

**AIR SERVICES AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED ARAB EMIRATES AND THE GOVERNMENT OF THE REPUBLIC OF
CHILE**

PREAMBLE

The Government of the United Arab Emirates and the Government of the Republic of Chile, hereinafter referred to as "the Contracting Parties";

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

Desiring to facilitate the expansion of international air transport opportunities;

Desiring to ensure the highest degree of safety and security in international air transport;

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

Have agreed as follows:

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Article 1
Definitions

For the purposes of this Agreement, unless otherwise stated, the term:

1. "aeronautical authorities" means, for the United Arab Emirates, the Minister of Communications and for the Republic of Chile, the Civil Aeronautical Board or, in either case, any person or body authorized to perform any functions at present exercisable by him or similar functions;
2. "Agreement" means this Agreement, and any amendments thereto;
3. "air service", "international air service", "airline" and "stop for non-traffic purposes" shall have the meaning respectively assigned to them in Article 96 of the Convention;
4. "air transportation" means the public carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, for remuneration or hire;
5. "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on December 7, 1944, and includes:
 - a. any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by both Contracting Parties; and
 - b. any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for both Contracting Parties;
6. "Computer Reservation System (CRS)" means a computerized system containing information about airline schedules, seat availability, fares and related services through which reservations can be made and/or tickets can be issued;

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7. "designated airline" means an airline designated and authorized in accordance with Article 3 of this Agreement;
8. "full cost" means the cost of providing service plus a reasonable charge for administrative overhead;
9. "price" means any fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in air transportation charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;
10. "stop for non-traffic purposes" means a landing for any purpose other than taking on or discharging passengers, baggage, cargo and/or mail in air transportation;
11. "territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention;
12. "user charge" means a charge imposed on airlines for the provision of airport, air navigation, or aviation security facilities or services including related services and facilities.
13. "non-discrimination" mentioned in this agreement includes essentially the equivalency of conditions between national carriers and foreign carriers, duly extended, but not limited to the provisions related to safety, security and slots, in exercising the traffic rights under this Agreement;

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Article 2
Grant of Rights

1. Each Party grants to the other Party, without any limitations on routes, the following rights for the conduct of international air transportation by the airlines of the other Party:
 - a) The right to fly across its territory without landing;
 - b) The right to make stops in its territory for non-traffic purposes;
 - c) The right, in accordance with the terms of their designations, to perform international air transportation between points on the following routes with full traffic rights:
 - i. from points behind the territory of the Party designating the airline via the territory of that Party and any intermediate points to any point or point in the territory of the other Party and beyond:
 - ii. between the territory of the Party granting the right and any point or points; and
 - d) The rights otherwise specified in this Agreement.
2. The designated airlines of one Contracting Party may take on board, in the territory of the other Contracting Party, passengers, cargo and mail, separately or in combination, destined for another point in the territory of that other Party, provided the service serves a point in the territory of the Contracting Party designating the airline.
3. Each designated airline may, on any or all flights and at its option:
 - a) Operate flights in either or both directions;

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- b) Combine different flight numbers within one aircraft operation;
- c) Serve behind, intermediate, and beyond points and points in the territories of the Parties on the routes in any combination and in any order;
- d) Omit stops at any point or points;
- e) Transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes;
- f) Serve points behind any point or points in its territory with or without change of aircraft or flight number and hold out and advertise such services to the public as through services;
- g) Make stopovers at any points whether within or outside the territory of the other Party;
- h) Carry transit traffic through the other Party's territory; and
- i) Combine traffic on the same aircraft regardless of where such traffic originates;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement.

4. Designated airline (s) may perform international air transportation without any limitation as to change, at any point on the route, on any segment or segments of the route, in type or number of aircraft operated.
5. Designated airlines may operate their services as frequently and with such aircraft as they may deem fit, on the routes and under the conditions specified in this agreement.
6. Designated airlines of one Contracting Party shall have the right to use all airways, airports and other facilities such as slots, counters, etc., in the territory of the other Contracting Party, on a non-discriminatory basis.

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Article 3

Designation and Authorization

1. Each Contracting Party shall have the right to designate, in written notice transmitted through diplomatic channels, one or more airlines to operate air services and to withdraw or alter such designations.
2. On receipt of such notification, each Contracting Party shall, without delay, grant to the airline so designated by the other Contracting Party the appropriate operating authorizations provided that:
 - 1) the airline:
 - a) is incorporated and has its principal place of business in the territory of the other Contracting Party; and
 - b) holds a current Air Operator's Certificate issued by the aeronautical authorities of the other Contracting Party;
 - 2) the Contracting Party designating the airline is maintaining and administering the standards set forth in Article 6 (Safety) and Article 7 (Aviation Security); and
 - 3) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air transportation by the Contracting Party considering the application or applications.
3. Upon receipt of the operating authorization referred to in paragraph 2 of this Article the designated airline may at any time begin to operate the agreed services, in part or in whole, provided that it complies with the provisions of this Agreement.

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Article 4
Revocation of Authorization

1. Either Contracting Party shall have the right to withhold the authorizations referred to in Article 3 of this Agreement with respect to an airline designated by the other Contracting Party, to revoke or suspend such authorizations or impose conditions:
 - a) in the event of failure by that airline to comply with the laws and regulations normally and reasonably applied by the Aeronautical Authority of the Contracting Party granting those rights in conformity with the Convention;
 - b) in the event of failure by such airline to comply with the laws and regulations of that Contracting Party;
 - c) in the event that they are not satisfied that the airline is incorporated and has its principal place of business in the territory of the Contracting Party designating it and holds a current Air Operator's Certificate issued by the aeronautical authorities of the other Contracting Party;
 - d) in case the other Contracting Party is not maintaining and administering the standards as set forth in Article 6 (Safety) and Article 7 (Aviation Security);
 - e) if the airline otherwise fails to operate in accordance with the conditions prescribed under 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 Contracting Parties, such consultations shall begin within a period of sixty (60) days as from the date of receipt of the request.

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Article 5
Application of Laws

1. While entering, within, or leaving the territory of one Contracting Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the other Contracting Party's airlines.
2. While entering, within, or leaving the territory of one Contracting Party, its laws and regulations relating to the admission to or departure from its territory of passengers, crew, cargo or mail on aircraft (including regulations relating to entry, clearance, aviation security, immigration, passports, customs and quarantine or, in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew or cargo of the other Contracting Party's airlines.
3. Passengers, baggage and cargo in transit across the territory of either Contracting Party and not leaving the area of the airport reserved for such purpose shall, except in respect of security measures against violence and air piracy, be subject to no more than a simplified control.
4. Neither of the Contracting Parties shall give preference to any other airline over the designated airline of the other Contracting Party in the application of its customs, immigration, quarantine, and similar regulations; or in the use of airports, airways and air traffic services and associated facilities under its control.
5. Each Contracting Party shall, upon request of the other Contracting Party, supply copies of the relevant laws, regulations and procedures referred to in this Agreement.

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Article 6

Safety

1. Each Contracting Party shall recognise as valid, for the purpose of operating the agreed air services provided for in this Agreement, certificates of airworthiness, certificates of competency, and licenses issued or validated by the other Contracting Party and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention. Each Contracting Party may, however, refuse to recognize as valid for the purpose of flight above its own territory, certificates of competency and licenses granted to or validated for its own Nationals by the other Contracting Party.
2. Either Contracting Party may request consultations concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew, aircraft, and operation of the designated airlines. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards and requirements in these areas that at least equal the minimum standards that may be established pursuant to the Convention, the other Contracting Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards, and the other Contracting Party shall take appropriate corrective action. Each Contracting Party reserves the right to withhold, revoke, or limit the operating authorization or technical permission of an airline or airlines designated by the other Contracting Party in the event the other Contracting Party does not take such appropriate corrective action within a reasonable time.

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Article 7
Aviation Security

1. In accordance 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. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offenses and Certain Other Acts Committed on Board Aircraft, done at Tokyo on September 14, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on September 23, 1971, and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, done at Montreal on February 24, 1988.

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, of their passengers and crew, and of airports and air navigation facilities, and to address any other threat to the security of civil air navigation.

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; they shall require that operators of aircraft of their register, 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.

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4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions and requirements referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within the state 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 of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, 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.
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 15 days from the date of such request shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorization and technical permissions of an airlines or airlines of that Contracting Party. When required by an emergency, a Contracting Party may take interim action prior to the expiry of 15 days.

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Article 8

Commercial Opportunities

1. The airlines of each Party shall have the right to establish offices in the territory of the other Party for the promotion and sale of air transportation as well as other ancillary products and facilities required for the provision of air transportation.
2. The designated airline of each Party shall be entitled, in accordance with the laws and regulations of the other Party relating to entry, residence, and employment, to bring in and maintain in the territory of the other Party managerial, sales, technical, operational, and other specialist staff required for the provision of air transportation.
3. Each designated airline shall have right to perform its own ground-handling in the territory of the other Party ("self-handling") or, at its option, select among competing agents for such services in whole or in part. The rights shall be subject only to physical constraints resulting from considerations of airport safety. Where such considerations preclude self-handling, ground services shall be available on an equal basis to all airline; charges shall be based on the costs of services provided; and such services shall be comparable to the kind and quality of services as if self-handling were possible.
4. Any airline of each Party may engage in the sale of air transportation in the territory of the other Party directly and, at the airline's discretion, through its agents, except as may be specifically provided by the charter regulations of the country in which the charter originates that relate to the protection of passenger funds, and passenger cancellation and refund rights. Each airline shall have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies.

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5. Each airline shall have the right to convert and remit to its country, on demand, local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly without restrictions or taxation in respect thereof at the rate of exchange applicable to current transaction and remittance on the date the carrier makes the initial application for remittance.

6. The airline of each Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Party in local currency. At their discretion, the airlines of each Party may pay for such expenses in the territory of the other Party in freely convertible currencies according to local currency regulation.

7. In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into cooperative marketing arrangements such as blocked-space, interchanges, common code, code-sharing or leasing arrangements (wet or dry), with (in respect of interchanges and common code, prior permission or agreement between the two aeronautic authorities would be required)

- a) an airline or airlines of either Party; and
- b) an airlines or airlines of a third country, provided that such third country authorizes or allows comparable arrangements between the airlines of the other Party and other airlines on services to, from and via such third country;

provided that all airlines in such arrangements (1) hold the appropriate underlying traffic rights and (2) meet the requirements normally applied to such arrangements.

8. Notwithstanding any other provision of this Agreement, airlines and indirect providers of cargo transportation of both Parties shall be permitted, without restriction, to employ in connection with international air transportation any

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surface transportation for cargo to or from any points in the territories of the Parties or in third countries, including transport to and from all points in the territories of the Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air transportation. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to facts concerning such transportation.

9. Each Contracting Party shall apply the Code of Conduct formulated by the International Civil Aviation Organization for the regulation and operation of Computer Reservation Systems within its Territory, consistent with other applicable regulations and obligations concerning Computer Reservation Systems.

Designated airlines of a Contracting Party and the airlines agents will have unrestricted and non-discriminatory access to and use of Computer Reservation Systems in the territory of the other Contracting Party.

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Article 9
User Charges

1. User charges that may be imposed by the competent charging authorities or bodies of each Contracting Party on the airlines of the other Contracting Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Contracting Party on terms not less favourable than the most favourable terms available to any other airline at the time the charges are assessed.

2. User charges imposed on the airlines of the other Contracting Party may reflect but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation, and aviation security facilities and services at the airport or within the airport system. Such full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.

3. Each Contracting Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines using the services and facilities, and shall encourage the competent charging authorities or bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraph 1 and 2 of this Article. Each Contracting Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.

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4. Neither Contracting Party shall be held, in dispute resolution procedures pursuant to Article 14 of this Agreement, to be in breach of a provision of this Article, unless (1) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Contracting Party within a reasonable amount of time; or (2) following such a review it fails to take all steps within its power to remedy any charges or practice that is inconsistent with this Article.

Article 10

Fair Competition

1. Each Contracting Party shall allow a fair and equal opportunity for the designated airlines of both Contracting Parties to compete in providing the air transportation governed by this Agreement.
2. There shall be no restriction on the capacity and the number of frequencies and/or type (s) of aircraft to be operated by the designated airlines of both Contracting Parties in any type of service (passengers and cargo, separately or in combination).
3. Each Contracting Party shall allow each designated airline to determine the frequency and capacity of the air transportation it offers based upon its commercial considerations in the marketplace. Consistent with this right, 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.
4. Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first-refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to capacity, frequency or traffic.

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5. Neither Contracting Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Contracting Party for approval, except as may be required on a non-discriminatory basis to enforce the uniform conditions foreseen by paragraph 3 of this Article. If a Contracting Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air transportation intermediaries and on designated airlines of the other Contracting Party.

Article 11

Pricing

1. Each Contracting Party shall allow prices for air transportation to be established by each designated airline based upon commercial considerations in the marketplace. Intervention by the Contracting Parties shall be limited to:
 - a) prevention of unreasonably discriminatory prices or practices;
 - b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and
 - c) protection of airlines from prices that are artificially low due to direct or indirect governmental subsidy or support.
2. Each Contracting Party may require notification to its aeronautical authorities of prices to be charged to or from its territory by airlines of the other Contracting Party.
3. Neither Contracting Party shall take unilateral action to prevent the inauguration or continuation of a price charged or proposed to be charged by (i) an airline of either Contracting Party for air transportation between the territories of the Contracting Parties, or (ii) an airline of one Contracting Party for air transportation between the territory of the other Contracting Party and any other

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country, including in both cases transportation on an interline or intraline basis. If either Contracting Party believes that any such price is inconsistent with the considerations set forth in paragraph 1 of this Article, it shall request consultations and notify the other Contracting Party of the reasons for its dissatisfaction as soon as possible. These consultations shall be held not later than 30 days after receipt of the request, and the Contracting Parties shall cooperate in securing information necessary for reasoned resolution of the issue. If the Contracting Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Contracting Party shall use its best efforts to put that agreement into effect. Without such mutual agreement, the price shall go into effect or continue in effect.

Article 12

Customs Duties and Charges

1. On arriving in the territory of one Party, aircraft operated in international air transportation by the designated airline or airlines of the other Party, their regular equipment, ground equipment, fuel, lubricants, consumable technical supplies, spare parts (including engines), aircraft stores (including but not limited to such items of food, beverages and liquor, tobacco and other products destined for sale to or use by passengers in limited quantities during flight), and other items intended for or used solely in connection with the operation or servicing of aircraft engaged in international air transportation shall be exempt, on the basis of reciprocity, from all customs duties and similar charges that are (i) imposed by the national or central authorities, and (ii) not based on the cost of services provided, provided that such equipment and supplies remain on board the aircraft.
2. There shall also be exempt, on the basis of reciprocity, from the duties and charges referred to in paragraph 1 of this Article, with the exemption of charges based on the cost of the service provided:

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- a) aircraft stores introduced into or supplied in the territory of a Party and taken on board, within reasonable limits, for use on outbound aircraft of airlines of the other Party engaged in international air transportation, even when these stores are to be used on a part of the journey performed over the territory of the Party in which they are taken on board;
- b) ground equipment and spare parts (including engines) introduced into the territory of a Party for the servicing, maintenance, or repair of aircraft of airlines of the other Party used in international air transportation;
- c) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of a Party for use in an aircraft of airlines of the other Party engaged in international air transportation, even when these supplies are to be used on a part of the journey performed over the territory of the Party in which they are taken on board;
- d) promotional and advertising materials introduced into or supplied in the territory of one Party and taken on board, within reasonable limits, for use on outbound aircraft of an airline of the other Party engaged in international air transportation, even when these stores are to be used on a part of the journey performed over the territory of the Party in which they are taken on board, and
- e) printed ticket stock, air waybills, staff uniforms, computers and ticket printers used by the designated airline for the reservations and ticketing, any printed material which bears the insignia of the designated airline printed thereon and usual publicity and promotional materials distributed free of charge by such designated airline which are introduced into the territory of the other Party.

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Article 13

Consultations and Amendments

1. In a spirit of close co-operation the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of this Agreement.
2. Either Contracting Party may request consultations with a view to modify the present Agreement. These consultations shall begin within sixty (60) days from the date of the receipt of the request by the other Contracting Party, unless otherwise agreed. Such consultations may be conducted through discussions or by correspondence.
3. Any amendment to the present Agreement agreed upon by the Contracting Parties, shall come into force on the date on which the Contracting Parties have informed each other in writing of the completion of their respective constitutional requirements.
4. In the event of the conclusion of any general multilateral convention concerning air transportation to which both the Parties become bound, the Parties shall consult to determine whether and to what extent the present Agreement should be amended.

Article 14

Settlement of Disputes

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

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Article 15
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 receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement between Parties before the expiry of this period. In the absence of acknowledgment of receipt of the notice of termination by the other Contracting Party, such notice shall be deemed to have been received fourteen (14) working days after the receipt of that notice by the International Civil Aviation Organization.

Article 16
Registration with ICAO

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

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Article 17

Entry into Force

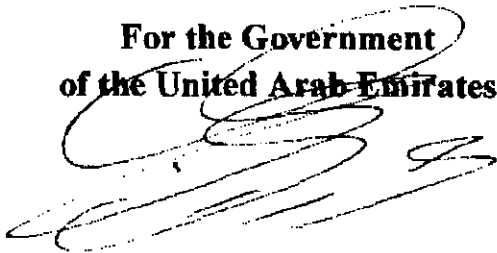
The present Agreement shall be approved according to the constitutional requirements of each Contracting Party and shall enter into force on the date of an exchange of diplomatic notes confirming that all the constitutional procedures required for the entry into force of this Agreement by each Contracting Party have been completed.

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

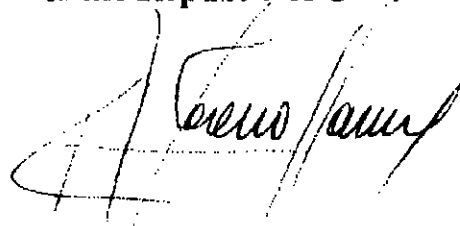
SIGNED in Santiago de Chile on the 13th of December 2010, in three original copies, in the Arabic, Spanish and English languages, all the texts being equally authentic.

In the event of any divergence of interpretation, the English language text shall prevail.

**For the Government
of the United Arab Emirates**



**For the Government
of the Republic of Chile**



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