

Extract of Part Two: AVIATION  
from the

TRADE AND COOPERATION AGREEMENT BETWEEN THE EUROPEAN  
UNION AND THE EUROPEAN ATOMIC ENERGY COMMUNITY, OF THE  
ONE PART, AND THE UNITED KINGDOM OF GREAT BRITAIN AND  
NORTHERN IRELAND, OF THE OTHER PART

dated 24 Dec 2020

## HEADING TWO: AVIATION

### TITLE I: AIR TRANSPORT

#### Article AIRTRN.1: Definitions

For the purposes of this Title, the following definitions apply:

- (a) “air carrier” means an air transport undertaking holding a valid operating licence or equivalent;
- (b) “air carrier of the Union” means an air carrier that fulfils the conditions laid down in point (b) of Article AIRTRN.6(1) [Operating authorisations and technical permissions];
- (c) “air carrier of the United Kingdom” means an air carrier that fulfils the conditions laid down in point (a) of Article AIRTRN.6(1) or 6(2) [Operating authorisations and technical permissions];
- (d) “air navigation services” means air traffic services, communication, navigation and surveillance services, meteorological services for air navigation, and aeronautical information services;
- (e) “air operator certificate” means a document issued to an air carrier which affirms that the air carrier in question has the professional ability and organisation to secure the safe operation of aircraft for the aviation activities specified in the certificate;
- (f) “air traffic management” means the aggregation of the airborne and ground-based functions (air traffic services, airspace management and air traffic flow management) required to ensure the safe and efficient movement of aircraft during all phases of operations;
- (g) “air transport” means the carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, held out to the public for remuneration or hire;
- (h) “citizenship determination” means a finding that an air carrier proposing to operate air services under this Title satisfies the requirements of Article AIRTRN.6 [Operating authorisations and technical permissions] regarding its ownership, effective control and principal place of business;
- (i) “competent authorities” means, for the United Kingdom, the authorities of the United Kingdom responsible for the regulatory and administrative functions incumbent on the United Kingdom under this Title; and for the Union, the authorities of the Union and of the Member States responsible for the regulatory and administrative functions incumbent on the Union under this Title;
- (j) “the Convention” means the Convention on International Civil Aviation, signed in Chicago on 7 December 1944, and includes:
  - (i) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question; and
  - (ii) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question;

- (k) “discrimination” means differentiation of any kind without objective justification in respect of the supply of goods or services, including public services, employed for the operation of air transport services, or in respect of their treatment by public authorities relevant to such services;
- (l) “effective control” means a relationship constituted by rights, contracts or any other means which, either separately or jointly, and having regard to the considerations of fact or law involved, confer the possibility of directly or indirectly exercising a decisive influence on an undertaking, in particular by:
- (i) the right to use all or part of the assets of an undertaking;
  - (ii) rights or contracts which confer a decisive influence on the composition, voting or decisions of the bodies of an undertaking or otherwise confer a decisive influence on the running of the business of the undertaking;
- (m) “fitness determination” means a finding that an air carrier proposing to operate air services under this Title has satisfactory financial capability and adequate managerial expertise to operate such services and is disposed to comply with the laws, regulations and requirements that govern the operation of such services;
- (n) “full cost” means the cost of the service provided, which may include appropriate amounts for cost of capital and depreciation of assets, as well as the costs of maintenance, operation, management and administration;
- (o) “ICAO” means the United Nations International Civil Aviation Organization;
- (p) “principal place of business” means the head office or registered office of an air carrier within which the principal financial functions and operational control, including continued airworthiness management, of that air carrier are exercised;
- (q) “ramp inspection” means an examination by the competent authority of a Party or its designated representatives, on board and around an aircraft of the other Party, to check both the validity of the relevant aircraft documents and those of its crew members and the apparent condition of the aircraft and its equipment;
- (r) “self-handling” means the performance of ground handling operations by an air carrier directly for itself or for another air carrier where:
- (i) one holds the majority in the other; or
  - (ii) a single body has a majority holding in each;
- (s) “scheduled air services” means air services which are scheduled and performed for remuneration according to a published timetable, or which are so regular or frequent as to constitute a recognisably systematic series, and which are open to direct booking by members of the public; and extra section flights occasioned by overflow traffic from scheduled flights;
- (t) “stop for non-traffic purposes” means a landing for any purpose other than taking on board or discharging passengers, baggage, cargo and/or mail in air transport;
- (u) “tariff” means any fare, rate or charge for the carriage of passengers, baggage or cargo (excluding mail) in air transport (including any other mode of transport in connection therewith)

charged by air carriers, including their agents, and the conditions governing the availability of such fare, rate or charge;

- (v) “user charge” means a charge imposed on air carriers for the provision of airport, air navigation (including overflights), aviation security facilities or services including related services and facilities, or environment-related charges including noise-related charges and charges to address local air quality problems at or around airports.

#### Article AIRTRN.2: Route schedule

1. Subject to Article AIRTRN.3 [Traffic rights], the Union shall grant the United Kingdom the right for the air carriers of the United Kingdom to operate, while carrying out air transport, on the following routes:

Points in the territory of the United Kingdom – Intermediate Points – Points in the territory of the Union – Points Beyond.

2. Subject to Article AIRTRN.3 [Traffic rights], the United Kingdom shall grant the Union the right for the air carriers of the Union to operate, while carrying out air transport, on the following routes:

Points in the territory of the Union – Intermediate Points – Points in the territory of the United Kingdom – Points Beyond.

#### Article AIRTRN.3: Traffic rights

1. Each Party shall grant to the other Party the right for its respective air carriers, for the purpose of carrying out air transport on the routes laid down in Article AIRTRN.2 [Route schedule], to:

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

2. The United Kingdom shall enjoy the right for its air carriers to make stops in the territory of the Union to provide scheduled and non-scheduled air transport services between any points situated in the territory of the United Kingdom and any points situated in the territory of the Union (third and fourth freedom traffic rights).

3. The Union shall enjoy the right for its air carriers to make stops in the territory of the United Kingdom to provide scheduled and non-scheduled air transport services between any points situated in the territory of the Union and any points situated in the territory of the United Kingdom (third and fourth freedom traffic rights).

4. Notwithstanding paragraphs 1, 2 and 3 and without prejudice to paragraph 9, the Member States and the United Kingdom may, subject to the respective internal rules and procedures of the Parties, enter into bilateral arrangements by which, as a matter of this Agreement, they grant each other the following rights:

- (a) for the United Kingdom, the right for its air carriers to make stops in the territory of the Member State concerned to provide scheduled and non-scheduled all-cargo air transport services, between points situated in the territory of that Member State and points situated in a third country as part of a service with origin or destination in the territory of the United Kingdom (fifth freedom traffic rights);

- (b) for the Member State concerned, the right for Union air carriers to make stops in the territory of the United Kingdom to provide scheduled and non-scheduled all-cargo air transport services between points situated in the territory of the United Kingdom and points situated in a third country, as part of a service with origin or destination in the territory of that Member State (fifth freedom traffic rights).
5. The rights mutually granted in accordance with paragraph 4 shall be governed by the provisions of this Title.
6. Neither Party shall unilaterally limit the volume of traffic, capacity, frequency, regularity, routing, origin or destination of the air transport services operated in accordance with paragraphs 2, 3 and 4, or the aircraft type or types operated for that purpose by the air carriers of the other Party, except as may be required for customs, technical, operational, air traffic management, safety, environmental or health protection reasons, in a non-discriminatory manner, or unless otherwise provided for in this Title.
7. Nothing in this Title shall be deemed to confer on the United Kingdom the right for its air carriers to take on board in the territory of a Member State passengers, baggage, cargo or mail carried for compensation and destined for another point in the territory of that Member State or any other Member State.
8. Nothing in this Title shall be deemed to confer on the Union the right for its air carriers to take on board in the territory of the United Kingdom passengers, baggage, cargo or mail carried for compensation and destined for another point in the territory of the United Kingdom.
9. Subject to the internal rules and procedures of the Parties, the competent authorities of the United Kingdom and of the Member States may authorise non-scheduled air transport services beyond the rights provided for in this Article provided that they do not constitute a disguised form of scheduled services, and may establish bilateral arrangements regarding the procedures to be followed for the handling of, and decisions on, air carriers' applications.

#### Article AIRTRN.4: Code-share and blocked space arrangements

1. Air transport services in accordance with Article AIRTRN.3 [Traffic rights] may be provided by means of blocked-space or code-share arrangements, as follows:
- (a) an air carrier of the United Kingdom may act as the marketing carrier with any operating carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any operating carrier of a third country which, under Union law or, as applicable, under the law of the Member State or Member States concerned, enjoys the necessary traffic rights as well as the right for its air carriers to exercise those rights by means of the arrangement in question;
  - (b) an air carrier of the Union may act as the marketing carrier with any operating carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any operating carrier of a third country which, under United Kingdom law enjoys the necessary traffic rights as well as the right for its air carriers to exercise those rights by means of the arrangement in question;
  - (c) an air carrier of the United Kingdom may act as the operating carrier with any marketing carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any marketing carrier of a third country which, under Union law or, as applicable, under the law of the Member State or Member States concerned, enjoys the necessary rights to enter into the arrangement in question;

- (d) an air carrier of the Union may act as the operating carrier with any marketing carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any marketing carrier of a third country which, under United Kingdom law, enjoys the necessary rights to enter into the arrangement in question;
- (e) in the context of the arrangements provided under points (a) to (d), an air carrier of one Party may act as the marketing carrier in a blocked-space or code-share arrangement, in services between any pair of points of which both origin and destination are situated in the territory of the other Party provided that the following conditions are fulfilled:
  - (i) the conditions laid down in point (a) or (b), as the case may be, as regards the operating carrier; and
  - (ii) the transport service in question forms part of a carriage by the marketing carrier between a point in the territory of its Party and that destination point in the territory of the other Party.

2. An air carrier of one Party may act as the marketing carrier in a blocked-space or code-share arrangement, in services between any pair of points of which one is situated in the territory of the other Party and the other is situated in a third country, provided that the following conditions are fulfilled:

- (a) the conditions laid down in point (a) or (b) of paragraph 1, as the case may be, as regards the operating carrier; and
- (b) the transport service in question forms part of a carriage by the marketing carrier between a point in the territory of its Party and that point in a third country.

3. In respect of each ticket sold involving the arrangements referred to in this Article, the purchaser shall be informed upon reservation of which air carrier will operate each sector of the service. Where that is not possible, or in case of change after reservation, the identity of the operating carrier shall be communicated to the passenger as soon as it is established. In all cases, the identity of the operating carrier or carriers shall be communicated to the passenger at check-in, or before boarding where no check-in is required for a connecting flight.

4. The Parties may require the arrangements referred to in this Article to be approved by their competent authorities for the purpose of verifying compliance with the conditions set out therein and with other requirements provided for in this Agreement, in particular as regards competition, safety and security.

5. In no case shall recourse to code-share or blocked-space arrangements result in the air carriers of the Parties exercising traffic rights on the basis of this Agreement other than those provided for in Article AIRTRN.3 [Traffic rights].

#### Article AIRTRN.5: Operational flexibility

The rights mutually granted by the Parties in accordance with Article AIRTRN.3(2), (3) and (4) [Traffic rights] shall include, within the limits laid down therein, all of the following prerogatives:

- (a) to operate flights in either or both directions;
- (b) to combine different flight numbers within one aircraft operation;

- (c) to serve points in the route schedule in any combination and in any order;
- (d) to transfer traffic between aircraft of the same air carrier at any point (change of gauge);
- (e) to carry stopover traffic through any points whether within or outside the territory of either Party;
- (f) to carry transit traffic through the territory of the other Party;
- (g) to combine traffic on the same aircraft regardless of where such traffic originates;
- (h) to serve more than one point on the same service (co-terminalisation).

#### Article AIRTRN.6: Operating authorisations and technical permissions

1. On receipt of an application for an operating authorisation from an air carrier of a Party, in the form and manner prescribed, to operate air transport services under this Title, the other Party shall grant the appropriate authorisations and technical permissions with minimum procedural delay, provided that all the following conditions are met:

- (a) in the case of an air carrier of the United Kingdom:
  - (i) the air carrier is owned, directly or through majority ownership, and is effectively controlled by the United Kingdom, its nationals, or both;
  - (ii) the air carrier has its principal place of business in the territory of the United Kingdom, and is licenced in accordance with the law of the United Kingdom; and
  - (iii) the air carrier holds an air operator certificate issued by the competent authority of the United Kingdom, which shall be clearly identified, and that authority exercises and maintains effective regulatory control of the air carrier;
- (b) in the case of an air carrier of the Union:
  - (i) the air carrier is owned, directly or through majority ownership, and is effectively controlled by one or more Member States, by other member states of the European Economic Area, by Switzerland, by nationals of such states, or by a combination thereof;
  - (ii) the air carrier has its principal place of business in the territory of the Union and holds a valid operating licence in accordance with Union law; and
  - (iii) the air carrier holds an air operator certificate issued by the competent authority of the Union or a Member State, which shall be clearly identified, and that authority exercises and maintains effective regulatory control of the air carrier;
- (c) Articles AIRTRN.18 [Aviation safety] and AIRTRN.19 [Aviation security] are being complied with; and
- (d) the air carrier meets the conditions prescribed under the laws and regulations normally applied to the operation of international air transport by the Party considering the application or applications.

2. Notwithstanding point (a)(i) of paragraph 1, the appropriate operating authorisations and permissions shall be granted to air carriers of the United Kingdom provided that all the following conditions are met:

- (a) the conditions laid down in points (a)(ii), (a)(iii), (c) and (d) of paragraph 1 are complied with;
- (b) the air carrier is owned, directly or through majority ownership, and is effectively controlled by one or more Member States, by other member states of the European Economic Area, by Switzerland, by nationals of such states, or by a combination thereof, whether alone or together with the United Kingdom and/or nationals of the United Kingdom;
- (c) on the day the transition period ended, the air carrier held a valid operating licence in accordance with Union Law.

3. For the purposes of paragraphs 1 and 2, evidence of effective regulatory control includes but is not limited to:

- (a) the air carrier concerned holding a valid operating licence or permit issued by the competent authority and meeting the criteria of the Party issuing the operating licence or permit for the operation of international air services; and
- (b) that Party having and maintaining safety and security oversight programmes for that air carrier in compliance with ICAO standards.

4. When granting operating authorisations and technical permissions, each Party shall treat all air carriers of the other Party in a non-discriminatory manner.

5. On receipt of an application for an operating authorisation from an air carrier of a Party, the other Party shall recognise any fitness determination or citizenship determination or both made by the first Party with respect to that air carrier as if such determination had been made by its own competent authorities, and shall not enquire further into such matters, except as provided for in Article AIRTRN.8(3) [Refusal, revocation, suspension or limitation of operating authorisation].

#### Article AIRTRN.7: Operating plans, programmes and schedules

Notification of operating plans, programmes or schedules for air services operated under this Title may be required by a Party for information purposes only. Where a Party requires such notification, it shall minimise the administrative burden associated with its notification requirements and procedures that is borne by air transport intermediaries and the air carriers of the other Party.

#### Article AIRTRN.8: Refusal, revocation, suspension or limitation of operating authorisation

1. The Union may take action against an air carrier of the United Kingdom, in accordance with paragraphs 3, 4 and 5 of this Article, in any of the following cases:

- (a) in the case of authorisations and permissions granted in accordance with point (a) of Article AIRTRN. 6(1) [Operating authorisations and technical permissions], any of the conditions laid down therein is not met;
- (b) in the case of authorisations and permissions granted in accordance with Article AIRTRN. 6(2)[Operating authorisations and technical permissions], any of the conditions laid down therein is not met;



- (c) the air carrier has failed to comply with the laws and regulations referred to in Article AIRTRN.10 [Compliance with laws and regulations]; or
- (d) such action is necessary in order to prevent, protect against or control the spread of disease, or otherwise protect public health.

2. The United Kingdom may take action against an air carrier of the Union in accordance with paragraphs 3, 4 and 5 of this Article in any of the following cases:

- (a) any of the conditions laid down in point (b) of Article AIRTRN.6(1) [Operating authorisations and technical permissions] is not met;
- (b) the air carrier has failed to comply with the laws and regulations referred to in Article AIRTRN.10 [Compliance with laws and regulations] of this Title; or
- (c) such action is necessary in order to prevent, protect against or control the spread of disease, or otherwise protect public health.

3. Where a Party has reasonable grounds to believe that an air carrier of the other Party is in any of the situations referred to in paragraph 1 or 2, as the case may be, and that action must be taken in that respect, that Party shall notify the other Party in writing as soon as possible of the reasons for the intended refusal, suspension or limitation of the operating authorisation or technical permission and request consultations.

4. Such consultations shall start as soon as possible and not later than 30 days from receipt of the request for consultations. Failure to reach a satisfactory agreement within 30 days or an agreed time period from the starting date of such consultations, or failure to take the agreed corrective action, shall constitute grounds for the Party that requested the consultations to take action to refuse, revoke, suspend, impose conditions on or limit the operating authorisation or technical permissions of the air carrier or air carriers concerned to ensure compliance with Articles AIRTRN.6 [Operating authorisations and technical permissions] and AIRTRN.10 [Compliance with laws and regulations]. Where measures have been taken to refuse, revoke, suspend or limit the operating authorisation or technical permission of an air carrier, a Party may have recourse to arbitration in accordance with Article INST.14 [Arbitration procedure], without having prior recourse to consultations in accordance with Article INST.13 [Consultations]. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article INST.19 [Urgent Proceedings]. At the request of a Party, the tribunal may, pending its final ruling, order the adoption of interim relief measures, including the modification or suspension of measures taken by either Party under this Article.

5. Notwithstanding paragraphs 3 and 4, in the cases referred to in points (c) and (d) of paragraph 1, and in points (b) and (c) of paragraph 2, a Party may take immediate or urgent action where required by an emergency or to prevent further non-compliance. For the purposes of this paragraph, further non-compliance means that the question of non-compliance has already been raised between the competent authorities of the Parties.

6. This Article is without prejudice to the provisions of Title XI [Level playing field for open and fair competition and sustainable development] of Heading One, Article AIRTRN 11(4) [Non-Discrimination], Article AIRTRN 18 (4), (6) and (8) [Aviation Safety] and Article AIRTRN 19(12) [Aviation Security] and to the dispute settlement procedure laid down in Title I [Dispute Settlement] of Part Six or to the measures resulting therefrom.

#### Article AIRTRN.9: Ownership and control of air carriers

The Parties recognise the potential benefits of the continued liberalisation of ownership and control of their respective air carriers. The Parties agree to examine in the Specialised Committee on Air Transport options for the reciprocal liberalisation of the ownership and control of their air carriers within 12 months from the entry into force of this Agreement, and thereafter within 12 months of receipt of a request to do so from one of the Parties. As a result of this examination, the Parties may decide to amend this Title.

#### Article AIRTRN.10: Compliance with laws and regulations

1. The laws and regulations of a Party relating to the admission to, operation within, and departure from its territory of aircraft engaged in international air transport shall be complied with by the air carriers of the other Party while entering, operating within, or leaving the territory of that Party, respectively.

2. The laws and regulations of a Party relating to the admission to, operation within, or departure from its territory of passengers, crew, baggage, cargo, or mail 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, baggage, cargo, and mail carried by the air carriers of the other Party while entering, operating within, or leaving the territory of that Party, respectively.

3. The Parties shall permit, in their respective territory, the air carriers of the other Party to take appropriate measures to ensure that only persons with the travel documents required for entry into, or transit through, the territory of the other Party are carried.

#### AIRTRN.11: Non-Discrimination

1. Without prejudice to Title XI [Level playing field for open and fair competition and sustainable development] of Heading One, the Parties shall eliminate, within their respective jurisdictions, all forms of discrimination which would adversely affect the fair and equal opportunity of the air carriers of the other Party to compete in the exercise of the rights provided for in this Title.

2. A Party (the “initiating Party”) may proceed in accordance with paragraphs 3 to 6 where it considers that its air carriers’ fair and equal opportunities to compete in the exercise of the rights provided for in this Title are adversely affected by discrimination prohibited by paragraph 1.

3. The initiating Party shall submit a written request for consultations to the other Party (the “responding Party”). Consultations shall start within a period of 30 days from the receipt of the request, unless otherwise agreed by the Parties.

4. Where the initiating Party and the responding Party fail to reach agreement on the matter within 60 days from the receipt of the request for consultations referred to in paragraph 3, the initiating Party may take measures against all or part of the air carriers which have benefitted from discrimination prohibited by paragraph 1, including action to refuse, revoke, suspend, impose conditions on or limit the operating authorisations or technical permissions of the air carriers concerned.

5. The measures taken pursuant to paragraph 4 shall be appropriate, proportionate and restricted in their scope and duration to what is strictly necessary to mitigate the injury to the air

carriers of the initiating Party and remove the undue advantage gained by the air carriers against which they are directed.

6. Where consultations have not resolved the matter or where measures have been taken pursuant to paragraph 4, a Party may have recourse to arbitration in accordance with Article INST.14 [Arbitration procedure], without having prior recourse to consultations in accordance with Article INST.13 [Consultations]. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article INST.19 [Urgent Proceedings]. At the request of a Party, the tribunal may, pending its final ruling, order the adoption of interim relief measures, including the modification or suspension of measures taken by either Party under this Article.

7. Notwithstanding paragraph 2, the Parties shall not proceed under paragraphs 3 to 6 in relation to conduct falling under the scope of Title XI [Level playing field for open and fair competition and sustainable development] of Heading One.

#### Article AIRTRN.12: Doing business

1. The Parties agree that obstacles to doing business encountered by air carriers would hamper the benefits under this Title. The Parties agree to cooperate in removing obstacles to doing business for air carriers of both Parties where such obstacles may hamper commercial operations, create distortions to competition or affect equal opportunities to compete.

2. The Specialised Committee on Air Transport shall monitor progress in effectively addressing matters relating to obstacles to doing business for air carriers.

#### Article AIRTRN.13: Commercial operations

1. The Parties shall grant each other the rights laid down in paragraphs 2 to 7. For the purposes of the exercise of those rights, the air carriers of each Party shall not be required to retain a local sponsor.

2. As regards air carrier representatives:

- (a) the establishment of offices and facilities by the air carriers of one Party in the territory of the other Party as necessary to provide services under this Title shall be allowed without restriction or discrimination;
- (b) without prejudice to safety and security regulations, where such offices and facilities are located in an airport they may be subject to limitations on grounds of availability of space;
- (c) each Party shall, in accordance with its laws and regulations relating to entry, residence and employment, authorise the air carriers of the other Party to bring in and maintain in the territory of the authorising Party those of their own managerial, sales, technical, operational and other specialist staff which the air carrier reasonably considers necessary for the provision of air transport services under this Title. Where employment authorisations are required for the personnel referred to in this paragraph, including those performing certain temporary duties, the Parties shall process applications for such authorisations expeditiously, subject to the relevant laws and regulations.

3. As regards ground handling:

- (a) each Party shall permit the air carriers of the other Party to perform self-handling in its territory without restrictions other than those based on considerations of safety or security, or otherwise resulting from physical or operational constraints;
  - (b) each Party shall not impose on the air carriers of the other Party the choice of one or more providers of ground handling services among those which are present in the market in accordance with the laws and regulations of the Party where the services are provided;
  - (c) without prejudice to point (a), where the laws and regulations of a Party limit or restrict in any way free competition between providers of ground handling services, that Party shall ensure that all necessary ground handling services are available to the air carriers of the other Party and that they are provided under no less favourable terms than those under which they are provided to any other air carrier.
4. As regards the allocation of slots at airports, each Party shall ensure that its regulations, guidelines and procedures for allocation of slots at the airports in its territory are applied in a transparent, effective, non-discriminatory and timely manner.
5. As regards local expenses and transfer of funds and earnings:
- (a) the provisions of Title IV [Capital movements, payments, transfers and temporary safeguard measures] of Heading One apply to the matters governed by this Title, without prejudice to Article AIRTRN.6 [Operating authorisations and technical permissions];
  - (b) the Parties shall grant each other the benefits laid down in points (c) to (e);
  - (c) it shall be possible for the sale and purchase of transport and related services by the air carriers of the Parties, at the discretion of the air carrier, to be denominated in pounds sterling if the sale or purchase takes place in the territory of the United Kingdom, or, if the sale or purchase take place in the territory of a Member State, to be denominated in the currency of that Member State;
  - (d) the air carriers of each Party shall be permitted to pay for local expenses in local currency, at their discretion;
  - (e) the air carriers of each Party shall be permitted, on demand, to remit revenues obtained in the territory of the other Party from the sale of air transport services and associated activities directly linked to air transport in excess of sums locally disbursed, at any time, in any way, to the country of their choice. Prompt conversion and remittance shall be permitted without restrictions or taxation in respect thereof at the market rate of exchange applicable to current transactions and remittance on the date the carrier makes the initial application for remittance and shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.
6. As regards intermodal transport:
- (a) in relation to the transport of passengers, the Parties shall not subject surface transport providers to laws and regulations governing air transport on the sole basis that such surface transport is held out by an air carrier under its own name;
  - (b) subject to any conditions and qualifications set out in Title II [SERVICES AND INVESTMENT] of Heading One and its Annexes and in Title I [Transport of Goods by Road] of Heading Three and

its Annex, air carriers of each Party shall be permitted, without restriction, to employ in connection with international air transport any surface transport for cargo to or from any points in the territories of the Parties, or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Air carriers may elect to perform their own surface transport or to provide it through arrangements, including code share, with other surface transport providers, including surface transport operated by other air carriers and indirect providers of cargo air transport. Such inter-modal cargo services may be offered as a through service and at a single price for the air and surface transport combined, provided that shippers are informed as to the providers of the transport involved.

7. As regards leasing:

- (a) the Parties shall grant each other the right for their air carriers to provide air transport services in accordance with Article AIRTRN.3 [Traffic rights] in all the following ways:
  - (i) using aircraft leased without crew from any lessor;
  - (ii) in the case of air carriers of the United Kingdom, using aircraft leased with crew from other air carriers of the Parties;
  - (iii) in the case of air carriers of the Union, using aircraft leased with crew from other air carriers of the Union;
  - (iv) using aircraft leased with crew from air carriers other than those referred to in points (ii) and (iii), respectively, provided that the leasing is justified on the basis of exceptional needs, seasonal capacity needs or operational difficulties of the lessee, and the leasing does not exceed the duration which is strictly necessary to fulfil those needs or overcome those difficulties;
- (b) the Parties may require leasing arrangements to be approved by their competent authorities for the purpose of verifying compliance with the conditions set out in this paragraph and with the applicable safety and security requirements;
- (c) however, where a Party requires such approval, it shall endeavour to expedite the approval procedures and minimise the administrative burden on the air carriers concerned;
- (d) the provisions of this paragraph are without prejudice to the laws and regulations of a Party as regards the leasing of aircraft by air carriers of that Party.

Article AIRTRN.14: Fiscal provisions

1. On arriving in the territory of one Party, aircraft operated in international air transport by the air carriers of the other Party, their regular equipment, fuel, lubricants, consumable technical supplies, ground equipment, spare parts (including engines), aircraft stores (including but not limited to such items as food, beverages and liquor, tobacco and other products destined for sale to, or use by, passengers in limited quantities during flight) and other items intended for or used solely in connection with the operation or servicing of aircraft engaged in international air transport shall, on the basis of reciprocity, and provided that such equipment and supplies remain on board the aircraft, be exempt from all import restrictions, property taxes and capital levies, customs duties, excise taxes,

inspection fees, value added tax or other similar indirect taxes, and similar fees and charges imposed by the national or local authorities or the Union.

2. The following goods shall also be exempt, on the basis of reciprocity, from the taxes, levies, duties, fees and charges referred to in paragraph 1:

- (a) aircraft stores introduced into or supplied in the territory of a Party and taken on board, within reasonable limits, for use on outbound aircraft of an air carrier of the other Party used in international air transport, even when these stores are to be used on a part of the journey performed over the said territory;
- (b) ground equipment and spare parts (including engines) introduced into the territory of a Party for the servicing, maintenance, or repair of aircraft of an air carrier of the other Party used in international air transport;
- (c) lubricants and consumable technical supplies other than fuel introduced into or supplied in the territory of a Party for use in an aircraft of an air carrier of the other Party used in international air transport, even when those supplies are to be used on a part of the journey performed over the said territory; and
- (d) printed matter, as provided for by the customs legislation of each Party, introduced into or supplied in the territory of one Party and taken on board for use on outbound aircraft of an air carrier of the other Party engaged in international air transport, even when those stores are to be used on a part of the journey performed over the said territory.

3. The regular airborne equipment, as well as the material, supplies and spare parts referred to in paragraph 1 normally retained on board aircraft operated by an air carrier of one Party may be unloaded in the territory of the other Party only with the approval of the customs authorities of that Party and may be required to be kept under the supervision or control of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with applicable regulations.

4. The relief from customs duties, national excise duties and similar national fees provided for in this Article shall also be available in situations where the air carrier or air carriers of one Party have entered into arrangements with another air carrier or air carriers for the loan or transfer in the territory of the other Party of the items specified in paragraphs 1 and 2, provided that such other air carrier or air carriers similarly enjoy such relief from that other Party.

5. Nothing in this Title shall prevent either Party from imposing taxes, levies, duties, fees or charges on goods sold other than for consumption on board to passengers during a sector of an air service between two points within its territory at which embarkation or disembarkation is permitted.

6. Baggage and cargo in direct transit across the territory of a Party shall be exempt from taxes, customs duties, fees and other similar charges.

7. Equipment and supplies referred to in paragraph 2 may be required to be kept under the supervision or control of the competent authorities.

8. The provisions of the respective conventions in force between the United Kingdom and Member States for the avoidance of double taxation on income and on capital remain unaffected by this Title.

9. The relief from customs duties, national excise duties and similar national fees shall not extend to charges based on the cost of services provided to an air carrier of a Party in the territory of the other Party.

#### Article AIRTRN.15: User charges

1. User charges that may be imposed by one Party on the air carriers of the other Party for the use of air navigation and air traffic control shall be cost-related and non-discriminatory. In any event, any such user charges shall be assessed on the air carriers of the other Party on terms not less favourable than the most favourable terms available to any other air carrier in like circumstances at the time the charges are applied.

2. Without prejudice to Article AIRTRN.13(5) [Commercial Operations], each Party shall ensure that user charges other than those mentioned in paragraph 1 that may be imposed on the air carriers of the other Party are just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. User charges imposed on the air carriers of the other Party may reflect, but not exceed, the full cost of providing appropriate airport, airport environmental and aviation security 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 user charges are imposed shall be provided on an efficient and economic basis. In any event, any such user charges shall be assessed on the air carrier of the other Party on terms no less favourable than the most favourable terms available to any other air carrier in like circumstances at the time the charges are applied.

3. In order to ensure the correct application of the principles set out in paragraphs 1 and 2, each Party shall ensure that consultations take place between the competent charging authorities or bodies in its territory and the air carriers using the services and facilities concerned and that the competent charging authorities or bodies and the air carriers exchange such information as may be necessary. Each Party shall ensure that the competent charging authorities provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before any changes are made.

#### Article AIRTRN.16: Tariffs

1. The Parties shall allow tariffs to be freely established by the air carriers of the Parties on the basis of fair competition in accordance with this Title.

2. The Parties shall not subject the tariffs of each other's air carriers to approval.

#### Article AIRTRN.17: Statistics

1. The Parties shall cooperate within the framework of the Specialised Committee on Air Transport to facilitate the exchange of statistical information related to air transport under this Title.

2. Upon request, each Party shall provide the other Party with non-confidential and non-commercially sensitive available statistics related to air transport under this Title, as required by the respective laws and regulations of the Parties, on a non-discriminatory basis, and as may reasonably be required.

#### Article AIRTRN.18: Aviation safety

1. The Parties reaffirm the importance of close cooperation in the field of aviation safety.

2. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Party and still in force shall be recognised as valid by the other Party and its competent authorities, for the purpose of operating air services under this Title, provided that such certificates or licences were issued or rendered valid pursuant to, and in conformity with, as a minimum, the relevant international standards established under the Convention.

3. Each Party may request consultations at any time concerning the safety standards maintained and administered by the other Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within 30 days of the request.

4. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 2 that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Party shall notify the other Party of those findings and the steps considered necessary to conform with those minimum standards, and the other Party shall take appropriate corrective action. Failure by the other Party to take appropriate action within 15 days or such other period as may be agreed shall be grounds for the requesting Party to refuse, revoke, suspend, impose conditions on or limit the operating authorisations or technical permissions, or to otherwise refuse, revoke, suspend, impose conditions on or limit the operations of the air carriers under the safety oversight of the other Party.

5. Any aircraft operated by, or under a lease arrangement on behalf of, an air carrier or air carriers of one Party may, while within the territory of the other Party, be made the subject of a ramp inspection, provided that this does not lead to unreasonable delay in the operation of the aircraft.

6. The ramp inspection or series of ramp inspections can give 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.

In the event that the Party that conducted the ramp inspection or inspections establishes serious concerns as referred to in point (a) or (b), it shall notify the competent authorities of the other Party that are responsible for the safety oversight of the air carrier operating the aircraft of such findings and inform them of the steps considered necessary to conform with those minimum standards. Failure to take appropriate corrective action within 15 days or such other period as may be agreed shall constitute grounds for the first Party to refuse, revoke, suspend, impose conditions on or limit the operating authorisations or technical permissions or to otherwise refuse, revoke, suspend, impose conditions on or limit the operations of the air carrier operating the aircraft.

7. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the air carrier or air carriers of one Party in accordance with paragraph 5 is denied, the other Party shall be free to infer that serious concerns as referred to in paragraph 6 arise and proceed in accordance with paragraph 6.

8. Each Party reserves the right to immediately revoke, suspend or limit the operating authorisations or technical permissions or to otherwise suspend or limit the operations of an air carrier or air carriers of the other Party, if the first Party concludes 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 air carrier operation. The Party taking such measures shall promptly inform the other Party, providing reasons for its action.



9. Any action by one Party in accordance with paragraphs 4, 6 or 8 shall be discontinued once the basis for the taking of that action ceases to exist.

10. Where measures have been taken by a Party pursuant to paragraphs 4, 6 or 8, in the event of a dispute a Party may have recourse to arbitration in accordance with Article INST.14 [Arbitration procedure], without having prior recourse to consultations in accordance with Article INST.13 [Consultations]. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article INST.19 [Urgent Proceedings]. At the request of the complaining Party, the tribunal may, pending its final ruling, order the adoption of interim relief measures, including the modification or suspension of measures taken by either Party under this Article.

#### Article AIRTRN.19: Aviation security

1. The Parties shall provide upon request all necessary assistance to each other to address any threat to the security of civil aviation, including the prevention of acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, of their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

2. The Parties shall, in their mutual relations, act in conformity with the aviation security standards established by ICAO. They shall require that operators of the aircraft in their registries and the operators of airports in their territory, act, at least, in conformity with such aviation security standards. Each Party shall, on request, provide the other Party notification of any difference between its laws, regulations and practices and the aviation security standards referred to in this paragraph. Each Party may at any time request consultations, to be held without delay, with the other Party to discuss those differences.

3. Each Party shall ensure that effective measures are taken within its territory to protect civil aviation against acts of unlawful interference, including, but not limited to, screening of passengers and their cabin baggage, screening of hold baggage, screening and security controls for persons other than passengers, including crew, and their items carried, screening and security controls for cargo, mail, in-flight and airport supplies, and access control to airside and security restricted areas. Each Party agrees that the security provisions of the other Party relating to the admission to, operating within, or departure from its territory of aircraft shall be observed.

4. The Parties shall endeavour to cooperate on aviation security matters to the highest extent, to exchange information on threat, vulnerability and risk, subject to the mutual agreement of appropriate arrangements for the secure transfer, use, storage and disposal of classified information, to discuss and share best practices, performance and detection standards of security equipment, compliance monitoring best practices and results, and in any other area that the Parties may identify. In particular, the Parties shall endeavour to develop and maintain cooperation arrangements between technical experts on the development and recognition of aviation security standards with the aim of facilitating such cooperation, reducing administrative duplication and fostering early notice and prior discussion of new security initiatives and requirements.

5. Each Party shall make available to the other Party on request the results of audits carried out by ICAO and the corrective actions taken by the audited state, subject to the mutual agreement of appropriate arrangements for the secure transfer, use, storage and disposal of such information.

6. The Parties agree to cooperate on security inspections undertaken by them in the territory of either Party through the establishment of mechanisms, including administrative arrangements, for the reciprocal exchange of information on results of such security inspections. The Parties agree to

consider positively requests to participate, as observers, in security inspections undertaken by the other Party.

7. Subject to paragraph 9, and with full regard and mutual respect for the other Party's sovereignty, a Party may adopt security measures for entry into its territory. Where possible, that Party shall take into account the security measures already applied by the other Party and any views that the other Party may offer. Each Party recognises that nothing in this Article limits the right of a Party to refuse entry into its territory of any flight or flights that it deems to present a threat to its security.

8. A Party may take emergency measures to meet a specific security threat. Such measures shall be notified immediately to the other Party. Without prejudice to the need to take immediate action in order to protect aviation security, when considering security measures, a Party shall evaluate possible adverse effects on international air transport and, unless constrained by law, shall take such effects into account when it determines what measures are necessary and appropriate to address the security concerns.

9. With regard to air services bound for its territory, a Party may not require security measures to be implemented in the territory of the other Party. Where a Party considers that a specific threat urgently requires the implementation of temporary measures in addition to the measures already in place in the territory of the other Party, it shall inform the other Party of the particulars of that threat to the extent consistent with the need to protect security information, and of the proposed measures. The other Party shall give positive consideration to such a proposal and may decide to implement additional measures as it deems necessary. Such measures shall be proportionate and limited in time.

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

11. Each Party shall take all measures it finds practicable to ensure that an aircraft subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its territory is detained on the ground unless its departure is necessitated by the overriding duty to protect human life. Where practicable, such measures shall be taken on the basis of consultations between the Parties.

12. When a Party has reasonable grounds to believe that the other Party does not comply with this Article, that Party may request immediate consultations with the other Party. Such consultations shall start within 30 days of the receipt of such a request. Failure to reach a satisfactory agreement within 15 days or such other period as may be agreed from the date of such request shall constitute grounds for the Party that requested the consultations to take action to refuse, revoke, suspend, impose conditions on or limit the operating authorisation and technical permissions of an air carrier or air carriers of the other Party to ensure compliance with this Article. When required by an emergency, or to prevent further non-compliance with this Article, a Party may take interim action prior to the expiry of the 15 day-period referred to in this paragraph.

13. Any action taken in accordance with paragraph 8 shall be discontinued when the Party in question considers that the action is no longer required or has been superseded by other measures to mitigate the threat. Any action taken in accordance with paragraph 12 shall be discontinued upon compliance by the other Party with this Article. In the case of action taken in accordance with paragraph 8 or 12, this may be discontinued as mutually agreed by the Parties.

14. Where measures or actions have been taken in accordance with paragraphs 7, 8, 9 or 12, a Party may have recourse to the dispute settlement provisions of Title I [Dispute settlement] of Part Six. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article INST.19 [Urgent Proceedings].

#### Article AIRTRN.20: Air traffic management

1. The Parties and their respective competent authorities and air navigation service providers shall cooperate with each other in such a way as to enhance the safe and efficient functioning of air traffic in the European region. The Parties shall seek interoperability between each other's service providers.

2. The Parties agree to cooperate on matters concerning the performance and charging of air navigation services and network functions, with a view to optimising overall flight efficiency, reducing costs, minimising environmental impact and enhancing the safety and capacity of air traffic flows between the existing air traffic management systems of the Parties.

3. The Parties agree to promote cooperation between their air navigation service providers in order to exchange flight data and coordinate traffic flows to optimise flight efficiency, with a view to achieving improved predictability, punctuality and service continuity for air traffic.

4. The Parties agree to cooperate on their air traffic management modernisation programmes, including research, development and deployment activities, and to encourage cross-participation in validation and demonstration activities with the goal of ensuring global interoperability.

#### Article AIRTRN.21: Air carrier liability

The Parties reaffirm their obligations under the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal on 28 May 1999 (the Montreal Convention).

#### Article AIRTRN.22: Consumer protection

1. The Parties share the objective of achieving a high level of consumer protection and shall cooperate to that effect.

2. The Parties shall ensure that effective and non-discriminatory measures are taken to protect the interests of consumers in air transport. Such measures shall include the appropriate access to information, assistance including for persons with disabilities and reduced mobility, reimbursement and, if applicable, compensation in case of denied boarding, cancellation or delays, and efficient complaint handling procedures.

3. The Parties shall consult each other on any matter related to consumer protection, including their planned measures in that regard.

#### Article AIRTRN.23: Relationship to other agreements

1. Earlier agreements and arrangements relating to the subject matter of this Title between the United Kingdom and the Member States, to the extent that they may not have been superseded by the law of the Union, shall be superseded by this Agreement.

2. The United Kingdom and a Member State may not grant each other any rights in connection with air transport to, from or within their respective territories other than those expressly laid down in this Title, save as provided for in Article AIRTRN.3 (4) and (9) [traffic rights].

3. If the Parties become party to a multilateral agreement, or endorse a decision adopted by ICAO or another international organisation that addresses matters covered by this Title, they shall consult in the Specialised Committee on Air Transport to determine whether this Title should be revised to take into account such developments.

4. Nothing in this Title shall affect the validity and application of existing and future agreements between the Member States and the United Kingdom as regards territories under their respective sovereignty which are not covered by Article FINPROV.1 [Territorial scope].

5. Nothing in this Title shall affect any rights available to the United Kingdom and Member States under the Multilateral Agreement on Commercial Rights of Non-Scheduled Air Services in Europe, signed at Paris on 30 April 1956, to the extent that such rights go beyond those laid down in this Title.

#### Article AIRTRN.24: Suspension and Termination

1. A suspension of this Title, in whole or in part, pursuant to Article INST.24 [Temporary remedies], may be implemented no earlier than the first day of the International Air Transport Association (IATA) traffic season following the season during which the suspension has been notified.

2. Upon termination of this Agreement pursuant to Article FINPROV.8 [Termination] or upon termination of this Title pursuant to Article AIRTRN.25 [Termination of this Title] or Article OTH.10 [Termination of Part Two] or Article FISH.17 [Termination], the provisions governing the matters falling within the scope of this Title shall continue to apply beyond the date of cessation referred to in Article FINPROV.8 [Termination] or Article AIRTRN.25 [Termination of this Title] or Article OTH.10 [Termination of Part Two] or Article FISH.17 [Termination], until the end of the IATA traffic season in progress on that date.

3. The Party suspending this Title, in whole or in part, or terminating this Agreement or this Title shall inform ICAO thereof.

#### Article AIRTRN.25: Termination of this Title

Without prejudice to Article FINPROV.8 [Termination], Article OTH.10 [Termination of Part Two], and Article FISH.17 [Termination] each Party may at any moment terminate this Title, by written notification through diplomatic channels. In that event, this Title shall cease to be in force on the first day of the ninth month following the date of notification.

#### Article AIRTRN.26: Registration of the Agreement

This Agreement and any amendments thereto shall, insofar as relevant, be registered with ICAO in accordance with Article 83 of the Convention.

## **TITLE II: AVIATION SAFETY**

### **Article AVSAF.1: Objectives**

The objectives of this Title are to:

- (a) enable the reciprocal acceptance, as provided for in the Annexes to this Title, of findings of compliance made and certificates issued by either Party's competent authorities or approved organisations;
- (b) promote cooperation toward a high level of civil aviation safety and environmental compatibility;
- (c) facilitate the multinational dimension of the civil aviation industry;
- (d) facilitate and promote the free flow of civil aeronautical products and services.

### **Article AVSAF.2: Definitions**

For the purposes of this Title, the following definitions apply:

- (a) "approved organisation" means any legal person certified by the competent authority of either Party to exercise privileges related to the scope of this Title;
- (b) "certificate" means any approval, licence or other document issued as a form of recognition of compliance that a civil aeronautical product, an organisation or a legal or natural person complies with the applicable requirements set out in laws and regulations of a Party;
- (c) "civil aeronautical product" means any civil aircraft, aircraft engine, or aircraft propeller, or subassembly, appliance, part or component, installed or to be installed thereon;
- (d) "competent authority" means a Union or government agency or a government entity responsible for civil aviation safety that is designated by a Party for the purposes of this Title to perform the following functions:
  - (i) to assess the compliance of civil aeronautical products, organisations, facilities, operations and services subject to its oversight with applicable requirements set out in laws, regulations and administrative provisions of that Party;
  - (ii) to conduct monitoring of their continued compliance with these requirements; and
  - (iii) to take enforcement actions to ensure their compliance with these requirements;
- (e) "findings of compliance" means a determination of compliance with the applicable requirements set out in laws and regulations of a Party as the result of actions such as testing, inspections, qualifications, approvals and monitoring;
- (f) "monitoring" means the regular surveillance by a competent authority of a Party to determine continuing compliance with the applicable requirements set out in laws and regulations of that Party;

- (g) “technical agent” means, for the Union, the European Union Aviation Safety Agency (“EASA”), or its successor, and for the United Kingdom, the United Kingdom Civil Aviation Authority (“CAA”), or its successor; and
- (h) “the Convention” means the Convention on International Civil Aviation, signed in Chicago on 7 December 1944, and includes:
  - (i) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question; and
  - (ii) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question.

#### Article AVSAF.3: Scope and implementation

1. The Parties may cooperate in the following areas:
  - (a) airworthiness certificates and monitoring of civil aeronautical products;
  - (b) environmental certificates and testing of civil aeronautical products;
  - (c) design and production certificates and monitoring of design and production organisations;
  - (d) maintenance organisation certificates and monitoring of maintenance organisations;
  - (e) personnel licensing and training;
  - (f) flight simulator qualification evaluation;
  - (g) operation of aircraft;
  - (h) air traffic management and air navigation services; and
  - (i) other areas related to aviation safety subject to Annexes to the Convention.
2. The scope of this Title shall be established by way of Annexes covering each area of cooperation set out in paragraph 1.
3. The Specialised Committee on Aviation Safety may only adopt Annexes as referred to in paragraph 2 where each Party has established that the civil aviation standards, rules, practices, procedures and systems of the other Party ensure a sufficiently equivalent level of safety to permit acceptance of findings of compliance made and certificates issued by its competent authorities or by organisations approved by that competent authority.
4. Each Annex referred to in paragraph 2 shall describe the terms, conditions and methods for the reciprocal acceptance of findings of compliance and certificates, and, if necessary, transitional arrangements.

5. The technical agents may develop implementation procedures for each individual Annex. Technical differences between the Parties' civil aviation standards, rules, practices, procedures and systems shall be addressed in the Annexes referred to in paragraph 2 and implementation procedures.

#### Article AVSAF.4: General obligations

1. Each Party shall accept findings of compliance made and certificates issued by the other Party's competent authorities or approved organisations, in accordance with the terms and conditions set out in the Annexes referred to in Article AVSAF.3(2) [Scope and implementation].
2. Nothing in this Title shall entail reciprocal acceptance of the standards or technical regulations of the Parties.
3. Each Party shall ensure that its respective competent authorities remain capable and fulfil their responsibilities under this Title.

#### Article AVSAF.5: Preservation of regulatory authority

Nothing in this Title shall be construed as limiting the authority of a Party to determine, through its legislative, regulatory and administrative measures, the level of protection it considers appropriate for safety and the environment.

#### Article AVSAF.6: Safeguard measures

1. Either Party may take all appropriate and immediate measures whenever it considers that there is a reasonable risk that a civil aeronautical product, a service or any activity that falls within the scope of this Title may compromise safety or the environment, may not meet its applicable legislative, regulatory or administrative measures, or may otherwise fail to satisfy a requirement within the scope of the applicable Annex to this Title.
2. Where either Party takes measures pursuant to paragraph 1, it shall inform the other Party in writing within 15 working days of taking such measures, providing reasons therefor.

#### Article AVSAF.7: Communication

1. The Parties shall designate and notify each other of a contact point for the communication related to the implementation of this Title. All such communications shall be in the English language.
2. The Parties shall notify to each other a list of the competent authorities, and thereafter an updated list each time that becomes necessary.

#### Article AVSAF.8: Transparency, regulatory cooperation and mutual assistance

1. Each Party shall ensure that the other Party is kept informed of its laws and regulations related to this Title and any significant changes to such laws and regulations.
2. The Parties shall to the extent possible inform each other of their proposed significant revisions of their relevant laws, regulations, standards, and requirements, and of their systems for issuing certificates insofar as these revisions may have an impact on this Title. To the extent possible, they shall offer each other an opportunity to comment on such revisions and give due consideration to such comments.

3. For the purpose of investigating and resolving specific safety issues, each Party's competent authorities may allow the other Party's competent authorities to participate as observers in each other's oversight activities as specified in the applicable Annex to this Title.

4. For the purpose of monitoring and inspections, each Party's competent authorities shall assist, if necessary, the other Party's competent authorities with the objective of providing unimpeded access to regulated entities subject to its oversight.

5. To ensure the continued confidence by each Party in the reliability of the other Party's processes for findings of compliance, each technical agent may participate as an observer in the other's oversight activities, in accordance with procedures set out in the Annexes to this Title. That participation shall not amount to a systematic participation in oversight activity of the other Party.

#### Article AVSAF.9: Exchange of safety information

The Parties shall, without prejudice to Article AVSAF.11 [Confidentiality and protection of data and information] and subject to their applicable legislation:

- (a) provide each other, on request and in a timely manner, with information available to their technical agents related to accidents, serious incidents or occurrences in relation to civil aeronautical products, services or activities covered by the Annexes to this Title; and
- (b) exchange other safety information as the technical agents may agree.

#### Article AVSAF.10: Cooperation in enforcement activities

The Parties shall, through their technical agents or competent authorities, provide when requested, subject to applicable laws and regulations, as well as to the availability of required resources, mutual cooperation and assistance in investigations or enforcement activities regarding any alleged or suspected violation of laws or regulations falling within the scope of this Title. In addition, each Party shall promptly notify the other Party of any investigation when mutual interests are involved.

#### Article AVSAF.11: Confidentiality and protection of data and information

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of data and information received from the other Party under this Title. Such data and information may only be used by the Party receiving the data and information for the purposes of this Title.

2. In particular, subject to their respective laws and regulations, the Parties shall neither disclose to a third party, including the public, nor permit their competent authorities to disclose to a third party, including the public, any data and information received from the other Party under this Title that constitutes trade secrets, intellectual property, confidential commercial or financial information, proprietary data, or information that relates to an ongoing investigation. To that end, such data and information shall be considered to be confidential.

3. A Party or a competent authority of a Party may, upon providing data or information to the other Party or a competent authority of the other Party, designate data or information that it considers to be confidential and not to be subject to disclosure. In that case, the Party or its competent authority shall clearly mark such data or information as confidential.



4. If a Party disagrees with the designation made by the other Party or a competent authority of that Party in accordance with paragraph 3, the former Party may request consultations with the other Party to address the issue.

5. Each Party shall take all reasonable precautions necessary to protect data and information, received under this Title, from unauthorised disclosure.

6. The Party receiving data and information from the other Party under this Title shall not acquire any proprietary rights on such data and information by reason of its receipt from the other Party.

#### Article AVSAF.12: Adoption and amendments of Annexes to this Title

The Specialised Committee on Aviation Safety may amend ANNEX AVSAF-1 [Airworthiness and Environment Certification] to this Title, adopt or amend Annexes as provided for in Article AVSAF.3(2) [Scope and implementation] and delete any Annex.

#### Article AVSAF.13: Cost recovery

Each Party shall endeavour to ensure that any fees or charges imposed by a Party or its technical agent on a legal or natural person whose activities are covered by this Title shall be just, reasonable and commensurate with the services provided, and shall not create a barrier to trade.

#### Article AVSAF.14: Other agreements and prior arrangements

1. Upon entry into force of this Agreement, this Title shall supersede any bilateral aviation safety agreements or arrangements between the United Kingdom and the Member States with respect to any matter covered by this Title that has been implemented in accordance with Article AVSAF.3 [Scope and implementation].

2. The technical agents shall take necessary measures to revise or terminate, as appropriate, prior arrangements between them.

3. Subject to paragraphs 1 and 2, nothing in this Title shall affect the rights and obligations of the Parties under any other international agreements.

#### Article AVSAF.15: Suspension of reciprocal acceptance obligations

1. A Party shall have the right to suspend, in whole or in part, its acceptance obligations under paragraph 1 of Article AVSAF.4 [General obligations], when the other Party materially violates its obligations under this Title.

2. Before exercising its right to suspend its acceptance obligations, a Party shall request consultations for the purpose of seeking corrective measures of the other Party. During the consultations, the Parties shall, where appropriate, consider the effects of the suspension.

3. Rights under this Article shall be exercised only if the other Party fails to take corrective measures within an appropriate period of time following the consultations. If a Party exercises a right under this Article, it shall notify the other Party of its intention to suspend the acceptance obligations in writing and detail the reasons for suspension.

4. Such suspension shall take effect 30 days after the date of the notification, unless, prior to the end of that period, the Party which initiated the suspension notifies the other Party in writing that it is withdrawing its notification.

5. Such suspension shall not affect the validity of findings of compliance made and certificates issued by the competent authorities or approved organisations of the other Party prior to the date the suspension took effect. Any such suspension that has become effective may be rescinded immediately upon an exchange of diplomatic notes to that effect by the Parties.

#### Article AVSAF.16: Termination of this Title

Without prejudice to Article FINPROV.8 [Termination], Article OTH.10 [Termination of Part Two] and Article FISH.17 [Termination], each Party may at any moment terminate this Title, by written notification through diplomatic channels. In that event, this Title shall cease to be in force on the first day of the ninth month following the date of notification.