

AGREEMENT BETWEEN THE GOVERNMENT OF
THE ITALIAN REPUBLIC
AND
THE GOVERNMENT OF THE REPUBLIC OF ARMENIA
CONCERNING AIR SERVICES

The Government of the Italian Republic and the Government of the Republic of Armenia hereinafter called in the present Agreement the "Contracting Parties", being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, desiring to conclude an Agreement, for the purpose of regulating the air services between the two Countries, have agreed as follows:

ARTICLE 1

Definitions

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

- a) the term "the Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or Convention under Articles 90 and 94 thereof insofar as those Annexes and amendments have become effective for or been ratified by both Contracting Parties;
- b) the term "Aeronautical Authorities" means, in the case of the Italian Republic, the Ministry of Infrastructure and Transport and any person or body authorised to perform any functions to which this Agreement relates, in the case of the Republic of Armenia, the General Department of Civil Aviation at the Government of the Republic of Armenia and any person or body authorised to perform any functions to which this Agreement relates;
- c) the term "designated airline" means an airline which has been designated and authorised in accordance with Article 4 of this Agreement;
- d) the term "territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention;
- e) the terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
- f) the term "change of gauge" means a change of aircraft at points on the specified routes;
- g) the term "code sharing" means an operation performed by each designated airline utilising the code letter and the flight number of another airline in addition to its own code letter and flight number.

ARTICLE 2

Applicability of Chicago Convention

The provisions of this Agreement shall be 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 the other Contracting Party the following rights in respect of its scheduled international air services
 - (a) the right to fly across its territory without landing
 - (b) the right to make stops in its territory for non-traffic purposes
- 2) Each Contracting Party grants the other Contracting Party the right specified in the present Agreement for the purpose of establishing and operating air services on the routes specified in the Route Schedule hereto (hereinafter called "the agreed services" and the "specified routes")
- 3) The airlines designated by each Contracting Party, while operating on the specified routes, shall enjoy the privilege to make stops in the territory of the other Contracting Party at the points specified in the Route Schedule for the purpose of taking on board and discharging passengers, cargo and mail coming from or destined to the points in the first Contracting Party
- 4) Nothing in paragraph 2) of this Article shall be deemed to confer on the designated airlines of one Contracting Party the privilege of taking on board, in the territory of the other Contracting Party, passengers, cargo and mail upon remuneration or hire and destined to another point in the territory of the other Contracting Party

ARTICLE 4

Designation and Authorisation of Airlines

- 1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes
- 2) On receipt of such designation the Aeronautical Authority of the other Contracting Party shall, subject to the provisions of paragraphs 3) and 4) of this Article, without delay grant the designated airlines the appropriate operating authorisation
- 3) The Aeronautical Authorities of one Contracting Party may require the airlines designated by the other Contracting Party to provide suitable certification that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such Authorities in accordance with the provisions of the Convention.
- 4) Each Contracting Party shall have the right to refuse to grant the operating authorisation referred to in paragraph 2) of this Article, or to impose such conditions as it may deem necessary on the exercise by the designated airlines of the rights specified in Article 3 of this Agreement, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.
- 5) When an airline of each Contracting Party has been so designated and authorised, it may begin at any time to operate the agreed services, provided that the airline complies with applicable provisions of this Agreement

ARTICLE 5

Revocation or Suspension of Operating Authorisation

- 1) Each Contracting Party shall have the right to revoke an operating authorisation or to suspend the exercise of the rights specified in Article 3 of this Agreement by an airline designated by the

other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of these rights in any of the following cases

- a) in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals,
 - b) in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights,
 - c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement
- 2) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party

ARTICLE 6

Exemption from Customs and Other Duties

- 1) Aircraft operated on international air services by the designated airlines of one Contracting Party, as well as their regular equipment, spare parts including engines, supplies of fuel and lubricants and aircraft stores (including food, beverage and tobacco) which are on board such aircraft, shall be exempted by the other Contracting Party from all kinds of customs duties, inspection fees and any other fiscal charges on arriving in the territory of the other Contracting Party, provided that such regular equipment and such other items remain on board the aircraft
- 2) There shall also be exempt from the same duties, fees and charges, with the exclusion of charges relating to the service performed, for
 - a) fuel, lubricants, aircraft stores, spare parts including engines and regular airborne equipment introduced in the territory of one Contracting Party by the aircraft of the designated airline of the other Contracting Party and exclusively intended for use by aircraft of the said airline,
 - b) fuel, lubricants, aircraft stores, spare parts including engines and regular airborne equipment, taken on board in the territory of each Contracting Party by the aircraft of the designated airlines of one Contracting Party, while operating the agreed services, within the limits and conditions fixed by the competent Authorities of the said other Contracting Party, and intended solely for use and consumption during the flight
- 3) The materials enjoying the exemptions from customs duties and other fiscal charges, provided for in the preceding paragraphs will not be used for purposes other than international air services and must be re-exported if not used, unless their transfer to other international airline is granted, or their permanent importation is permitted, in accordance with the provisions in force in the territory of the interested Contracting Party
- 4) The exemptions set out in this Article, applicable also to the part of the above mentioned materials used and consumed during the flight over the territory of the Contracting Party granting the exemptions, are granted on a reciprocal basis and may be subject to compliance with the specific formalities generally applied in the said territory, including customs controls

ARTICLE 7

Principles Governing Operation of Agreed Services

- 1) The designated airlines of each Contracting Party will be granted a fair and equal opportunity to operate the agreed services on the specified routes

account the interests of the designated airlines of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same routes.

- 3) The agreed services provided by the designated airlines of each Contracting Party shall bear close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territories of the Contracting Parties.
- 4) The designated airlines of one Contracting Party shall provide for approval to the Aeronautical Authorities of the other Contracting Party flight schedules including information on the type of aircraft to be used, at least thirty (30) days before each summer or winter season.

ARTICLE 8

Tariffs

- 1) For the purpose of the following paragraphs, the term "tariff" means the price to be paid for the carriage of passengers, baggage and cargo as well as the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail.
- 2) The tariffs to be charged by a designated airline of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, reasonable profit, and the tariffs of other airlines.
- 3) The tariffs referred to in paragraph 2) of this Article shall, if possible, be the subject of consultations between the designated airlines of the Contracting Parties.
- 4) The tariffs shall be submitted for the approval of the Aeronautical Authorities of both Contracting Parties at least sixty (60) days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.
- 5) This approval may be given in writing. If neither of the Aeronautical Authorities has expressed disapproval within thirty (30) days of the date of submission, in accordance with paragraph 4) of this Article, this tariff shall be considered as approved. In the event of the period for submission being reduced, as provided for in paragraph 4), the Aeronautical Authorities may agree that the period within which any disapproval must be notified shall be less than thirty (30) days.
- 6) If a tariff cannot be agreed in accordance with paragraph 3) of this Article, or if, during the period applicable in accordance with paragraph 5) of this Article, one Aeronautical Authority gives the other Aeronautical Authority notice of its disapproval of a tariff agreed in accordance with the provisions of paragraph 3) of this Article, the Aeronautical Authorities of the two Contracting Parties shall endeavour to determine the tariff by mutual agreement.
- 7) A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established.

ARTICLE 9

Laws and Regulations

- 1) The laws, regulations and administrative directives of one Contracting Party relating to the admission to, the stay in or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the airlines designated by the other Contracting Party and shall be

complied with by such aircraft upon entrance into or departure from, or while within, the territory of the first Contracting Party

- 2) The laws, regulations and administrative directives of one Contracting Party relating to the admission to, the stay in or departure from its territory of passengers, crew, cargo or mail of aircraft, including regulations relating to entry, clearance, immigration, passports, customs and quarantine, shall be complied with by or on behalf of such passengers, crew, cargo or mail of the airlines of the other Contracting Party upon entrance into or departure from, or while within, the territory of the first Contracting Party

ARTICLE 10

Safety

- 1) Each Contracting Party shall recognise as valid certificates of airworthiness, certificates of competency, and licences issued or validated by the other Contracting Party and still in force, provided that the requirements for such certificates or licences at least equal the minimum standards that may be established pursuant to the Convention. Each Contracting Party may, however, refuse to recognise as valid for the purpose of flight above its own territory, certificates of competency and licences granted to or validated for its own nationals by the other Contracting Party. To this end each Contracting Party shall have the right to make the necessary safety checks on board the aircraft, provided this does not lead to unnecessary delays
- 2) Either Contracting Party may request consultations concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrews, aircraft, and any operation of services. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards and requirements in these areas that at least equal the minimum standards that may be established pursuant to the Convention, the other Contracting Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards, and the other Contracting Party shall take appropriate corrective action. In case of urgency or in the event the other Contracting Party does not take appropriate corrective action within a reasonable time, each Contracting Party reserves the right to withhold, revoke, or limit any operating authorisation or technical permission

ARTICLE 11

Airline Representation

- 1) Each Contracting Party shall grant the designated airlines of the other Contracting Party, on a basis of reciprocity, the right to maintain in the points specified in the route schedule on its territory offices and administrative commercial and technical personnel chosen among nationals from either or both Contracting Parties as may be necessary for the requirements of any designated airline.
- 2) The employment of third Country nationals in the territory of either Contracting Party shall be permitted subject to the authorisation of the competent Authorities
- 3) All the above personnel shall be subject to the laws relating to the admission and stay in the territory of the other Contracting Party as well as the laws, regulations and administrative directives applicable in that territory
- 4) The number of such personnel, established on agreement between the designated airlines, shall be submitted for approval to the appropriate Authorities of the two Contracting Parties
- 5) Each Contracting Party will provide for any necessary assistance to said offices and personnel

ARTICLE 12

Aviation Security

- 1) In accordance with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to protect, in their mutual relationship, the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.
- 2) The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
- 3) In parallel with the obligations assumed under paragraph 1) of this Article, the Contracting Parties shall act in conformity with the provisions of the Convention on Offences and Certain other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971 and any other Convention relating to the security of civil aviation to each both Contracting Parties are parties.
- 4) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security standards and, insofar as they are applied by them, the recommended practices established by the International Civil Aviation Organisation, and designated as Annexes to the Convention, and shall require that operators of aircraft of their registry, operators 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. In this paragraph the reference to aviation security standards includes any difference notified by the Contracting Party concerned. Each Contracting Party shall give in advance information to the other Contracting Party of its intention to notify any difference relating to such standards.
- 5) Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions 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 take all reasonable measures within its territory to protect aircraft and to inspect passengers, crew, carry-on items, baggage, and cargo and aircraft stores prior to and during boarding and loading. Each Contracting Party shall also consider favourably for action any request from the other Contracting Party for reasonable special security measures to face a particular threat.
- 6) When an incident or threat of an incident of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat.
- 7) When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from aviation security provisions of this Article, the former Contracting Party may request immediate consultations with the latter. Failure to reach a satisfactory agreement within fifteen (15) days of the date of receipt of such request for consultations shall constitute grounds to suspend or condition the rights of both Contracting Parties under this Agreement within ninety (90) days. When justified by an emergency involving an immediate threat to the safety of passengers, crew, or aircraft and when the other Contracting Party has not adequately met its obligations pursuant to paragraphs 4) or 5) of this Article, a Contracting Party may take immediate interim protective action appropriate to face the threat. The other Contracting Party with the provisions of this Article shall discontinue any action taken in accordance with this paragraph upon compliance.

ARTICLE 13

Sales and Transfer of Earnings

- 1) Each Contracting Party grants the designated airlines of the other Contracting Party the right to sell freely in domestic currency and/or in convertible currency air transport services, including supplementary services rendered, on the specified routes and all other services of its own network, and on the networks of the other airlines, either directly or through agents.
- 2) The designated airlines of each Contracting Party shall be free to effect the actual transfer abroad of the excess of receipts over expenditure in relation to sales for the transportation of passengers, cargo and mail including the related banking interests without any delay or limitation.
- 3) Each Contracting Party shall ensure the designated airlines of the other Contracting Party the execution of transfers into a freely convertible currency within a maximum of thirty (30) days of the date of application. The rate of exchange in force at the date of sale shall be applied to the aforesaid transfers. Such transfers shall be effected on the basis of official exchange rates, or, where there is no official exchange rate, at the prevailing foreign exchange market rate for current payments.
- 4) The privileges specified in the above-mentioned paragraphs shall be granted only on the basis of strict reciprocity. If one of the Contracting Parties imposes limitation or delays on the transfers of the designated airlines of the other Contracting Party, the latter shall be entitled to suspend the exercise by any designated airline of the former Contracting Party of the rights specified in paragraphs 2) and 3) of this Article.
- 5) Whenever the payment system between the Contracting Parties is governed by a special agreement, this agreement shall apply.

ARTICLE 14

Consultations

- 1) In a spirit of close co-operation, the Aeronautical Authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of this Agreement and the Annex attached thereto.
- 2) If either of the Contracting Parties considers it desirable to modify any provisions of this Agreement, it may at any time propose in writing such modification to the other Contracting Party. Consultations between the two Contracting Parties concerning such proposed modification may be either oral or in writing and shall, unless otherwise agreed, begin within a period of sixty (60) days of the date of the written request received by one of the Contracting Parties.
- 3) Any modification to this Agreement in accordance with paragraph 2) of this Article shall enter into force in conformity to the procedure set forth in Article 20.
- 4) In the event that either of the Contracting Parties considers it desirable to modify the Annex to this Agreement such modification may be agreed upon in consultation between the Aeronautical Authorities of the two Contracting Parties and shall be confirmed in writing.

ARTICLE 15

Settlement of Disputes

If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall endeavour to settle it by negotiation.

ARTICLE 16

Adaptation to Multilateral Conventions

In the event of the conclusion of a multilateral Convention or Agreement concerning air transport to which both Contracting Parties adhere, this Agreement shall be modified to conform to the provisions of such Convention or Agreement, by consultations between the two Contracting Parties.

ARTICLE 17

Provision of Statistics

The Aeronautical Authorities of one Contracting Party shall provide the Aeronautical Authorities of the other Contracting Party, on request, with periodic statistics or other similar information relating to the traffic carried on the agreed services by the respective designated airlines, to/from the territory of the other Contracting Party.

ARTICLE 18

Registration with the International Civil Aviation Organisation

This Agreement and any subsequent amendments shall be registered with the International Civil Aviation Organisation.

ARTICLE 19

Termination

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate this Agreement, such a notice shall be simultaneously communicated to the International Civil Aviation Organisation. In such a case the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party unless the notice to terminate is withdrawn by mutual consent before the end of this period. In case of absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organisation.

ARTICLE 20

Entry into Force

The present Agreement shall enter into force as from the receiving date of the last of the two notifications by which the two Contracting Parties shall communicate to each other that their respective ratification procedures have been completed.

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ARTICLE 20

Entry into Force

The present Agreement shall enter into force as from the receiving date of the last of the five notifications by which the two Contracting Parties shall communicate to each other that their respective ratification procedures have been completed.

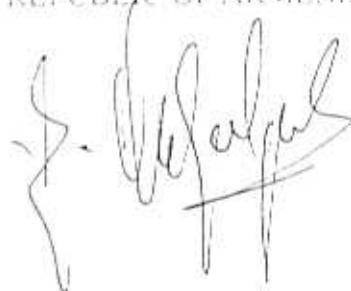
In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed this Agreement

Done, at Yerevan, on July 18 2002, in two originals in the Italian, Armenian and English languages, all texts being equally authentic. In case of any divergence on interpretation or application of the present Agreement, the English text shall prevail

FOR THE GOVERNMENT OF THE
ITALIAN REPUBLIC



FOR THE GOVERNMENT OF THE
REPUBLIC OF ARMENIA



ANNEX

ROUTE SCHEDULE

Route Schedule I

Routes to be operated by the designated airlines of the Republic of Armenia

Points in Armenia - intermediate points in Europe - Rome - beyond points in Europe and vv.

Route Schedule II

Routes to be operated by the designated airlines of the Italian Republic

Points in Italy - intermediate points in Europe - Yerevan - beyond points in Europe/Asia and vv.

Footnotes

- a) The designated airlines of each Contracting Party may on any or all flights omit calling at any intermediate and/or beyond points mentioned above, provided that the agreed services on the routes begin or terminate in the territory of the Contracting Party that has designated the airlines.
- b) The routes will be operated with full third and fourth freedom traffic rights.
- c) Intermediate and beyond points will be operated without any geographical or directional constraints.