw or alter such designations.

2. On receipt of such a designation and of applications from the airline or airlines so designated in the form and manner prescribed for operating authorizations, that other Contracting Party shall, subject to paragraph 3 of this Article, grant without delay to the airline or airlines so designated the appropriate operating authorizations.

3. A Contracting Party may refuse to grant the operating authorizations referred to in paragraph 2 of this Article, or may impose such conditions as it may deem necessary on the exercise by a designated airline of the other Contracting Party of the rights specified in Article 3(2) of this Agreement, in any case where:

- (a) it is not satisfied that the airline is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied by it to the operation of international air services in conformity with the Convention; or
- (b) except as provided in Annex III, it is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline, nationals of that Contracting Party, or both.

4. When an airline has been so designated and authorized, it may begin to operate the agreed services on the specified routes, provided that the airline complies with the applicable provisions of this Agreement.

ARTICLE 5

Revocation or Suspension of Operating Authorizations

1. Each Contracting Party shall have the right, with respect to an airline designated by the other Contracting Party, to revoke an operating authorization, or to suspend the exercise of the rights specified in Article 3(2) of this Agreement or to impose such conditions as it may deem necessary on the exercise of those rights, in any of the following circumstances:

- (a) except as provided in Annex III, the Contracting Party granting the authorizations is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline, nationals of that Contracting Party, or both;
- (b) the airline fails to comply with the laws or regulations of the Contracting Party granting those rights; or
- (c) the airline otherwise fails to operate in a manner that is consistent with the conditions prescribed under this Agreement.

2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to in paragraph 1 of this Article or unless safety or security requires action in accordance with the provisions of Article 8 or 9 of this Agreement, the rights enumerated in paragraph 1 of this Article shall be exercisable only after consultations between the aeronautical authorities of the Contracting Parties in conformity with Article 16 of this Agreement.

ARTICLE 6

Principles Governing Operation of Agreed Services

1. Each Contracting Party shall allow a fair and equal opportunity for the designated airlines of both Contracting Parties to compete in providing the agreed services on the specified routes.

2. Neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs or other government inspection services or for technical, operational or environmental reasons under uniform and non-discriminatory conditions consistent with Article 15 of the Convention.

3. Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first-refusal requirement, uplift ratio or no-objection fee or any other requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.

4. Neither Contracting Party shall require the filing of schedules, programs for charter flights or operational plans by designated airlines of the other Contracting Party for approval, except as may be required on a non-discriminatory basis in accordance with paragraph 2 of this Article. If a Contracting Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air transportation intermediaries and on designated airlines of the other Contracting Party.

ARTICLE 7

Application of Laws

1. Subject to the provisions of the Convention and this Agreement, each Contracting Party shall require compliance with its laws and regulations relating to the admission to 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 by the designated airlines of the other Contracting Party upon entry into, departure from and while within the said territory.

2. Each Contracting Party shall require compliance with its laws and regulations relating to entry, clearance, immigration, passports, customs and quarantine by or on behalf of crews, passengers and cargo, including mail, upon entry into, departure from and while within the territory of such Contracting Party.

3. Each Contracting Party shall exempt baggage and cargo in direct transit across its territory from customs duties and other similar taxes.

ARTICLE 8

Safety

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

2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in any such area that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and the other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such reasonable period of time as may be jointly determined by the Contracting Parties is deemed to be a situation which falls within Article 5 of this Agreement.

3. Pursuant to Article 16 of the Convention, any aircraft operated by, or on behalf of, a designated airline of one Contracting Party, may, while within the territory of the other Contracting Party, be the subject of an examination by the aeronautical authorities of the other Contracting Party, on board and around the aircraft to verify the validity of the relevant aircraft documents and those of its crew members and the apparent condition of the aircraft and its equipment (in this Article referred to as a “ramp inspection”), provided such ramp inspection does not cause an unreasonable delay in the operation of the aircraft.

4. If any such ramp inspection or series of ramp inspections gives rise to:

- (a) reasonable suspicion 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) reasonable suspicion that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

the aeronautical authorities of the Contracting Party carrying out the inspection may, for the purposes of Article 33 of the Convention, 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.

5. In the event that access for the purpose of undertaking a ramp inspection in accordance with paragraph 3 of this Article is denied by a representative of an airline or airlines to the aeronautical authorities of a Contracting Party, those aeronautical authorities may 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 Contracting Party has the right to suspend or vary the operating authorization of a designated airline of the other Contracting Party immediately without consultations 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 paragraph 2 or 6 of this Article shall be discontinued once the basis for the taking of that action ceases to exist.

ARTICLE 9

Aviation Security

1. Consistent with their rights and obligations under international law, the Contracting Parties confirm 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 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 September 14, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on December 16, 1970, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed at Montreal on September 23, 1971, and the 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 and any other multilateral agreement governing aviation security binding upon 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 members, airports and air navigation facilities and any other threat to the security of civil aviation.

4. The Contracting Parties shall act in conformity with the aviation security provisions established by ICAO and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties; they shall require that operators of aircraft of their registry, 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. Either Contracting Party may request immediate consultations with the other Contracting Party at any time to discuss any differences between its national regulations and practices and the aviation security standards of the Annexes referred to in this paragraph.

5. Each Contracting Party's operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 4 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 members, catering, carry-on items, baggage, cargo, including mail, and aircraft stores prior to and during boarding and loading.

6. Each Contracting Party shall act favourably upon any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

These special security measures shall remain in effect until alternative equivalent measures have been accepted by the Contracting Party requesting the measures.

7. Each Contracting Party shall, within sixty (60) days following notice (or such shorter period as may be jointly determined by the aeronautical authorities of both Contracting Parties), give sympathetic consideration to any request for the aeronautical authorities of the other Contracting Party to conduct an assessment in its territory of the security measures being carried out, or planned to be carried out, by aircraft operators in respect of flights arriving from or departing to the territory of the other Contracting Party. The administrative arrangements for the conduct of such assessments shall be jointly determined by the aeronautical authorities of both Contracting Parties and implemented without delay so as to ensure that assessments are conducted expeditiously.

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 members, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and taking other appropriate measures intended to terminate rapidly and safely such incident or threat.

9. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has failed to comply with this Article, the first Contracting Party may request consultations. The consultations shall start within fifteen (15) days of receipt of such a request. Failure to reach a satisfactory arrangement within fifteen (15) days from the start of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the authorizations of the designated airlines of the other Contracting Party. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, the first Contracting Party may take interim action at any time.

10. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party that is subjected to an act of unlawful interference and lands in its territory is detained on the ground unless its departure is necessitated by the overriding duty to protect human life. Wherever practicable, such measures shall be taken on the basis of mutual consultations.

ARTICLE 10

Customs Duties and Other Charges

1. Each Contracting Party shall, to the fullest extent possible under its national laws and regulations, and on a basis of reciprocity, exempt the designated airlines of the other Contracting Party from customs duties, excise taxes, inspection fees and other fees, duties and charges (not based on costs of service provided) on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts (including engines), regular aircraft equipment, aircraft stores (including liquor, tobacco and other products destined for sale to passengers in limited quantities during the flight) and

other items intended for use or used solely in connection with the operation or servicing of aircraft of those designated airlines, as well as printed ticket stock, air waybills, any printed material which bears the insignia of the company and usual publicity material distributed without charge by those designated airlines.

2. The exemptions granted in this Article apply to the items referred to in paragraph 1) of this Article when those items are:

- (a) introduced into the territory of one Contracting Party by or on behalf of a designated airline of the other Contracting Party;
- (b) retained on board an aircraft of a designated airline of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party; or
- (c) taken on board an aircraft of a designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services,

whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of that Contracting Party.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of a designated airline of a 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 case, they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

ARTICLE 11

Pricing

1. The Contracting Parties shall permit prices to be freely established by the designated airlines of both Contracting Parties. Neither Contracting Party shall take unilateral action against the introduction or continuation of a price for international transportation to or from its territory.

2. The Contracting Parties shall not require prices to be filed with aeronautical authorities.

3. The Contracting Parties shall permit their aeronautical authorities to discuss matters such as, but not limited to, prices which may be unjust, unreasonable or discriminatory.

ARTICLE 12

Transfer of Funds

Each Contracting Party shall permit the designated airlines of the other Contracting Party to convert and remit abroad, on demand, funds obtained in the normal course of their operations. Conversion and remittance shall be permitted without restrictions at the foreign exchange market rates for current payments prevailing at the time of submission of the request for transfer, and shall not be subject to any charges except normal service charges collected by banks for such transactions.

ARTICLE 13

Airline Representation and Sales

Each Contracting Party shall permit each designated airline of the other Contracting Party:

- (a) in accordance with its laws and regulations relating to entry, residence and employment, to bring in and maintain in its territory those members of the designated airline's own managerial, technical, operational and other specialist staff that the designated airline reasonably considers necessary for the provision of air services;
- (b) to use the services and personnel of any other organization, company or airline operating in its territory;
- (c) to establish offices in its territory;
- (d) to engage in the sale and marketing of air transportation in its territory, either directly or through agents or other intermediaries appointed by the designated airline. Each designated airline may sell, and any person is free to purchase, such transportation in local currency or in any freely convertible currency; and
- (e) to pay for local expenses, including purchases of fuel, in its territory in local currency or in any freely convertible currency.

ARTICLE 14

Ground Handling

1. Each Contracting Party shall permit the designated airlines of the other Contracting Party, on the basis of reciprocity, to perform their own ground handling in the territory of the first Contracting Party and, at their option, to have ground

handling services provided in whole or in part by any agent authorized by the competent authorities of the first Contracting Party to provide such services.

2. Each Contracting Party shall permit the designated airlines of the other Contracting Party to offer and provide ground handling services for other airlines operating at the same airport in the territory of the first Contracting Party.

3. The exercise of the rights set forth in paragraphs 1 and 2 of this Article is subject only to physical or operational constraints resulting from considerations of airport safety or security. Any constraints are applied uniformly and on terms no less favourable than the most favourable terms available to any airline engaged in similar international air services at the time the constraints are imposed.

ARTICLE 15

User Charges

1. Each Contracting Party shall ensure that user charges that may be imposed by the competent charging authorities or bodies of that Contracting Party on the airlines of the other Contracting Party for the use of air navigation and air traffic control services are just, reasonable and not unjustly discriminatory. In any event, any such user charges shall be assessed on the airlines of the other Contracting Party on terms no less favorable than the most favorable terms available to any other airline.

2. Each Contracting Party shall ensure that user charges that may be imposed by the competent charging authorities or bodies of that Contracting Party on the airlines of the other Contracting Party for the use of airport, aviation security, airport environmental and related facilities and services are just, reasonable, not unjustly discriminatory and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Contracting Party on terms no less favorable than the most favorable terms available to any other airline at the time the charges are assessed.

3. Each Contracting Party shall ensure that user charges imposed on the airlines of the other Contracting Party may reflect, but do not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, aviation security and related facilities and services at the airport or within the airport system. Such charges may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.

4. Each Contracting Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines or their representative bodies using the services and facilities, and shall encourage the competent charging authorities or bodies and the airlines or their representative bodies 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, 2 and 3 of this

Article. Each Contracting Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.

5. A Contracting Party shall not be held, in dispute resolution procedures pursuant to Article 17 of this Agreement, to be in breach of this Article, unless (a) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Contracting Party within a reasonable amount of 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.

ARTICLE 16

Consultations

Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement or compliance with this Agreement. These consultations, which may be held between the aeronautical authorities of the Contracting Parties, shall begin within a period of sixty (60) days from the date the other Contracting Party receives a written request, unless otherwise jointly determined by the Contracting Parties or unless otherwise provided for in this Agreement.

ARTICLE 17

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, the Contracting Parties may refer it to such person or body as they mutually designate or, at the request of either Contracting Party, it shall be submitted for decision to a tribunal of three arbitrators, which shall be constituted in the following manner:

- (a) within thirty (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 the joint decision of the two arbitrators within sixty (60) days of the appointment of the second arbitrator;
- (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 ICAO to make the necessary appointment within thirty (30) days. If

the President 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 hereinafter provided in this Article or as otherwise jointly determined 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 Contracting Party, a conference to determine the precise issues to be arbitrated and the specific procedures to be followed shall be held not later than thirty (30) days after the tribunal is fully constituted.

4. Except as otherwise jointly determined by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within forty-five (45) days after the tribunal is fully constituted. Replies shall be due sixty (60) days later. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within thirty (30) days after replies are due.

5. The tribunal shall attempt to give a written decision within thirty (30) days after completion of the hearing or, if no hearing is held, thirty (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 to the tribunal within fifteen (15) days after it is received and such clarification shall be issued within fifteen (15) days of such a request.

7. The decision of the tribunal is final and 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 of the Council of ICAO in implementing the procedures in paragraph (2)(b) of this Article.

ARTICLE 18

Amendments

Any amendment to this Agreement agreed by the Contracting Parties shall enter into force on the date of the last diplomatic note by which the Contracting Parties have notified each other that all necessary internal procedures for entry into force of the amendment have been completed.

ARTICLE 19

Termination

Either Contracting Party may at any time give notice through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to ICAO. This Agreement terminates at midnight (at the place of receipt of the notice) on the first anniversary of the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by mutual consent 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 fourteen (14) days after receipt of the notice by ICAO.

ARTICLE 20

Registration of the Agreement

The Contracting Parties shall register this Agreement and any amendment with ICAO.

ARTICLE 21

Multilateral Conventions

Without prejudice to Article 2 of this Agreement, if a general multilateral air transport convention comes into force in respect of both Contracting Parties, the provisions of such convention prevail. Consultations in accordance with Article 16 of this Agreement may be held with a view to determining the extent to which this Agreement is affected by the provisions of the multilateral convention.

ARTICLE 22

Entry into Force

1. This Agreement enters into force on the date of the last diplomatic note, by which the Contracting Parties have notified each other that all necessary internal procedures for its entry into force have been completed. Amendments shall enter into force in the same manner.
2. On the date of entry into force of this Agreement, the Agreement between the Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed on 22 June 1988, shall terminate.

ARTICLE 23

Titles

Titles used in this Agreement are for reference purposes only.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Agreement.

Done in duplicate at Leipzig this eighteenth day of May, 2022 in the English and French languages, each version being equally authentic.

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

For the Government of Canada:

GRANT SHAPPS

OMAR ALGHABRA

ANNEX I - SCHEDULED AIR TRANSPORTATION

1. Routes

The designated airlines of each Contracting Party shall be permitted to perform scheduled international air services between points on the following routes:

- (a) routes for the airline or airlines designated by Canada:
 - 1. from points behind the territory of Canada via the territory of Canada and intermediate points to a point or points in the territory of the United Kingdom and beyond; and
 - 2. for all-cargo service or services, between points in the territory of the United Kingdom and any point or points.

Canada shall ensure that its designated airline(s) notify the aeronautical authorities of the United Kingdom of air services to be operated between third countries and points in the territory of the United Kingdom ninety (90) days in advance or such lesser period as may be authorized by those authorities. Each of the points may be changed on ninety (90) days' notice to the aeronautical authorities of the United Kingdom or such lesser period as may be authorized by those authorities.

- (b) routes for the airline or airlines designated by the United Kingdom:
 - 1. from points behind the territory of the United Kingdom via the territory of the United Kingdom and intermediate points to a point or points in Canada and beyond; and
 - 2. for all-cargo service or services, between the territory of Canada and any point or points.

The United Kingdom shall ensure that its designated airline(s) notify the aeronautical authorities of Canada of air services to be operated between third countries and points in the territory of Canada ninety (90) days in advance or such lesser period as may be authorized by those authorities. Each of the points may be changed on ninety (90) days' notice to the aeronautical authorities of Canada or such lesser period as may be authorized by those authorities.

2. Operational Flexibility

Each designated airline may, on any or all flights and at its option:

- (a) operate flights in either or both directions;
- (b) combine different flight numbers within one aircraft operation;
- (c) carry its own stopover traffic;

- (d) serve behind, intermediate and beyond points and points in the territory of either Contracting Party on the routes in any combination and in any order;
- (e) omit stops at any point or points;
- (f) transfer traffic between any of its aircraft at any point on the routes; and
- (g) 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 this Agreement; provided that, with the exception of all-cargo services, the service serves a point in the territory of the Contracting Party designating the airline.

3. Change of Gauge

Designated airlines may make a multiple change of gauge at any point or points on the specified routes, without restriction as to type of aircraft, connecting time, flight numbering, capacity or frequency.

4. Intermodal Service

- (a) Notwithstanding any other provision of this Agreement, designated airlines of both Contracting Parties shall be permitted, without restriction, to employ in connection with the agreed services any surface transportation for cargo to or from any points in the territory of either Contracting Party or in third countries, including transport to and from all airports with customs facilities, and including, if applicable, the right to transport cargo in bond in accordance with applicable laws and regulations. For this cargo, whether moving by surface or by air, designated airlines shall have access to airport customs processing and facilities. 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 cargo air 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.
- (b) With respect to the employment of surface transportation for air cargo, nothing in subparagraph (a) shall be deemed to confer on the designated airline or airlines of one Contracting Party any new or additional rights to take on board, in the territory of the other Contracting Party, air traffic destined for another point in the territory of that other Contracting Party.

5. Code-sharing

Subject to the regulatory requirements normally applied to such operations by the aeronautical authorities of the Contracting Parties, each designated airline may enter into cooperative arrangements for the purpose of:

- (a) holding out the agreed services on the specified routes by code-sharing (i.e. selling transportation under its own code) on flights operated by any airline(s) or surface transportation provider(s) of any country; or
- (b) carrying traffic under the code of any other airline(s) if that other airline(s) has been authorized by the aeronautical authorities to sell transportation under its own code on flights operated by that airline.

Code-sharing services by a designated airline of one Contracting Party involving transportation between points within the territory of the other Contracting Party are restricted to flights operated by an airline(s) authorized by the aeronautical authorities of that Contracting Party to provide such service and are only available as part of an international journey. All airlines involved in code-sharing arrangements must hold the appropriate underlying route authority. Airlines shall be permitted to transfer traffic between aircraft involved in code-share services without limitation. The aeronautical authorities of one Contracting Party shall not withhold permission for an airline of the other Contracting Party for code-sharing services identified in subparagraph (a) on the basis that the airline(s) operating the aircraft does not have the right to carry traffic under the code of that airline(s).

ANNEX II - NON-SCHEDULED AIR SERVICES

Articles 7, 8, 9, 10, 12, 13, 14, 15 and 16 of this Agreement are applicable also to non-scheduled flights operated by an air carrier of one Contracting Party to or from the territory of the other Contracting Party and to the air carriers operating such flights, subject to national laws and regulations governing the right of air carriers to operate non-scheduled flights or the conduct of air carriers or other parties involved in the organization of such operations.

ANNEX III - ADDITIONAL MATTERS RELATING TO DESIGNATION AND AUTHORIZATION

Airlines designated by the United Kingdom

1. Notwithstanding paragraphs 3(b) of Article 4 (Designation and Authorization) and 1(a) of Article 5 (Revocation or Suspension of Operating Authorizations) Canada undertakes not to refuse to grant operating authorizations, and not to revoke or suspend such authorizations, with respect to an airline designated by the United Kingdom on the basis that it is not substantially owned and effectively controlled by the United Kingdom, nationals of the United Kingdom, or both, provided that:

- (a) the airline designated by the United Kingdom maintains its principal place of business in the United Kingdom;
- (b) effective regulatory control of the airline designated by the United Kingdom is exercised and maintained by the United Kingdom;
- (c) substantial ownership and effective control of the airline designated by the United Kingdom are vested in the United Kingdom, a Member State or States of the European Union, Iceland, Liechtenstein, Norway or Switzerland, or nationals of one or more of these States, or a combination thereof; and
- (d) if the airline designated by the United Kingdom is substantially owned and effectively controlled by one or more airlines or airline holding companies (the “investor(s)”), the operation of air services by the airline designated by the United Kingdom would not (or does not) excessively circumvent the traffic rights available under any air services agreement to which both an investor’s home State and Canada are parties.

2. For the purposes of paragraph 1(d), an investor’s home State is the State in which it maintains its principal place of business.

3. In the event that a designated airline that has been authorized by Canada under this Agreement becomes substantially owned and effectively controlled by one or more airlines or airline holding companies, the United Kingdom, through its aeronautical authorities, shall notify the aeronautical authorities of Canada for their review as to whether the designated airline continues to meet the requirements in paragraph 1 of this Annex.

4. A determination made pursuant to this Annex is based on the ownership and control structure of the airline at the time of determination. Canada, through its aeronautical authorities, shall communicate any determination made pursuant to this Annex to the aeronautical authorities of the United Kingdom by diplomatic note with minimum procedural delay.

Airlines designated by Canada

5. In the event that a designated airline that has been authorized by the United Kingdom under this Agreement becomes substantially owned and effectively controlled by one or more airlines or airline holding companies, Canada, through its aeronautical authorities, shall notify the aeronautical authorities of the United Kingdom for their review as to whether the designated airline continues to meet the requirements in paragraphs 3(b) of Article 4 (Designation and Authorization) and 1(a) of Article 5 (Revocation or Suspension of Operating Authorizations).

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