

AIR SERVICES AGREEMENT

between
the Government of the Czech Republic
and
the Government of Mongolia

The Government of the Czech Republic and the Government of Mongolia, hereinafter referred to as Contracting Parties,

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

Desiring to conclude an agreement for the purpose of developing air services between their respective territories and beyond, and

Desiring to contribute to the progress of international civil aviation,

Have agreed as follows:

Article 1

Definitions

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

- (a) the term "Convention" means the Convention on International Civil Aviation done at Chicago on 7 December 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or of the Convention under Articles 90 and 94 so far as those Annexes and amendments have been adopted by both Contracting Parties;
- (b) the term "aeronautical authorities" means in the case of the Czech Republic the Ministry of Transport and, in the case of Mongolia the Ministry of Road and Transport and the Civil Aviation Authority of Mongolia, or, in both cases, any other authority legally empowered to perform the functions exercised by the said aeronautical authorities;

- (c) the term "designated airline" means each airline that one Contracting Party has designated in writing to the other Contracting Party and which has been authorized in accordance with Article 3 of this Agreement to operate the agreed services on the specified routes in conformity with paragraph (1) of Article 2 of this Agreement;
- (d) the terms "territory", "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meaning respectively assigned to them in Articles 2 and 96 of the Convention;
- (e) the term "capacity" in relation to the agreed services means the available seat capacity or available number of tons for cargo of the aircraft used on such services, multiplied by the frequency operated by such aircraft over a given period on a route or section of a route;
- (f) the term "tariff" means the prices or charges to be paid for carriage of passengers, baggage and cargo (excluding remuneration and conditions for the carriage of mail) and the conditions under which those prices and charges apply, including commissions to be paid on the carriage for agency services, charges and conditions for any services ancillary to such carriage which are offered by airlines and also include any significant benefits provided in association with the carriage;
- (g) the term "user charges" means a charge made to airlines by the competent authorities, or permitted by them to be made, for the provision of airport property or facilities or air navigation facilities, or aviation security facilities or services, including related services and facilities, for aircraft, their crews, passengers and cargo;
- (h) the term "intermodal services" means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;
- (i) the term "Agreement" means this Agreement, its Annex and any amendments thereto;
- (j) the term "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of Article 23 of this Agreement;
- (k) the term "EU Treaties" means the Treaty on European Union and the Treaty on the functioning of the European Union.

Article 2

Grant of Traffic Rights

- (1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing and operating international air services by the designated airline (hereinafter called "agreed services") over the routes specified in the appropriate section of the Annex (hereinafter called "specified routes").

- (2) Subject to the provisions of this Agreement the designated airline of each Contracting Party shall enjoy, while operating the agreed services on the specified routes, the following rights:
- (a) right to fly without landing across the territory of the other Contracting Party;
 - (b) right to make stops in the territory of the other Contracting Party for non-traffic purposes;
 - (c) right to embark and disembark in the territory of the other Contracting Party at points specified in the Annex passengers, baggage and cargo including mail, separately or in combination, destined for or coming from points in the territory of the first Contracting Party; and
 - (d) right to embark and disembark in the territory of the third countries at the points specified in the Annex passengers, baggage and cargo including mail, separately or in combination, destined for or coming from points in the territory of the other Contracting Party, specified in the Annex.
- (3) The airlines of each Contracting Party, other than those designated under Article 3 of this Agreement, shall also enjoy the rights specified in paragraph (2) (a) and (b) of this Article.
- (4) Nothing in paragraph (2) of this Article shall be deemed to confer on the designated airline of one Contracting Party the right of embarking, in the territory of the other Contracting Party, passengers, baggage and cargo including mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

Article 3

Designation and Operating Authorization

- (1) Each Contracting Party shall have the right to designate an airline or airlines for the purpose of operating the agreed services for such a Contracting Party and to withdraw the designation of any airline or to substitute another airline for one previously designated.
- (2) The aeronautical authorities, which have received the notification of designation and application from the designated airline, in the form and manner prescribed for operating authorization, shall, subject to the provisions of paragraphs (3) and (4) of this Article, grant without delay to the designated airline of the other Contracting Party the necessary operating authorizations.
- (3) The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to prove that it is qualified to fulfil the conditions prescribed under the laws and regulations applied to the operation of international air services by the said authorities in conformity with the provisions of the Convention.

(4) The aeronautical authorities of each Contracting Party shall have the right to refuse to accept the designation of an airline and to refuse to grant the operating authorization referred to in paragraph (2) of this Article, or to impose such conditions as it may deem necessary for the exercise of the rights specified in Article 2 of this Agreement, whenever the Contracting Party has no proof that:

(a) in the case of an airline designated by the Czech Republic

(i) the airline is established in the territory of the Czech Republic under the EU Treaties and has a valid Operating Licence in accordance with European Union law; and

(ii) effective regulatory control of the airline is exercised and maintained by the European Union Member State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authorities are clearly identified in the designation; and

(iii) the airline is owned, directly or through majority ownership, and it is effectively controlled by European Union Member States and/or nationals of European Union Member States, and/or by other states listed in Annex and/or nationals of such other states;

(b) in the case of an airline designated by Mongolia

(i) the airline has a valid Operating Licence and Air Operator's Certificate issued by Mongolia and effective regulatory control of the airline is exercised and maintained by Mongolia; and

(ii) the airline is owned, directly or through majority ownership, and it is effectively controlled by Mongolia and/or nationals of Mongolia; and

(c) the Contracting Party designating the airline is in compliance with the provisions set forth in Articles 8 and 9 of this Agreement.

(5) When an airline has been designated and authorized in accordance with this Article, it may operate in whole or in part the agreed services for which it is designated, provided that the airline complies with the applicable provisions of this Agreement.

Article 4

Revocation and Suspension of Operating Authorization

(1) The aeronautical authorities of each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of this Agreement of the designated airline of the other Contracting Party or to impose such

conditions, temporary or permanent, as it may deem necessary on the exercise of such rights, if:

(a) in the case of an airline designated by the Czech Republic

- (i) the airline is not established in the territory of the Czech Republic under the EU Treaties or does not have a valid Operating Licence in accordance with European Union law; or
- (ii) effective regulatory control of the airline is not exercised or not maintained by the European Union Member State responsible for issuing its Air Operator's Certificate or the relevant aeronautical authorities are not clearly identified in the designation; or
- (iii) the airline is not owned, directly or through majority ownership, or it is not effectively controlled by European Union Member States and/or nationals of European Union Member States, and/or by other states listed in Annex and/or nationals of such other states;

(b) in the case of an airline designated by Mongolia

- (i) the airline does not have a valid Operating Licence or Air Operator's Certificate issued by Mongolia or effective regulatory control of the airline is not exercised or not maintained by Mongolia; or
 - (ii) the airline is not owned, directly or through majority ownership, or is not effectively controlled by Mongolia and/or nationals of Mongolia;
- (c) an airline fails to prove before the aeronautical authorities of that Contracting Party granting those rights an ability to fulfil the conditions under the laws and regulations applied by these authorities in conformity with the provisions of the Convention;
- (d) an airline otherwise fails to operate in accordance with the conditions prescribed by this Agreement; or
- (e) the Contracting Party designating the airline fails to comply with the provisions set forth in Articles 8 and 9 of this Agreement.

(2) Unless immediate action is essential to prevent further infringement of the laws and regulations referred to above, the rights enumerated in paragraph (1) of this Article shall be exercised only after consultations with the aeronautical authorities of the other Contracting Party. Unless otherwise agreed by the aeronautical authorities, such consultations between the aeronautical authorities of both Contracting Parties shall begin within a period of sixty (60) days from the date of request made by either aeronautical authorities.

Article 5

Application of Laws, Regulations and Procedures

- (1) While entering, being within or leaving the territory of one Contracting Party, laws, regulations and procedures in force in its territory relating to the operation and navigation of aircraft shall be complied by the other Contracting Party's airlines.
- (2) The laws, regulations and procedures in force in the territory of one Contracting Party relating to admission to, stay in, transit through, or departure from its territory of passengers, crews, baggage and cargo including mail, such as laws, regulations and procedures relating to entry, exit, immigration, passports, customs, currency, quarantine, health, veterinary or sanitary measures, shall apply to passengers, crew, baggage, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party upon entry into or departure from or while within the territory of the said Contracting Party.
- (3) In the application of its customs, immigration, quarantine and similar regulations, neither Contracting Party shall give preference to its own or any other airlines over an airline of the other Contracting Party engaged in similar international air services.

Article 6

Direct Transit

Passengers, baggage and cargo in direct transit through the territory of a Contracting Party, not leaving the area of the airport reserved for such purpose shall be subject, except in respect of security provisions referred to in Article 9 of this Agreement and prevention of trafficking of narcotic drugs and psychotropic substances, as well as prevention of illegal entry, to no more than a simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other charges.

Article 7

Recognition of Certificates and Licences

- (1) Certificates of airworthiness, certificate of competency and licences issued, or rendered valid, in accordance with the rules and procedures of one Contracting Party, including, in the case of the Czech Republic, European Union law, and still in force shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services, provided that such certificates and licences are at least equal to or above the minimum standards which are established pursuant to the Convention.

- (2) Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party or by any other State.
- (3) If the privileges or conditions of the licences or certificates issued or rendered valid by one Contracting Party permit a difference from the minimum standards established pursuant to the Convention, the other Contracting Party may request consultations in accordance with Article 21 of this Agreement with a view to satisfying itself that the practice in question is acceptable to it.

Article 8

Aviation Safety

- (1) Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within thirty (30) days from the date of the delivery of that request.
- (2) If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in any such area that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such longer period as may be agreed, shall be grounds for the application of Article 4 of this Agreement.
- (3) Notwithstanding the obligations mentioned in Article 33 of the Convention it is agreed that any aircraft operated by or, under the lease agreement, on behalf of an airline of one Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorized representatives of the other Contracting Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (in this Article called "ramp inspection"), provided this does not lead to unreasonable delay.
- (4) If any such ramp inspection or series of ramp inspections gives rise to:
- (a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at the time pursuant to the Convention, or
 - (b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificate or licences in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that the requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Convention.

- (5) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by, or, on behalf of an airline of one Contracting Party in accordance with paragraph (3) of this Article is denied by the representative of that airline, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph (4) of this Article arise and draw the conclusions referred to in that paragraph.
- (6) Each Contracting Party reserves the right to suspend or vary the operating authorization of an airline of the other Contracting Party immediately in the event the first Contracting Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultations or otherwise, that immediate action is essential to the safety of an airline operation.
- (7) Any action by one Contracting Party in accordance with paragraphs (2) or (6) of this Article shall be discontinued once the basis for the taking of that action ceases to exist.
- (8) Where the Czech Republic has designated an airline whose regulatory control is exercised and maintained by another European Union Member State, the rights of the other Contracting Party under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other European Union Member State and in respect of the operating authorization of that airline.

Article 9

Aviation Security

- (1) Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. The Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1 March 1991 and any other multilateral agreement governing aviation security binding upon both Contracting Parties.

- (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) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention to the extent that such security provisions are applicable to the Contracting Parties; they shall require that operators of aircraft who have their principal place of business or permanent residence in the territories of the Contracting Parties or, in the case of the Czech Republic, operators of aircraft who are established in its territory under the EU Treaties and have valid Operating Licences in accordance with European Union law and the operators of airports in their territories act in conformity with such aviation security provisions.
- (4) Each Contracting Party agrees that its operators of aircraft shall be required to observe, for entry into, departure from or while within the territory of the other Contracting Party, aviation security provisions in conformity with the laws and regulations in force in that country, including, in the case of the Czech Republic, European Union law. Each Contracting Party shall secure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall give a sympathetic consideration to any request from the other Contracting Party for reasonable security measures to meet a particular threat.
- (5) When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
- (6) When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of the delivery of such request shall constitute grounds for application of Article 4 of this Agreement. If required by a serious emergency, either Contracting Party may take interim action prior to the expiry of this period.
- (7) Each Contracting Party may request consultations at any time concerning security standards in any area relating to aeronautical facilities, aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within thirty (30) days from the date of the delivery of that request.

Article 10

User Charges

- (1) The charges imposed in the territory of one Contracting Party on the designated airline of the other Contracting Party for the use of airports, air navigation and other facilities shall not be higher than those that would be paid by any other aircraft of the same class engaged in similar international air services.
- (2) In the use of airports, airways, air traffic services and associated facilities under its control, neither Contracting Party shall give preference to its own or any other airline over an airline of the other Contracting Party engaged in similar international air services.
- (3) Each Contracting Party shall encourage consultations on user charges between its competent charging authorities and the airlines using the services and facilities provided by those charging authorities, where practicable through those airlines' representative organizations. Reasonable notice of any proposals for changes in such charges should be given to such airlines to enable them to express their views before changes are made. Each Contracting Party shall further encourage its competent charging authorities and such airlines to exchange appropriate information concerning such charges.

Article 11

Customs Provisions, Duties and Taxes

- (1) Each Contracting Party shall exempt the designated airline of the other Contracting Party from import restrictions, customs duties, indirect taxes, inspection fees and other national and local duties and charges on aircraft, fuel, lubricants, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores and food (including liquor, tobacco, beverages and other products destined for sale to passengers in limited quantities during the flight) and other items intended for use solely in connection with the operation or servicing of aircraft of the designated airline of such Contracting Party operating the agreed services, as well as printed tickets stock, air way bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that designated airline.
- (2) The exemptions granted by this Article shall apply to the items referred to in paragraph (1) of this Article:
 - (a) introduced into the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;
 - (b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in and until leaving the territory of the other Contracting Party; and

- (c) taken on board aircraft of the designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services; whether or not such items are used or consumed wholly or partly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of the said Contracting Party.
- (3) The regular airborne equipment, as well as the materials, supplies and stores normally retained on board the aircraft of a designated airline of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that territory. In such case, they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.
- (4) The exemptions provided for by this Article shall also apply in respect of consumable technical supplies, spare parts including engines and regular airborne equipment in situations where the designated airline of either Contracting Party has entered into arrangements with another airlines for the loan or transfer in the territory of the other Contracting Party provided such other airlines similarly enjoy such exemptions from such Contracting Party. Such loans and transfer shall be announced by airline to respective customs authorities.
- (5) Nothing in this Agreement shall prevent the Czech Republic from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated airline of Mongolia that operates between a point in the territory of the Czech Republic and another point in the territory of the Czech Republic or in the territory of another European Union Member State.

Article 12

Capacity

- (1) There shall be fair and equal opportunity for the designated airlines of the Contracting Parties to operate air services on any route specified in the Annex to this Agreement.
- (2) In operating the agreed services the designated airline of each Contracting Party shall take into account the interests of the designated airline 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 the Contracting Parties shall bear a 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 carry the current and reasonably anticipated requirements for the carriage of passengers and cargo, including mail, coming from or destined for the territory of the Contracting Party designating the airline. Provision of the carriage of passengers and cargo, including mail, both embarked and disembarked at points on the specified routes in the

territories of States, other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
 - (b) traffic requirements of the area through which the agreed service passes, after taking account of other services established by airlines of the States comprising the area; and
 - (c) the requirements of through airline operation.
- (4) The capacity and frequency of agreed services to be operated by the designated airlines of each Contracting Party shall be jointly determined by the aeronautical authorities of both Contracting Parties.

Article 13

Tariffs

- (1) The tariffs for the agreed services shall be established by the designated airlines of both Contracting Parties at reasonable levels, due regard being paid to all relevant factors, including interests of users, cost of operation, characteristics of service, reasonable profit and other commercial consideration in the market place.
- (2) The tariffs established under paragraph (1) of this Article shall not be required to be filed by the designated airline of one Contracting Party with the aeronautical authorities of the other Contracting Party. Notwithstanding the foregoing, each Contracting Party shall have the right to intervene so as to:
 - (a) prevent unreasonably discriminatory tariffs or practices;
 - (b) protect consumers from tariffs that are unreasonably high or restrictive due to abuse of a dominant position; and
 - (c) protect airlines from tariffs that are artificially low due to direct or indirect subsidy or support, or where evidence exists as to an intent to eliminate competition.
- (3) The designated airline of one Contracting Party shall provide, on request, to the aeronautical authorities of the other Contracting Party information relating to the establishment of the tariffs, in a manner and format prescribed by such authorities.

Article 14

Transfer of Earnings

- (1) The designated airlines of the Contracting Parties shall have the right to convert and to remit to their home territory the excess of receipts over local expenditures earned in the territory of

the other Contracting Party in a freely convertible currency. Conversion and remittance shall be performed without restrictions at the foreign exchange market rate applicable for these transactions on the day the transfer is made. In the case that the foreign exchange market rate system is not established, the conversion and remittance shall be performed without restrictions on the basis of the official exchange rate applicable on the date the transfer is made. Actual transfer shall be executed without delay and shall not be subject to any charges except normal service charges collected by banks for such transactions.

- (2) In the event that payments between the Contracting Parties are governed by a special agreement, such an agreement shall apply.

Article 15

Commercial Activities

- (1) Upon filing with the aeronautical authorities of the first Contracting Party and subject to appropriate commercial registration in accordance with the respective laws and regulations in force in the territory of this first Contracting Party the designated airline of the other Contracting Party shall have the right to sell freely its air transport services in the territory of the first Contracting Party either directly or at its discretion through its agents, and any person shall be free to purchase such services in the local currency or in any freely convertible currency normally purchased by banks in that territory.
- (2) The designated airline of one Contracting Party shall be entitled, in accordance with the laws and regulations in force in the territory of the other Contracting Party relating to entry, residence, and employment, and on the basis of reciprocity, to bring into and to maintain in the territory of the other Contracting Party its representative and commercial, technical and other specialist staff reasonably required for the operation of the agreed services.
- (3) The representative and staff shall be subject to the laws and regulations in force in the territory of the other Contracting Party.
- (4) Subject to the laws and regulations in force in the respective territory, the designated airlines of both Contracting Parties shall have the right to establish in the territory of the other Contracting Party an office or offices for promotion of air transport and sale of the air services.
- (5) The designated airlines of each Contracting Party shall have the right to pay for local expenses, including purchasing of fuel, in the territory of the other Contracting Party in local currency or in freely convertible currency in accordance with the laws and regulations in force in the territory of the other Contracting Party.

Article 16

Cooperative Marketing Arrangements

- (1) In operating or holding out air services on the specified routes any designated airline of one Contracting Party may enter into cooperative marketing arrangements such as code-sharing or blocked-space arrangements with:
 - (a) an airline or airlines of either Contracting Party;
 - (b) an airline or airlines of a third Party. Should such a third Party not authorize or allow comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such third State, the aeronautical authorities of the concerned Contracting Party have the right not to accept such arrangements.
- (2) The above provisions are, however, subject to the conditions that all airlines in such arrangements:
 - (a) hold the underlying traffic rights and meet the provisions of this Agreement,
 - (b) meet the requirements applied to such arrangements by the aeronautical authorities of both Contracting Parties, and
 - (c) provide the consumers with the proper information concerning such arrangements.
- (3) The airlines are required to file proposed cooperative marketing arrangements with the aeronautical authorities of both Contracting Parties at least thirty (30) days before its proposed introduction. Such arrangements are subject to approval by the aeronautical authorities of both Contracting Parties.
- (4) The capacity offered by a designated airline acting as the marketing airline on the code-sharing services operated by other airlines shall not be counted against the capacity entitlements of the Contracting Party designating the said marketing airline.

Article 17

Timetables

- (1) An airline designated by one Contracting Party shall file to the aeronautical authorities of the other Contracting Party for approval at least thirty (30) days in advance the timetable of its intended services, specifying the frequency, type of aircraft, times, configuration and number of seats to be made available to the public and period of timetable validity. The same procedure shall apply to any modification thereof.
- (2) If the designated airline wishes to operate additional flights besides those covered in the timetables, it shall request permission from the aeronautical authorities of the other Contracting Party. Such request shall usually be submitted at least three (3) working days before operating such flights.

Article 18

Intermodal Services

The designated airline of each Contracting Party shall have the right to employ, in connection with air transport of passengers and cargo, any surface transport to or from any point in the territories of the Contracting Parties or third countries. The designated airline may elect to perform its own surface transport or to provide it through arrangements, including code-share, with other surface carriers, subject to laws and regulations in force in the territory of a Contracting Party concerned. The intermodal services may be offered as a through service and at a single price for the air and surface transport combined, provided that passengers and shippers are informed as to the facts concerning such transport.

Article 19

Ground Handling

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

Article 20

Statistics

The aeronautical authorities of each Contracting Party shall provide the aeronautical authorities of the other Contracting Party, upon request, periodic statements of statistics or other similar information related to traffic carried by the designated airline on the routes specified in this Agreement as may be reasonably required for the purpose of reviewing the operation of agreed services.

Article 21

Consultations

- (1) The aeronautical authorities of the Contracting Parties shall have communication, which may be through discussion or by correspondence, to ensure close co-operation in all matters affecting the implementation of this Agreement.
- (2) Either Contracting Party may at any time request consultations on any problem related to this Agreement. Such consultations shall begin within a period of sixty (60) days from the date of the delivery of the request to the other Contracting Party, unless otherwise agreed by the Contracting Parties.

Article 22

Settlement of Disputes

- (1) In case of dispute arising from the interpretation or application of this Agreement, the aeronautical authorities of the Contracting Parties shall in the first place endeavour to settle it by negotiation.
- (2) If the aeronautical authorities fail to reach an agreement, the dispute shall be settled by negotiations between the Contracting Parties.
- (3) If the Contracting Parties fail to reach a settlement of the dispute by negotiation, it may be referred by them to such person or body as they may agree on, for an advisory opinion or a binding decision as the Contracting Parties may agree, or, at the request of either Contracting Party, shall be submitted for decision to a tribunal of three arbitrators.
- (4) Such arbitral tribunal shall be constituted as follows: each Contracting Party shall appoint one member, and these two members shall agree upon and appoint a national of a third State as their chairman. Such members shall be appointed within sixty (60) days, and such chairman within ninety (90) days of the date on which either Contracting Party has informed the other Contracting Party of its intention to submit the dispute to an arbitral tribunal.
- (5) If the periods specified in paragraph (4) above have not been observed, either Contracting Party may, in the absence of any other relevant arrangement, invite the President of the Council of the International Civil Aviation Organization to make the necessary appointments. If the President is a national of either Contracting Party or if he is otherwise prevented from discharging this function, the next senior member of the Council should make the necessary appointments.
- (6) The arbitral tribunal shall reach its decisions by a majority of votes. Such decisions shall be binding on the Contracting Parties. Each Contracting Party shall bear the cost of its own member as well as of its representation in the arbitral proceedings; the cost of the chairman

and any other costs shall be borne in equal parts by the Contracting Parties. In all other respects the arbitral tribunal shall determine its own procedure.

Article 23

Amendments

If either of the Contracting Parties considers it desirable to amend any provision of this Agreement, such amendment, if agreed between the Contracting Parties, shall come into force on the sixtieth (60) day after delivery of the latter of diplomatic notes confirming that the formalities constitutionally required for approval of this amendment have been complied with.

Article 24

Multilateral Convention

In an event a general multilateral convention related to international air transport and affecting the relations between the two Contracting Parties enters into force, this Agreement shall be amended to conform to the provisions of such multilateral convention in so far as those provisions have been accepted by both Contracting Parties.

Article 25

Termination

Either Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case this Agreement shall terminate twelve (12) months after the date of the delivery of the notice to the other Contracting Party, unless the notice to terminate is withdrawn with a consent of the other Contracting Party before the expiry of this period. In absence of acknowledgement of delivery to the other Contracting Party, the notice shall be deemed to have been delivered fourteen (14) days after the delivery of the notice to the International Civil Aviation Organization.

Article 26

Registration

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

Article 27

Entry into force

Each Contracting Party shall notify the other Contracting Party by diplomatic note that the formalities constitutionally required in their respective country for approval of this Agreement have been complied with. This Agreement shall enter into force on the sixtieth (60) day after delivery of the latter of these two notifications.

Done at Ulaanbaatar this 25th day of May 2017, in two originals in the Czech, Mongolian and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For the Government
of the Czech Republic

Ivana Grollová
Ambassador Extraordinary
and Plenipotentiary of the Czech Republic
to Mongolia

For the Government
of Mongolia

Dangaagijn Ganbat
Minister of Road and Transport

Annex

Section I

Routes to be operated by the airlines designated by the Czech Republic:

Points in the Czech Republic	Intermediate Points	Points in Mongolia	Beyond Points
Prague, Brno, Ostrava, Pardubice, Karlovy Vary	To be determined later on by the aeronautical authorities of both Contracting Parties	Ulaanbaatar, Dalanzadgad, Choibalsan, Ulgii, Khovd, Murun	To be determined later on by the aeronautical authorities of both Contracting Parties

Section II

Routes to be operated by the airlines designated by Mongolia:

Points in Mongolia	Intermediate Points	Points in the Czech Republic	Beyond Points
Ulaanbaatar, Dalanzadgad, Choibalsan, Ulgii, Khovd, Murun	To be determined later on by the aeronautical authorities of both Contracting Parties	Prague, Brno, Ostrava, Pardubice, Karlovy Vary	To be determined later on by the aeronautical authorities of both Contracting Parties

Notes:

1. The routes may be operated in either direction.
2. The designated airlines of the Contracting Parties may on any or all flights:
 - (a) omit calling at any of the above mentioned points, provided that the agreed services on these routes begin at the point in the territory of the Contracting Party designating the airline;
 - (b) combine different flight numbers within the one aircraft operation;
 - (c) transfer traffic from any of its aircraft to any of its other aircraft; and

(d) serve the intermediate points, beyond points and points in the territories of the Contracting Parties in any order.

3. The exercise of fifth freedom traffic rights shall be agreed upon by the aeronautical authorities of both Contracting Parties.

4. References in this Agreement to nationals of the Czech Republic shall be understood as referring to nationals of European Union Member States. References in this Agreement to airlines of the Czech Republic shall be understood as referring to airlines designated by the Czech Republic.

5. List of other states referred to in Articles 3 and 4 of this Agreement:

- (a) The Republic of Iceland (under the Agreement on the European Economic Area);
- (b) The Principality of Liechtenstein (under the Agreement on the European Economic Area);
- (c) The Kingdom of Norway (under the Agreement on the European Economic Area);
- (d) The Swiss Confederation (under the Agreement between the European Community and the Swiss Confederation on Air Transport).