

Article 1
Definitions

1. 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 these Annexes and amendments have been effective for both Contracting Parties;
 - (b) the term "aeronautical authorities" means, in the case of the Republic of Korea, the Minister of Land, Infrastructure and Transport and in the case of the Kingdom of Denmark, the Ministry of Transport or in both cases any other person or body authorized to perform the functions exercised at present by the said authorities;
 - (c) the term "designated airline" means any airline which one Contracting Party has designated, by written notification to the other Contracting Party, for the operation of air services on the routes specified in the Annex of this Agreement, and to which the appropriate operating permission has been given by that other Contracting Party, 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 term "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
 - (f) the term "capacity" in relation to an 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;
 - (g) the term "carriage of traffic" means carriage of passengers, cargo and mail;
 - (h) the term "agreed services" means scheduled air services on the route specified in the Annex to this Agreement for the transport of passengers, cargo and mail, separately or in combination;
 - (i) the term "tariffs" means 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;
 - (j) the term "user charge" means a charge made to airlines by the competent authorities for the use of an airport or air navigation or aviation security facilities and services for aircraft, their crews, passengers and cargo; and
 - (k) the term "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of Article 18 of this Agreement. The Annex forms an integral part of this Agreement, and all references to the Agreement shall include references to the Annex except where otherwise explicitly provided.
2. References in this Agreement to airlines of Denmark/Sweden shall be understood as referring to airlines designated by Denmark/Sweden.

NR
H

o/

Article 3 Designation of Airlines

1. Each Contracting Party shall have the right to designate one or more airlines for the purpose of operating the agreed services on each of the specified routes, and to withdraw or alter such designations. Such designations shall be made in writing.

2. On receipt of such a designation, the Aeronautical Authorities of the other Contracting Party shall grant the appropriate authorisations and permissions with minimum procedural delay, provided that:
 - a) in the case of an airline designated by Denmark/Sweden:
 - i) it is established in the territory of Denmark/Sweden under the EU Treaties and has a valid Operating Licence from an EU Member State in accordance with European Union law; and
 - ii) effective regulatory control of the airline is exercised and maintained by the EU Member State responsible for issuing its Air Operator Certificate and the relevant aeronautical authority is clearly identified in the designation; and
 - iii) the airline has its principal place of business in the territory of the EU Member State from which it has received its valid Operating Licence; and
 - iv) the airline is owned, directly or through majority ownership, and is effectively controlled by EU Member States or member states of the European Free Trade Association and/or by nationals of such states.

 - b) in the case of an airline designated by the Republic of Korea:
 - i) the Republic of Korea has and maintains effective regulatory control of the airline; and
 - ii) substantial ownership and effective control of that airline are vested in the Republic of Korea, nationals of the Republic of Korea, or both, and the airline has a valid Operating Licence issued by the Republic of Korea.

 - c) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Contracting Party considering the application or applications;

 - d) the Contracting Party designating the airline maintains and implements the standards relating to safety and security set out in Article 17A and Article 17 of this Agreement.

3. When an airline has been so designated and authorised it may begin to operate the agreed services, provided that the airline complies with the applicable provisions of this Agreement.

NR
H

07

Article 4
Revocation and Suspension of Rights

1. Either Contracting Party may refuse, revoke, suspend or limit the operating authorisation or technical permissions of an airline designated by the other Contracting Party where:
 - a) in the case of an airline designated by Denmark/Sweden:
 - i) it is not established in the territory of Denmark/Sweden under the EU Treaties or does not have a valid Operating Licence from an EU Member State in accordance with European Union law; or
 - ii) effective regulatory control of the airline is not exercised or not maintained by the EU Member State responsible for issuing its Air Operator Certificate or the relevant aeronautical authority is not clearly identified in the designation; or
 - iii) the airline does not have its principal place of business in the territory of the EU Member State from which it has received its valid Operating Licence; or
 - iv) the airline is not owned directly or through majority ownership and is not effectively controlled by EU Member States or member states of the European Free Trade Association and/or by nationals of such states; or
 - v) the airline is already authorised to operate under a bilateral agreement between the Republic of Korea and another EU Member State and the Republic of Korea can demonstrate that, by exercising traffic rights under this Agreement on a route that includes a point in that other EU Member State, it would be circumventing restrictions on traffic rights imposed by that other agreement; or
 - vi) the airline holds an Air Operator Certificate issued by an EU Member State and there is no bilateral air services agreement between the Republic of Korea and that EU Member State, and that Member State has denied traffic rights to the airline designated by the Republic of Korea.
 - b) in the case of an airline designated by the Republic of Korea:
 - i) the Republic of Korea is not maintaining effective regulatory control of the airline; or
 - ii) substantial ownership and effective control of that airline are not vested in the Republic of Korea, nationals of the Republic of Korea, or both, or the airline does not have a valid Operating Licence issued by the Republic of Korea.
 - c) the airline has failed to comply with the laws or regulations normally and reasonably applied by the Contracting Party granting the rights; or
 - d) the airline does not comply with the conditions prescribed under this Agreement.

In exercising its right under this Article, and without prejudice to its rights under subparagraph (a)(v) and (vi) of this paragraph, the Republic of Korea shall not discriminate between airlines of EU Member States on the grounds of nationality.

2. Unless the immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringements

NZ
LT

01

of laws or regulations, such right shall be exercised by each Contracting Party only after consultation with the Aeronautical Authority of the other Contracting Party, as provided for in Article 15 of this Agreement.

3. In the event of action by one Contracting Party under this Article, the rights of the other Contracting Party under Article 16 shall not be prejudiced.

NR

HS

Article 9
Capacity Provisions

1. Each Contracting Party shall allow fair and equal opportunity for the designated airlines of both Contracting Parties to compete in the international air transportation covered by this Agreement.
2. Each Contracting Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the airlines of the other Contracting Party.
3. Neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs, technical, operational or environmental reasons under uniform conditions consistent with Article 15 of the Convention.

NZ
H

0/

Article 13
User Charges

1. Neither Contracting Party shall impose on a designated airline of the other Contracting Party user charges higher than those imposed on its own airlines operating between the territories of the Contracting Parties.
2. Any air navigation facility charge imposed on international traffic performed by airlines designated or licensed by one of the Contracting Parties shall be reasonably related to the cost of service rendered to the airline concerned, and levied in accordance with the relevant guidelines issued by the International Civil Aviation Organization (ICAO).
3. When operating the agreed services, the same uniform conditions shall apply to the use by the airlines of both Contracting Parties of airports as well as of all other facilities under their control.
4. Each Contracting Party shall encourage consultations on user charges between its competent charging bodies and the airlines using the services and facilities provided by those charging bodies, where practicable through those airlines' representative organizations. Reasonable notice of any proposals for changes in such charges should be given to such users to enable them to express their views before changes are made. Each Contracting Party shall further encourage its competent charging bodies and such users to exchange appropriate information concerning such charges.

NR
H

0/

Article 16
Settlement of Disputes

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation.
2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body; if they do not so agree, the dispute may at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through the diplomatic channels requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of sixty (60) days. If either Contracting Party fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organization may at the request of either Contracting Party appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall be a national of a third State and shall act as president of the arbitral tribunal. The arbitral tribunal shall reach its decision by a majority of votes.
3. The Contracting Parties shall comply with any decision given, including any interim recommendation made under paragraph 2 of this Article.
4. If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with the requirements of paragraph 3 of this Article, the other Contracting Party may limit or revoke any right which it has granted by virtue of this Agreement.

NZ
H

67

Article 17A
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 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 and requirements in any such area 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 an agreed time period 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 the airline or airlines of one Contracting Party on services to or from the territory of the another Party, 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 that time pursuant to the Convention; or
 - (b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

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 licenses 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 the airline or airlines of one Contracting Party in accordance with paragraph 3 above of this Article is denied by a representative of that airline or airlines, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph 4 above of this Article arise and draw the conclusions referred in that paragraph.
6. Each Contracting Party reserves the right temporarily to suspend or vary the operating authorization of an airline or airlines 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, consultation or otherwise, that immediate action is essential to the safety of an airline operation. Upon the

112
H

61

exercise of this right, the first Contracting Party shall immediately notify the other Contracting Party of its action specifying the area of concern which prompted such action.

7. Any action by one Contracting Party in accordance with paragraphs 2 or 6 above of this Article shall be discontinued immediately once the basis for the taking of that action ceases to exist.
8. Where Denmark/Sweden has designated an airline whose regulatory control is exercised and maintained by another EU Member State, the rights of the Republic of Korea under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other EU Member State and in respect of the operating authorisation of that airline.

NR
HT