APPENDIX 'B'

AGREEMENT <u>between</u> THE GOVERNMENT OF THE REPUBLIC OF TURKEY and <u>THE GOVERNMENT OF INDIA</u>

for

AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

The Government of the Republic of Turkey and the Government of India

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, supplementary to the said Convention, for the purpose of establishing air services between and beyond their respective territories;

HAVE AGREED AS FOLLOWS:

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ARTICLE I - 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; so far 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 Government of the Republic of Turkey, the Minister of Communications and any person or body authorized to perform any functions at present exerciseable by the said Minister or similar functions; and in the case of the Government of India, the Director General of Civil Aviation and any person or body authorized to perform any functions at present exerciseable by the said authorities;
- (c) The term "designated airline" means an airline which has been designated and authorized in accordance with Article 3 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-taffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
- (f) The term "capacity" in relation to an aircraft means the pay load of that aircraft available on a route or section of a route;
- (g) The term "capacity" in relation to 'agreed service' means the capacity of the aircraft used on such service, multiplied by the frequency operated by such aircraft over a given period and route or section of a route; and
- (h) The term "traffic" means the carriage of passenger, baggage, cargo and/or mail.

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ARTICLE 2 - GRANT OF RIGHTS

- I. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing and operating scheduled international air services on the routes specified in the Route Schedule of this Agreement. Such Services and routes are hereinafter called "the agreed services" and "the specified routes" respectively. The airline designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:
 - (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) to take up and to put down passengers, cargo, and mail at any point on the specified routes subject to the provisions contained in the Route Schedule of the present Agreement.
- 2. Nothing in paragraph (1) of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo, or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

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ARTICLE 3 - DESIGNATION OF AIRLINES

- 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.
- On receipt of such designation the other Contracting Party shall, subject to the provisions of paragraphs (3) and (4) of this Article, without delay grant to the airline designated the appropriate operating authorization.
- 3. The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them 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 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 a designated airline of the rights specified in Article 2 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 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 9 of this Agreement, is in force in respect of that service.

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ARTICLE 4 - REVOCATION OR SUSPENSION OF OPERATING AUTHORIZATION

- I. 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 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:
 - (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 the nationals of such Contracting Party; or
 - (b) in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights; or
 - (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.

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ARTICLE 5 - EXEMPTION FROM CUSTOMS AND OTHER DUTIES

- I. Aircraft operated on international air services by the designated airline of either Contracting Party as well as supplies of fuels, lubricating oils, spare parts, regular aircraft equipment and aircraft stores (including foods, beverages, and tobacco) introduced into the territory of the other Contracting Party, or taken on board an aircraft in that territory and intended solely for use by or in the aircraft of that airline shall be exempt in the territory of the other Contracting Party from customs duties, inspection fees or similar duties or charges, even though such supplies be used by such aircraft on flights in that territory.
- 2. Supplies of fuels, lubricating oils, spare parts, regular aircraft equipment and aircraft stores (including foods, beverages, and tobacco) retained on board an aircraft of the designated airline of one Contracting Party shall be exempt in the territory of the other Contracting Party from Customs Duties, inspection fees or similar duties or charges, even though such supplies be used by such aircraft on flights in that territory. Goods so exempted may only be un-loaded with the approval of the customs authorities of the other Contracting Party. Those goods which are re-exported shall be kept in bond until re-exportation under customs supervision.
- 3. The charges which either of the Contracting Parties may impose, or permit to be imposed on the designated airline of the other Contracting Party for the use of airports and other facilities under its control shall not be higher than would be paid for the use of such airports and facilities by the national airlines of the Contracting Party engaged in similar international air services.

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ARTICLE 6 - APPLICABILITY OF LAWS AND REGULATIONS

- 1. The laws and regulations of each Contracting Party shall apply to the navigation and operation of the aircraft of the airline designated by one Contracting Party during entry into, stay in, departure from, and flight over the territory of the other Contracting Party.
- 2. The laws and regulations of each Contracting Party relating to the arrival in, or departure from its territory of passengers, crews, and cargo and in particular regulations regarding passports, customs, currency and medical and quarantine formalities shall be applicable to passengers, crews, and cargo arriving in, or departing from the territory of one Contracting Party in aircraft of the airline designated by the other Contracting Party.
- 3. Passengers in transit across the territory of either Contracting Party shall be subject to no more than a very simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

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ARTICLE 7 - PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

- There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.
- 2. In operating the agreed services, the airline of each Contracting Party shall take into account the interests of the 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 route.
- 3. The agreed services provided by the designated airlines of the Contracting Parties shall bear close relationship to the requirements of the public 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 originating from, or destined for the territory of the Contrcting Party which has designated the airline.
- 4. The right of the designated airline of either Contracting Party to carry traffic between points in the territory of the other Contracting Party and points in the territories of third countries on the specified routes, shall be exercised in accordance with the general principles that capacity shall be related to:
 - (a) the traffic requirements to and from the territory of the Contracting Party which has designated the airline;
 - (b) the traffic requirements of the area through which the airlines passes, after taking account of other transport services established by airlines of the States comprising the area; and

(c) the requirements of through airline oprations.

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ARTICLE 7 - PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES (Contd.....)

Any privileges to be granted under this paragraph shall finally be determined by the aeronautical authorities of the Contracting Parties.

5. The capacity to be provided and the frequency of the services to be operated shall, at the ouset, be agreed between the aeronautical authorities of the Contracting Parties before the services are inaugurated. Such capacity and frequency of services initially determined may be reviewed and revised from time to time by said authorities.

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ARTICLE 8 - APPROVAL OF TIME-TABLES

The designated airline of each Contracting Party shall submit for approval to the aeronautical authorities of the other Contracting Party not later than thirty (30) days prior to the inauguration of services on the specified routes the flight timetables including the types of aircraft to be used. This shall likewise apply to later changes. In special cases, this time limit may be reduced subject to the consent of the said authorities.

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ARTICLE 9 - TARIFFS

- For the purposes of the following paragraphs, the term "tariff" means 1. the prices to be paid for the carriage of passengers and cargo and 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.
- The tariffs to be charged by the airline of one Contracting Party for 2. 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 profits, and the tariffs of other airlines.
- The tariffs referred to in paragraph (2) of this Article, shall, if possible, 3. be agreed to by the designated airlines concerned of both Contracting Parties, after consultation with the other airlines operating over the whole or part of the route, and such agreement shall, wherever possible, be reached by the use of the procedures of the International Air Transport Association.
- The tariffs so agreed shall be submitted for the approval of the aeronautical 4. 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 expressly. If neither of the aeronautical authorities has expressed disapproval within thirty (30) days from the date of submission, in accordance with paragraph (4) of this Article, these tariffs 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.

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ARTICLE 9 - TARIFFS (Contd.....)

- 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. If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph (4) of this Article, or on the determination of any tariff under paragraph (6) of this Article, the dispute shall be settled mutually by the two Contracting Parties.
- 8. 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 twelve (12) months after the date on which it would otherwise have expired.

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ARTICLE 10 - EXCHANGE OF INFORMATION

- I. The aeronautical authorities of both Contracting Parties shall exchange information, as promptly as possible, concerning the current authorizations extended to their respective designated airline to render service to, through, and from the territory of the other Contracting Party. This will include copies of current certificates and authorisations for services on specified routes, together with amendments, exemption orders and authorized service patterns.
- 2. Each Contracting Party shall cause its designated airline to provide to the aeronautical authorities of the other Contracting Party, as long in advance as practicable, copies of tariffs, schedules, including any modification thereof, and all other relevant information concerning the operation of the agreed services, including information about the capacity provided on each of the specified routes and any further information as may be required to satisfy the aeronautical authorities of the other Contracting Party that the requirements of this Agreement are being duly observed.
- 3. Each Contracting Party shall cause its designated airline to provide to the aeronautical authorities of the other Contracting Party statistics relating to the traffic carried on the agreed services showing the points of embarkation and disembarkation.

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ARTICLE 11 - TRANSFER OF EARNINGS

- I. Each Contracting Party grants to the designated airline of the other Contracting Party the right to remit to its head office, the excess over expenditure of receipts earned in the territory of the first Contracting Party. Such remittances, however, shall be made in any convertible currency, and subject to, and in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued.
- 2. Such transfers shall be effected on the basis of official exchange rate for currency payment, or where there are no official exchange rates, at the prevailing foreign exchange market rates for currency payment.
- 3. In case special arrangements ruling the settlement of payments are in force between the two Contracting Parties, the provisions of such arrangements shall be applied to the transfer of funds under paragraph (1) of this Article.

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ARTICLE 12 - CONSULTATION

- I. In a 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 the annexed Schedule and shall consult when necessary to provide for modification and interpretation thereof.
- 2. Either Contracting Party may request consultation in writing which shall begin within a period of sixty (60) days of the date of receipt of the request, unless both Contracting Parties agree to an extension of this period.

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ARTICLE 13 - SETTLEMENT OF DISPUTES

If any dispute arises relating to the interpretation or application of the present 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.

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ARTICLE 14 - ADAPTATION OF MULTILATERAL CONVENTIONS

In the event of the conclusion of a Multilateral Convention of 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.

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ARTICLE 15 - AMENDMENT

- I. If either of the Contracting Parties considers it desirable to modify any provision of this Agreement including the Route Schedule, which shall be deemed to be a part of the Agreement, it shall request for consultations in accordance with Article 12 of this Agreement. Such consultations may take place by exchange of communication.
- 2. The amendment shall be approved by each Contracting Party in accordance with its constitutional procedure and shall come into effect when confirmed by an exchange of Notes through the Diplomatic channel.

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ARTICLE 16 - REGISTERATION WITH THE INTERNATIONAL CIVIL AVIATION ORGANIZATION

The present Agreement and any amendments thereto shall be registered with the International Civil Aviation Organization.

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ARTICLE 17 - TERMINATION

Either Contracting Party may at any time give a notice to the other Contracting Party of its decision to terminate this Agreement; such notice shall be simultaneously communicated to the International Civil Avialtion Organization. In such case the Agreement shall terminate twelve (12) months after the date of receipt of notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry date of this period. In the 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 Organization.

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ARTICLE 18 - ANNEXES

The Annexes to this Agreement shall be deemed to be part of the Agreement and all references to this Agreement shall include references to the Annexes, except where otherwise expressly provided.

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ARTICLE 19 - TITLES

Titles are inserted in this Agreement at the head of each Article for the purpose of reference and convenience and in no way define limit, or describe the scope or intent of this Agreement.

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ANNEX

SECTION I

The airline designated by the Government of India shall be entitled to operate air services in both directions on the routes specified in this Section and to land for traffic purposes in the territory of Turkey at the points therein specified.

Points beyond Turkey Points in Turkey Points of Origin in India

Europe Istanbul, Ankara Two points in Any point in India to be including U.K. specified

SECTION II

The airline designated by the Government of Turkey shall be entitled to operate air services in both directions on the routes specified in this Section and to land for traffic purposes in the territory of India at the points therein specified.

Points beyond India Points in India Points in Turkey Any point in Turkey Delhi, Singapore, and one point Bombay

in Australia or the Far East to be specified

Points on any of the above routes may, at the option of the designated airline, be omitted on any or all flights provided that such service shall have its starting point in the territory of the Contracting Party designating the airline.

ARTICLE 20 - COMING INTO FORCE

The Agreement shall be approved according to the constitutional requirements in the country of each Contracting Party and shall come provisionally into force from the date of signature, and formally on the date of an Exchange of Diplomatic Notes confirming that these requirements have been fulfilled.

IN WITNESS THEREOF the undersigned plenipotentiaries being duly authorized thereto by their respective Governments, have signed this Agreement.

Done on the 10th day of April, 1986 at New Delhi in the English language.

SIGNED

FOR THE GOVERNMENT OF INDIA

thirdh.

(S.S. SIDHU) SECRETARY Department of Civil Aviation Ministry of Transport FOR THE GOVERNMENT OF THE REPUBLIC OF TURKEY

(IHSAN PEKEL) PERMANENT UNDER SECRETARY Ministry of Transport and Communication

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MEMORANDUM OF UNDERSTANDING

Delegations of the Government of India and the Government of Turkey met in New Delhi on 7th and 8th April 1986 to discuss the conclusion of an Air Services Agreement between the two Governments. The talks were held in a cordial and friendly atmosphere.

2. The composition of the two delegations is given at <u>Appendix</u> 'A'.

3. The two delegations drew up and signed the text of an Air Services Agreement and the Annex thereto as given at **Appendix 'B'**.

4. Both delegations agreed to submit the signed text of the Agreement and the Annex thereto to higher authorities according to the constitutional requirements for approval and to bring it into force.

5. The two delegations further agreed as follows:

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(a) The airline designated by the Government of Turkey shall be entitled to operate two services per week to/through India - one service to/through Delhi and one service to/through Bombay - on the route specified in Section II of the Annex to the Agreement by A-310 type of aircraft. In case any other type of aircraft is deployed, the capacity utilised shall be restricted to that of A-310.

(b) The airline designated by the Government of India shall be entitled to operate two services per week to/through Turkey on the route specified in Section I of the Annex to the Agreement by A-310 type of aircraft. In case any other type of aircraft is deployed, the capacity utilised shall be restricted to that of A-310.

(c) The designated Airline of India or Turkey may commence operation under this Agreement on a unilateral basis subject to a commercial agreement between the designated airline of India and the designated airline of Turkey which shall be approved by the two Governments. It was noted that the two designated airlines have concluded a commercial agreement in respect of proposed unilateral operation of the designated airline of Turkey dated 10th April, 1986_which was approved by the two Governments.

(d) When the designated airline of India commences operation to Turkey, the two Governments will discuss providing on a reciprocal

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basis intermediate fifth freedom traffic rights to the designated airlines of the two countries. However, the operation of designated airline of India to Turkey shall not be subject to agreement being reached for intermediate fifth freedom rights by the two Governments.

(e) The two delegations agreed to review the agreement reached between the two Governments after six months from the date the designated airline of Turkey commences operation to India.

(f) The two delegations agreed that pending the ratification of the air services agreement by the two Governments, the arrangements set out above shall be given effect to as of today.

Done in New Delhi on 10th April 1986.

(S.S.Sidhu) Leader of Indian Delegation

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Leader of Turkish Delegation

LIST OF MEMBERS OF THE TWO DELEGATIONS

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Turkish Delegation

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1.	Mr. Ihsan Pekel, Permanent Under Secretary Ministry of Transport & Communication Government of Turkey	-	Leader
2.	Mr. Daryal Batibay, Joint Secretary, Maritime & Air matters, Ministry of Foreign Affairs		
3.	Mr. Yilmaz Oral, Director General, Turkish Airlines		
Indian	Delegation		
1.	Dr. S.S.Sidhu, Secretary, Department of Civil Aviation, Ministry of Transport	-	Leader
2.	Air Marshal C.K.S. Raje, Director General of Civil Aviation		
3.	Shri V.Pattanayak, Joint Secretary, Department of Civil Aviation, Ministry of Transport		
4.	Shri V.K.Grover, India's Ambassador to Turkey		
5.	Dr. S.Bhatt, Director, Regulation & Information, Office of the DGCA		
6.	Capt. D.Bose, Managing Director, Air India		
7.	Shri Harish Malik, Commercial Director, Air India		

8. Shri S.K.Datta, Dy.Director, Planning & International Relations, Air India

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