



AIR TRANSPORT AGREEMENT

BETWEEN

THE GOVERNMENT OF THE STATE OF ISRAEL

AND

THE GOVERNMENT OF THE REPUBLIC OF INDIA

The Government of the State of Israel, and
The Government of the Republic of India,
hereinafter referred to as the "Contracting Parties",

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944; and

Acknowledging the importance of air transport as a means of creating and preserving friendship, understanding and cooperation between the peoples of the two countries; and

Desiring to promote the development of air transport between Israel and India and continue to the fullest extent the international co-operation in this field; and

Desiring to conclude an Agreement for the operation of air services between their territories;

Have agreed as follows:

ARTICLE - 1

DEFINITIONS

1. For the purpose of the interpretation and application of the Agreement, except as otherwise provided herein:

- (a) the term "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, any amendment of the Annexes or Convention under Articles 90 and 94 thereof 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 State of Israel, The Minister of Transport, and in the case of the Republic of India, the Director General of Civil Aviation, or in both cases any person or body duly authorised to perform any functions exercised by the said authorities;

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- (c) the term "designated airline" means the airline that each Contracting Party has designated to operate the agreed services and authorised in accordance with Article III of this Agreement;
- (d) the term "territory", has the meaning specified in Article 2 of the Convention and the term "air services", "international air services", "airline" and "stop for non-traffic purposes" has the meaning specified in Article 96 of the Convention;
- (e) the term "Agreement" means this Agreement, its Annex and any amendments thereto;
- (f) the term "specified routes" means the routes established or to be established in the Annex to the Agreement;
- (g) the term "agreed services" means the international air services performed by aircraft for public transport of passengers, cargo and mail which can be operated, according to the provisions of the Agreement, on the specified routes;
- (h) the term "tariff" means the prices to be paid for the carriage or passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail; and
- (i) the term "capacity" in relation to "agreed services" means the capacity of the aircraft used on such services over a given period of time on the route or section of the route.

2. The Annex to this Agreement shall form an integral part of the Agreement and all references to this agreement shall include the reference to the Annex, except where otherwise expressly provided.

ARTICLE - II

GRANT OF RIGHTS

1. Each Contracting Party grants to the other Contracting Party the rights specified in the Agreement, for the purpose of establishing and operating scheduled international air services on the routes specified in the Annex hereto.

2. Unless otherwise specified in this Agreement or in its Annex, the airline designated by each Contracting Party shall enjoy the following rights:

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- (a) to fly without landing across the territory of the other Contracting Party;
- (b) to make stops in the said territory for non-traffic purposes; and
- (c) while operating an agreed service on a specified route, to embark and disembark in the other Contracting Party's territory, at the points specified in the Annex of this Agreement, passengers, cargo and mail, coming from or destined to the territory of the Contracting Party designating the airline.

3. Nothing in this Agreement shall be deemed to confer on the designated airline of one Contracting Party the privilege of taking on board in the territory of the other Contracting Party passengers, cargo or mail, carried for hire or reward and destined for another point in the territory of the other Contracting Party.

ARTICLE - III

DESIGNATION OF AIRLINES AND OPERATING AUTHORISATION

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes.
2. On receipt of such designation, the other Contracting Party shall grant without delay, subject to the provisions of paragraphs 3 and 4 of this Article, to the designated airline the appropriate operating authorization.
3. The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to satisfy them that it fulfils the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.
4. Each Contracting Party shall have the right 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, on the exercise by the designated airline of the rights specified in Article II of this Agreement, in any case where the said Contracting Party is not satisfied that the 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 has been so designated and authorized, it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of Article VI of this Agreement is in force in respect of those services and the requirements stipulated in paragraph 5 of Article XI have been complied with.

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ARTICLE - IV

REVOCATION OR SUSPENSION OF RIGHTS

1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article II of this Agreement given to the airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary for the exercise of these rights:

- (a) in cases where it is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party; or
- (b) in cases of failure by that airline to comply with the laws and regulations of the Contracting Party granting these rights; or
- (c) in any case in which the airline otherwise fails to operate the agreed services in accordance with the conditions prescribed under the Agreement.

2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article are essential to prevent further infringement of laws or regulations, such rights shall be exercised only after consultation with the other Contracting Party.

ARTICLE - V

EXEMPTIONS FROM DUTIES AND TAXES

1. Each Contracting Party shall on the basis of reciprocity exempt the designated airline of the other Contracting Party to the fullest possible extent under its national law from import restrictions, customs duties, excise taxes, inspection fees and other national duties and charges on aircraft operating the agreed services, supplies of fuels and lubricants, spare parts including engines, regular aircraft equipment, aircraft stores and food (including tobacco, liquor, 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 the aircraft of the designated airline of such Contracting Party operating the agreed services, as well as printed tickets stock, airway bills, any printed material which bears the insignia of the company printed thereon and publicity material normally distributed without charge by that designated airline.

2. The exemption granted by this Article shall apply to the items referred to in paragraph 1 of this Article when:

- (a) introduced in the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;

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- (b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in or departing from the territory of the other Contracting Party;
- (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 materials referred to in paragraph 2 (a), (b) and (c) shall be kept, where so required, under customs supervision or control.

4. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of the 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 taken out or otherwise disposed of in accordance with customs regulations.

5. The exemptions provided for in paragraph 1 of this Article shall also be available where the airline of one Contracting Party has contracted with another airline, which similarly enjoys such exemptions from the other Contracting Party, for loan or transfer in the territory of the other Contracting Party of the items specified in paragraph 1 of this Article.

ARTICLE - VI

TARIFFS

1. The tariffs to be charged by the 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 tariffs of other airlines. The Contracting Parties shall consider unacceptable tariffs that are predatory or discriminatory, unduly high or restrictive because of the abuse of a dominant position, or artificially low because of direct or indirect government subsidy or support.

2. The tariffs referred to in paragraph 1 of this Article shall be agreed between the designated airlines of both Contracting Parties, after consultation with other airlines operating over the whole or part of the route, and such agreement shall, whenever possible, be reached by the use of the procedures of the International Air Transport Association or any other appropriate international rate fixing mechanism for the working out of tariffs.

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3. The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least 45 days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.

4. This approval may be given expressly. If neither of the aeronautical authorities has expressed disapproval within 30 days from the date of submission, in accordance with paragraph 3 of this Article, these tariffs shall be considered approved. In the event of the period for submission being reduced, as provided for in paragraph 3, the aeronautical authorities may agree that the period within which any disapproval must be notified shall be less than 30 days.

5. If a tariff cannot be agreed in accordance with the provisions of paragraph 2 of this Article, or if during the period applicable in accordance with paragraph 4 of this Article one aeronautical authority gives the other aeronautical authority notice of its disapproval of any tariff agreed upon in accordance with the provisions of paragraph 2, the aeronautical authorities of the two Contracting Parties shall, after consultation with the aeronautical authorities of any state whose advice they may consider useful, endeavour to determine the tariff by mutual agreement.

6. If the aeronautical authorities cannot agree on any tariff submitted to them in accordance with paragraph 3 of this Article, or on the determination of any tariff as specified in paragraph 5 of this Article, the dispute shall be settled in accordance with the provisions of Article XVII of this Agreement.

7. A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than 12 months after the date on which it otherwise would have expired.

ARTICLE - VII

REPRESENTATION

1. The designated airline of one Contracting Party shall be allowed, on the basis of reciprocity, to maintain in the territory of the other Contracting Party their representatives and commercial, operational and technical staff as required in connection with the operation of the agreed services. These staff shall be chosen among nationals of either or both parties as may be necessary.

2. These staff requirements may, at the opinion of the designated airline, be satisfied by its own personnel or by using the services of another organisation, company or airline operating in the territory of the other Contracting Party, and authorized to perform such services in the territory of that Contracting Party.

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3. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party, and consistent with such laws and regulations, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary work permits, employment visas or other similar documents to the representatives and staff referred to in paragraph 1 of this Article.

4. Based on the principle of reciprocity, each Contracting Party grants to the designated airline of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at its discretion, through its agents. Each designated airline shall have the right to sell such transportation and any person shall be free to purchase such transportation in local or any freely convertible currency.

ARTICLE - VIII

APPLICATION OF LAWS AND REGULATIONS

1. The laws and regulations of each Contracting Party governing the admission to or departure from its own territory of aircraft engaged in international navigation, or related to the operation of such aircraft while within its territory, will be applied to the aircraft of the designated airline of the other Contracting Party upon entrance into, departure from and while within the said territory.

2. The laws and regulations of each Contracting Party related to the admission to, stay in, transit through and departure from its territory of passengers, crew, baggage, cargo and mail on aircraft, including regulations relating to entry and departure, immigration, emigration, passport, customs, currency and sanitary measures, shall be complied with by the airline of each Contracting Party upon entrance into or departure from and while within the territory of the other Contracting Party.

ARTICLE - IX

SECURITY

1. The Contracting Parties reaffirm their obligation to each other to protect the security of civil aviation against acts of unlawful interference. 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 in Tokyo on 14th September, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed in The Hague on 16th December, 1970, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed at Montreal on 23rd September, 1971.

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.

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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 Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions.

4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

5. When an incident or threat of an incident or 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. Each Contracting Party shall take measures, as it may find practicable, to ensure that an aircraft subjected to an act of unlawful seizure or other acts of unlawful interference which has landed in its territory is detained on the ground unless its departure is necessitated by the overriding duty to protect human life. Whenever practicable, such measures shall be taken on the basis of mutual consultations.

7. When a Contracting Party has reasonable ground 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 60 days may constitute grounds for application of Article IV of this Agreement.

ARTICLE - X

TRANSFER OF EXCESS RECEPITS

1. Based on the principles of reciprocity, the designated airlines of the Contracting Parties shall be free to transfer from the territory of sale to their home territory the excess of receipts over expenditure. Included in such net transfers shall be revenues from sales made directly or through an agent of air transport services, and ancillary supplementary services, and the payments shall be settled in conformity with the

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provisions of the payment agreement in force between the two countries, if such an agreement has been reached, and with the applicable currency regulations.

2. The designated airlines of the Contracting Parties shall receive approval for such transfers expeditiously on application. The procedure for such transfers shall be in accordance with the foreign exchange regulations of the country in which the revenue accrues.

3. The airline of the Contracting Parties shall be free to effect the actual transfer on receipt of approval. In the event that, for technical reasons, such transfer cannot be effected immediately, the airline of each Contracting Party shall receive priority of transfer similar to that of the other Contracting Party's imports.

ARTICLE - XI

CAPACITY AND SCHEDULES

1. There shall be fair and equal opportunity for both designated airlines to operate the agreed services as specified in the Annex to this Agreement.

2. While operating the agreed services, the designated airlines of each Contracting Party shall take into account the interest of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides of the whole or part of the same route, or on other routes of its network.

3. The capacity to be provided on the agreed services by the designated airlines shall bear a close relationship to the estimated air transport requirements of the travelling public between the territories of the Contracting Parties.

4. Based on the principles enshrined in the preceding paragraphs, the maximum capacity to be provided by the designated airlines of each Contracting Party shall be agreed between the aeronautical authorities of the two Contracting Parties.

5. A Commercial Agreement between the designated carriers shall be required while operating the agreed services.

ARTICLE - XII

FACILITATION

1. Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of airports and other aviation facilities, provided that these charges shall not be higher than those paid by other airlines engaged in similar international air services.

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2. Each Contracting Party shall encourage consultations between its competent charging organizations and the designated airlines using the services and facilities and, where practicable, through the airlines' representative organizations. Reasonable notice should be given to users of any proposals for changes in user charges to enable them to express their views before changes are made.

3. Neither of the Contracting Parties shall give preference to its own or to any other airline over the airline of the other Contracting Party engaged in similar international air services in the application of its customs, immigration, quarantine and similar services and associated facilities under its control.

ARTICLE - XIII

EXCHANGE OF INFORMATION AND STATISTICS

The designated airline of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party, at their request, such statistical information as may be reasonably required for the purpose of determining the capacity to be provided by the designated airline including the amount of traffic carried on the agreed services during each month showing the points of embarkation and disembarkation of such traffic and the origin and final destination of through traffic carried on the agreed services.

ARTICLE - XIV

DIRECT TRANSIT

Passengers in direct transit across the territory of a Contracting Party, not leaving the area of the airport reserved for such purposes, shall be subject to a simplified control. Baggage and freight in direct transit shall be exempt from customs duties and other charges.

ARTICLE - XV

CONSULTATIONS

1. In the spirit of close cooperation, 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 of its Annex.

2. Such consultations shall begin within a period of 60 days of the date of receipt of such a request, unless otherwise agreed to by the Contracting Parties.

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ARTICLE - XVI

MODIFICATIONS

1. If either Contracting Party considers it desirable to modify any provisions of the Agreement, it may request consultations with the other Contracting Party. Such consultations between the aeronautical authorities may be through discussions or by correspondence and shall begin within a period of 60 days from the date of request. Any modifications so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes.
2. Modifications of the Annex to this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting Parties.

ARTICLE - XVII

SETTLEMENT OF DISPUTES

If any dispute arises relating to the interpretation or application of this Agreement, the aeronautical authorities of the Contracting Parties shall endeavour to settle it by negotiations between themselves, failing which the dispute shall be referred to the Contracting Parties for settlement.

ARTICLE - XVIII

APPLICABILITY OF MULTILATERAL AIR CONVENTIONS

1. To the extent to which they are applicable to the air services established under this Agreement, the provisions of the Convention shall remain in force in their present form between the Contracting Parties for the duration of the Agreement, as if they were an integral part of the Agreement, unless both Contracting Parties ratify any amendment to the Convention, which shall have duly come into force, in which case the Convention as amended shall remain in force for the duration of this agreement.
2. If a general multilateral air convention comes into force in respect of both Contracting Parties, the provisions of such convention shall prevail.

ARTICLE - XIX

REGISTRATION

This Agreement and all modifications thereto, as well as any exchange of diplomatic notes, shall be registered with the International Civil Aviation Organization.

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ARTICLE - XX

TERMINATION

1. This Agreement shall be valid for an indefinite period of time.
2. Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate the Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate 12 months after the date of receipt of the notice by the other Contracting Party, unless the notice of termination is withdrawn by mutual agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received 14 days after the receipt of the notice by the International Civil Aviation Organisation.

ARTICLE - XXI

ENTRY INTO FORCE

This Agreement shall enter into force at the date on which both Contracting Parties give written notification to each other by exchange of diplomatic notes that their respective internal requirements for entry into force have been fulfilled.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments have signed the present Agreement.

DONE IN New Delhi, this 4th day of April, 1994 which corresponds to the 23rd day of Nissan 5754 in Hebrew calendar and 14th day of Chaitra 1916 in Saka era, in six originals, two each in the English, Hebrew and Hindi languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

**(R.L. BHATIA)
MINISTER OF STATE FOR
EXTERNAL AFFAIRS
FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA**

**(DR. YOSSI BEILIN)
DEPUTY MINISTER OF
FOREIGN AFFAIRS
FOR THE GOVERNMENT OF
THE STATE OF ISRAEL**



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A N N E X

To the Air Transport Agreement between the Government of the State of Israel and the Government of the Republic of India.

1. Routes on which air services may be operated by the designated airline of the State of Israel :

Point/s of origin	Any point(s) in Israel
Intermediate points	Any point
Point/s of destination	Any point(s) in India
Points beyond	Any point

2. Routes on which air services may be operated by the designated airline of the Republic of India :

Point/s of origin :	Any point(s) in India
Intermediate points :	Any point
Point/s of destination :	Any point(s) in Israel
Points beyond	Any point

3. The above air services shall be operated without "between or beyond" fifth freedom traffic rights, unless otherwise mutually agreed upon between the two designated airlines. Such agreements, when reached, are to be approved by both aeronautical authorities before their implementation.

4. Any or all of intermediate or the beyond points may, at the option of the designated airlines, be omitted on any or all flights provided that the services begin or terminate in the territory of the Party designating the airline.

5. Two points in the territory of the other Contracting Party shall not be served on the same flight.

6. With regard to paragraphs 3 and 4 of Article XI of the Agreement, each designated airline shall be entitled to operate upto a maximum of two frequencies and not more than 500 seats per week in each direction on the routes specified in this Annex.

7. The two designated airlines shall coordinate their operating schedules including the days of operation and routes to be served before submitting their schedules to the respective aeronautical authorities for approval.

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