

MEMORANDUM OF UNDERSTANDING
BETWEEN THE AERONAUTICAL AUTHORITIES
OF THE PEOPLE'S REPUBLIC OF CHINA
AND THE REPUBLIC OF COSTA RICA

Delegations representing the Aeronautical Authorities of the People's Republic of China and the Republic of Costa Rica (hereinafter referred to as the "Delegations") met in Beijing on July 31 to August 1, 2013 with a view to concluding an Air Services Agreement (hereinafter referred to as the "ASA") and the establishment of scheduled air services between the two countries. The list of the two Delegations is attached hereto as Appendix I.

The consultations were held in a cordial and friendly atmosphere and the following common understandings were reached:

I. Air Services Agreement

1. Both Delegations reached agreement on the text of the ASA, which is initialed and attached hereto as Appendix II.

2. Airlines Designation

(1) The Costa Rican delegation proposed that the Agreement include a "nationality by establishment", because pursuant to the Costa Rican Constitution and law, foreign capital investment in airlines must be facilitated and for such reason, the nationality of a Costa Rican airline is not determined by its ownership and control, but rather by its place of establishment.

(2) The Chinese delegation stated that it would be a significant departure from its policy and practice to not include provisions on substantial ownership and effective control in an air service agreement. Nonetheless, in keeping with the close and positive relations between China and Costa Rica, China will give positive consideration on a case by case basis with regard to waiving Article 3 and 4 for airlines designated by Costa Rica, where such airlines are not substantially owned and effectively controlled by Costa Rica, or its nationals, provided that the aeronautical authorities of Costa Rica exercise the necessary oversight to ensure compliance by its designated airlines with the provisions of the ASA; and the designated airlines are established and maintain their principal place of business in Costa Rica.

3. Pending the entry into force of the ASA, the two Delegations came to the understanding that their respective Aeronautical Authorities will act in accordance with the agreed provisions of the initialed ASA, before it is formally signed and enters into force in accordance with Article 22 of the ASA.

II. Capacity Entitlements

Both Delegations agreed that the designated airlines of each Contracting Party shall have the right to operate up to fourteen (14) weekly frequencies for passenger/combination services with any aircraft type on the routes specified in the Route Schedule annexed to the ASA.

Both Delegations agreed that the designated airlines of each Contracting Party shall have the right to operate up to fourteen (14) weekly frequencies for all-cargo services with any aircraft type on the routes specified in the Route Schedule annexed to the ASA.

III. Fifth Freedom Traffic Rights

Both Delegations agreed that when operating passenger/combination and/or all-cargo services on the specified routes, the designated airline(s) of either Party shall be entitled to operate up to fourteen (14) weekly frequencies with fifth freedom traffic rights at two (2) intermediate point(s) and/or two (2) beyond point(s) to be freely selected by the aeronautical authorities of the Party designating the airline(s).

IV. Leasing Arrangements

Any designated airline of either Party may operate the capacity entitlements by using their own aircraft, leased aircraft, or by using aircraft and crew from other companies, provided that:

(a) the operating aircraft and crew comply with the requirements concerned of both Parties;

(b) When the designated airline of each Party uses wet-leased aircrafts of airlines of third country, it shall not cause the lease-holder airline exercise traffic rights it does not have, according to the policies and guidelines of each country;

(c) the wet-leased aircraft from third countries should only be allowed on a temporary basis with duration of no more than six months, and the designated airlines concerned shall submit liability, insurance and other relevant documents to relevant authorities of both Parties as required while filing the applications.

(d) The leasing contracts will be subject to the established requirements for this operation.

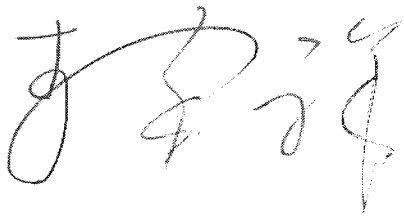
V. Charter Operation

In order to stimulate growth and development of tourism and trade between the two countries, airlines of both Contracting Parties shall be given favorable consideration to operate charter services subject to national regulations of both countries.

This Memorandum of Understanding enters into force on the date of its signature.

Done at Beijing on August 1, 2013.

For the Chinese Delegation

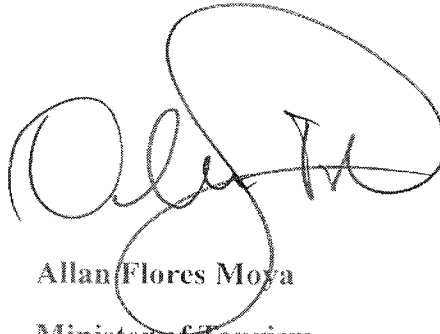


Li Jiaxiang

Administrator

Civil Aviation Administration of China

For the Costa Rican Delegation



Allan Flores Moya

Minister of Tourism

Director of Civil Aviation Technical

Council of Costa Rica

List of the Chinese Delegation

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Administrator
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List of the Costa Rican Delegation

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Minister of Tourism
Director of Civil Aviation Technical
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Deputy Minister of Public Works and
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President of Civil Aviation Technical
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Monica Dada Santos
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Counselor
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Jose David Murillo
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**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF THE REPUBLIC OF COSTA RICA
RELATING TO CIVIL AIR TRANSPORT**

The Government of the People's Republic of China and the Government of the Republic of Costa Rica (hereinafter referred to as "the Contracting Parties");

Desiring to facilitate friendly contacts between their two peoples and develop mutual relations between the two countries in the field of civil aviation:

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

Have agreed on the establishment and operation of air services between and beyond their respective territories as follows:

**Article I
Definitions**

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

(1) the term "aeronautical authorities" means, in the case of the People's Republic of China, the Civil Aviation Administration of China, or any person or agency authorized to perform any function presently exercised by the said Administration; and in the case of the Government of Costa Rica, the Ministry of Public Works and Transport, the Civil Aviation Technical Council (CETAC) and the Directorate General of Civil Aviation, or any person or agency authorized to perform any function presently exercised by the said Administration.

(2) the term "Agreement" means this Agreement and its Annex as well as any amendment to this Agreement and/or its Annex made in accordance with Article 19 (Amendment and Modification) of this Agreement.

(3) the term "airline" means any air transport enterprise offering or operating international air services.

(4) the term "designated airline" means an airline which has been designated and authorized in accordance with Article 3 (Airline Designation and Authorization) of

this Agreement.

(5) the term "aircraft" means civil aircraft.

(6) the term "air service" means any scheduled air service performed by aircraft for the public transport of passengers, baggage, cargo or mail.

(7) the term "international air service" means an air service which passes through the air space over the territory of more than one State.

(8) the term "stop for non-traffic purposes" means a landing for any purpose other than taking on or discharging passengers, baggage, cargo or mail.

(9) the term "capacity" means:

(a) in relation to an aircraft, the payload of that aircraft available on a route or section of a route;

(b) in relation to an air service, the capacity of the aircraft used on such service multiplied by the frequency operated by such aircraft over a given period on a route or section of a route.

(10) the term "tariff" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary service, but excluding prices and conditions for the carriage of mail.

(11) the term "Route Schedule" means the Route Schedule annexed to this Agreement or as amended in accordance with the provisions of Article 19 (Amendment and Modification) of this Agreement. The Route Schedule forms an integral part of this Agreement.

(12) the term "specified route" means the route specified in the Route Schedule.

(13) 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 and any amendment of the Annexes or of the Convention under Articles 90 and 94 thereof so far as those Annexes and amendments have been adopted by both Contracting Parties.

Article 2 Grant of Rights

(1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to enable the designated airline(s) of the other Contracting Party to

establish and operate international air services on the route specified in the Annex (hereinafter called "the agreed services").

(2) Subject to the provisions of this Agreement, the designated airlines of 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 along the air route(s) prescribed by the aeronautical authorities of the other Contracting Party;

(b) to make stops for non-traffic purposes at point(s) on the specified route in the territory of the other Contracting Party, subject to the approval of the aeronautical authorities of the other Contracting Party; and

(c) to make stops at the point(s) on the specified route in the territory of the other Contracting Party for the purpose of taking on board and discharging international traffic in passengers, baggage, cargo and mail, originating in or destined for the first Contracting Party.

(3) The right of the designated airlines of one Contracting Party to take on board and discharge at point(s) in the territory of the other Contracting Party international traffic to or from a third country shall be agreed upon between the aeronautical authorities of the two Contracting Parties.

(4) Nothing in this Article shall be construed to confer on the designated airlines of each Contracting Party, the privilege of taking on the territory of the other Contracting Party, passengers, baggage and cargo for transport for remuneration or hire and destined to another point in the territory of the other Contracting Party.

ARTICLE 3

Designation and Authorization

(1) Both Contracting Parties shall have the right to designate, through a written notification to the other Contracting Party, one or more airlines for purposes of allowing those airlines to operate the agreed services on the routes specified under this Agreement.

(2) Once a Contracting Party receives from the other Contracting Party the designation and application for the designated airline in the mode and manner prescribed for authorization and operation, the said Contracting Party shall grant the relevant authorization to operate in the shortest span of time and the minimum filing steps possible provided that:

(a) the substantial ownership and effective control of the designated airline

remains vested in the designating Contracting Party or its nationals;

(b) the Contracting Party designating the airline has and maintains effective regulatory control of the airline;

(c) the Contracting Party designating the airline is in compliance with the provisions set forth in Article 15 (Aviation Safety) and Article 14 (Aviation Security);

(d) the designated airline is qualified to meet other conditions prescribed under the laws and regulations normally applied to the operation of international air transport services by the Contracting Party receiving the designation.

(3) Among the regulatory control evidence, they should provide information such as if the airline holds a license or a valid operating permit issued by the designating aeronautical authority in the form of an Operator Certificate (AOC) that meets the criteria of the designating Party for the operation of international air services, such as proof of ability to meet public interest requirements and obligations of service guarantee, and that the designating Contracting Party has and maintains surveillance programs for safety and security aviation in compliance with ICAO standards.

ARTICLE 4

Withholding, Revocation and Limitation of Authorization

(1) The aeronautical authorities of each Contracting Party shall have the right to withhold the authorizations referred to in Article 3 (Designation and Authorization) of this Agreement with respect to an airline designated by the other Contracting Party and to revoke and suspend such authorizations or impose conditions on the same, temporarily or permanently:

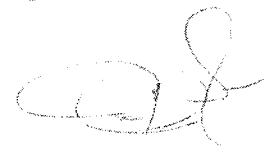
(a) if they consider that the substantial ownership and effective control of the designated airline are not vested in the designating Contracting Party or its nationals;

(b) if they consider that the Contracting Party which designates the airline does not have and maintains effective regulatory control of the airline;

(c) the Contracting Party designating the airline is not in compliance with Article 15 (Aviation Safety) and Article 14 (Aviation Security) of this Agreement; or

(d) if such designated airline is not qualified to meet other conditions prescribed under the laws and regulations normally applied to the operation of international air transport services by the Contracting Party receiving the designation.

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(2) Unless immediate actions are necessary to prevent violation of laws and regulations mentioned above or unless safety or aviation security measures required under the provisions of Article 15 (Aviation Safety) or Article 14 (Aviation Security), the rights enumerated in paragraph 1 of this Article shall be exercised only after consultation by the aeronautical authorities in accordance with Article 17 (Consultations) of this Agreement.

Article 5

Application of Laws and Regulations

(1) The laws and regulations of one Contracting Party relating to the admission to, departure from or operation and navigation in its territory of an aircraft engaged in the international operation shall be applicable to the aircraft of the designated airline(s) of the other Contracting Party, while entering, departing from or operating and navigating in the territory of the first Contracting Party.

(2) The laws and regulations of one Contracting Party relating to admission to, stay in or departure from its territory of passengers, crew, baggage, cargo or mail, such as laws and regulations relating to entry, clearance, immigration, passports, customs and quarantine, shall be applicable to the passengers, crew, baggage, cargo or mail carried by the aircraft of the designated airline(s) of the other Contracting Party while entering, staying in and departing from the territory of the first Contracting Party.

(3) Other relevant laws and regulations relating to aircraft and provisions in respect of civil aviation of one Contracting Party shall be applicable to the designated airline(s) of the other Contracting Party while operating the agreed services in the territory of the first Contracting Party.

(4) Passengers, baggage, cargo and mail in direct transit and not leaving the area of the airport reserved for such purpose shall be subject to no more than a simplified control.

Article 6

Capacity Provisions

(1) There shall be a fair and equal opportunity for the designated airlines of the Contracting Parties to operate the agreed services on the specified route.

(2) In operating the agreed services the designated airline(s) of each Contracting Party shall take into account the interests of the designated airline(s) of the other Contracting Party so as not to affect unduly the services provided by the latter on the whole or part of the same route.

(3) The agreed services supplied by the designated airlines of the Contracting Parties shall provide at a reasonable load factor capacity adequate to meet the traffic requirements for the carriage of passengers, baggage, cargo and mail between the territories of the Contracting Parties.

Article 7 Commercial and Cooperation Arrangements

(1) Capacity and frequency shall be agreed upon between the aeronautical authorities of the Contracting Parties.

(2) The designated airline(s) of either Contracting Party may, according to traffic requirements, apply for operation of extra section on the specified route. The application for such flight shall be submitted to the aeronautical authorities of the other Contracting Party, at least three (3) days before its proposed operation, and the flight can be operated only after approval has been obtained.

(3) In operating or holding out the agreed services on the specified routes, any designated airline of one Contracting Party may enter into cooperative marketing arrangements such as code-sharing, blocked-space, with:

- (a) an airline(s) of the same Contracting Party, or
- (b) an airline(s) of the other Contracting Party; or
- (c) an airline(s) of a third country.

provided that all airlines in such arrangements hold the appropriate authority to operate on the routes and segments concerned.

(4) The Contracting Parties agree to take the necessary action to ensure that consumers are fully informed and protected with respect to code-shared flights operating to or from their territory and that, as a minimum, passengers be provided with the necessary information in the following ways:

- (a) orally and, if possible, in writing at the time of booking;
- (b) in written form, on the ticket itself and/or (if not possible), on the itinerary document accompanying the ticket or on any other document replacing the ticket, such as a written confirmation, including information on whom to contact in case of a problem and a clear indication of which airline is responsible in case of damage or accident; and
- (c) orally again, by the airline's ground staff at all stages of the journey.

(5) The Contracting Parties agree that all code-sharing arrangements are subject to approval by the aeronautical authorities of both Contracting Parties and code-sharing services are not counted against the frequency entitlement of the marketing airline.

Article 8 Tariffs

(1) The tariffs applicable to the agreed services on the specified route shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service (such as speed and standard of accommodation) and tariffs applicable to the services of other airline(s) on any section of the specified route.

(2) The tariffs to be applied shall be submitted for the approval to the aeronautical 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.

(3) If the aeronautical authority of one Contracting Party gives to the aeronautical authority of the other Contracting Party a notice of its disapproval of any tariff to be applied by the designated airlines of the other Contracting Party, the aeronautical authorities of the Contracting Parties shall endeavor to determine the tariff by mutual agreement.

(4) If the aeronautical authorities of the Contracting Parties cannot agree on any tariff submitted to them under paragraph (2) of this Article, or on the determination of any tariff under paragraph (3) of this Article, the dispute shall be settled in accordance with the provisions of Article 18 (Settlement of Disputes) of this Agreement.

(5) A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff is 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 otherwise would have expired.

Article 9 Technical Services and Rate of Charge

(1) Each Contracting Party shall provide regular airport(s), alternate airport(s) and air navigation facilities in its territory and relevant services including communications, navigational, meteorological and other auxiliary facilities and services for the

operation of the agreed services by the designated airline(s) of the other Contracting Party.

(2) The designated airline(s) of each Contracting Party shall be charged for the use of airports and air navigation facilities of the other Contracting Party at fair and reasonable rates prescribed by the appropriate authorities of the other Contracting Party. Such rate shall not be higher than those applicable to any airline of other States for the services and the use of similar airports and air navigational facilities in the territory of the other Contracting Party.

Article 10 **Provision of Statistical Data**

The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party, at their request, statistical data as may be reasonably required for the purpose of reviewing the capacity provided by the agreed services operated by the designated airline(s) of the first Contracting Party on the specified route. Such data shall include all information required to determine the amount of traffic carried by the said designated airline on the agreed services.

Article 11 **Representation and Personnel**

(1) For the operation of the agreed services on the specified route, the designated airline(s) of each Contracting Party shall have the right, on the reciprocal basis, to set up representation at the point(s) on the specified route within the territory of the other Contracting Party.

(2) The designated airline(s) of one Contracting Party shall have the right, in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, to bring in and maintain in the territory of the other Contracting Party their representatives and those of its own managerial, technical, operational and other specialist staff at managerial level who are required for the provisions of the agreed services, including third country nationals.

(3) The staff members of the representation of the designated airline(s) of each Contracting Party in the territory of the other Contracting Party shall be subject to the laws and regulations of the other Contracting Party.

(4) Each Contracting Party grants to the designated airlines of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at the airlines' discretion, through its agents. The designated airlines of each

Contracting Party shall also have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currencies of the other Contracting Party, or in freely convertible currencies in accordance with the provisions of the foreign exchange control regulations of that other Contracting Party.

Article 12

Customs Duties and Taxation

(1) When an aircraft operated on the agreed services by the designated airline(s) of one Contracting Party arrives in the territory of the other Contracting Party, the said aircraft and its regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, provided such equipment and items remain on board the aircraft up to such time as they are re-exported.

(2) The following equipment and items shall also be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, with the exception of charges corresponding to the services provided:

(a) regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) carried into the territory of the other Contracting Party and intended for use on aircraft operated on the agreed services by the designated airline(s), even when such equipment and items are to be used on part of the journey performed over the territory of the other Contracting Party;

(b) spare parts (including engines) introduced into the territory of the other Contracting Party for the maintenance or repair of aircraft operated on the agreed services by the designated airline(s).

(3) The equipment and items referred to in paragraphs (1) and (2) of this Article may be unloaded in the territory of the other Contracting Party with the approval of the Customs authorities of the other Contracting Party. Such equipment and items shall be kept under the supervision or control of the Customs authorities of the other Contracting Party up to such time as they are re-exported, or otherwise disposed of in accordance with the customs regulations of the other Contracting Party.

(4) The exemption provided for in paragraphs (1) and (2) of this Article shall also be available where a designated airline of one Contracting Party has contracted with other airline(s), which similarly enjoy(s) such exemptions in the territory of the other

Contracting Party, for the loan or transfer in the territory of the other Contracting Party of the equipment and items specified in paragraphs (1) and (2) of this Article.

(5) Printed ticket stock, air waybills and publicity materials introduced by the designated airline(s) of one Contracting Party into the territory of the other Contracting Party, shall be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges.

(6) Baggage, cargo and mail in direct transit shall be exempt from all customs duties, taxes, inspection fees and other similar fees and charges on the basis of reciprocity with the exception of the charges corresponding to the services provided.

(7) The revenues and profit realized by the designated airline(s) of each Contracting Party within the territory of the other Contracting Party in connection with operation of the agreed services shall be exempt from all taxes.

(8) The property of the designated airline(s) of each Contracting Party within the territory of the other Contracting Party shall be exempt from all taxes on the basis of reciprocity.

Article 13

Conversion and Remittance of Revenue

(1) The designated airline(s) of each Contracting Party shall have, on the reciprocal basis, the right to remit its revenue received in the territory of the other Contracting Party to the territory of the first Contracting Party.

(2) The conversion and remittance of such revenue shall be effected in convertible currencies at the effective rate of exchange prevailing on the date of remittance.

Article 14

Aviation Security

(1) The Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. The Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offenses and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971 and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil

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Aviation, signed at Montreal on 24 February 1988 and any other agreement or protocol on civil aviation security to which both parties are attached.

(2) The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

(3) The Contracting Parties shall, in their mutual relations, act in conformity with the Standards and Recommended Practices relating to aviation security established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation to the extent that such Standards and Recommended Practices are applicable to the Contracting Parties. They shall require that operators of aircraft of their registry and operators of aircraft who have their principal place of business or permanent residence in their territory and operators of airport in their territory act in conformity with such aviation security provisions.

(4) Both Contracting Parties agree that such operators of aircraft may be required to observe the aviation security provisions established by the other Contracting Party as referred to in paragraph (3) of this Article for entry into, departure from, or while within the territory of that other Contracting Party. Both Contracting Parties shall ensure that adequate measures are effectively applied within its territory to protect the safety of the aircraft prior to and during boarding or loading, and to inspect passengers, crew, baggage, cargo and aircraft stores prior to 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 unlawful seizure of 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.

Article 15

Aviation Safety

(1) Each Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. 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 in the areas referred to in paragraph (1) that meet the Standards established at that time pursuant to the Convention, the other Contracting Party shall be informed of such findings and of the steps considered necessary to conform with the ICAO Standards. The other Contracting Party shall then take appropriate corrective action within an agreed time period.

(3) Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Contracting Party, on service to or from the territory of another Contracting Party, may, while within the territory of the other Contracting Party be the subject of a search by the authorized representatives of the other Contracting Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the Standards established at that time pursuant to the Convention.

(4) When urgent action is essential to ensure the safety of an airline operation, each Contracting Party reserves the right to immediately suspend or vary the operating authorization of an airline or airlines of the other Contracting Party.


(5) Any action by one Contracting Party in accordance with paragraph (4) above shall be discontinued once the basis for the taking of that action ceases to exist.

Article 16 **Recognition of Certificates and Licenses**

(1) Each Contracting Party shall recognize the valid certificate of airworthiness, certificate of competency and licenses issued or validated by the other Contracting Party for the operation of the agreed services on the specified route, provided that the standards of such certificates and licenses are equivalent to or above the minimum standards established from time to time in accordance with the Convention on International Civil Aviation.

(2) 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 or by a third country.

Article 17 **Consultation**



(1) The Contracting Parties shall, in the spirit of close cooperation and mutual support, ensure the correct implementation of and satisfactory compliance with the provisions of this Agreement. To this end, the aeronautical authorities of the Contracting Parties shall consult each other from time to time.

(2) Either Contracting Party may at any time request consultation with the other Contracting Party concerning this Agreement. Such consultation shall begin as soon as possible, and at least within sixty (60) days from the date of receipt of the request by the other Contracting Party unless otherwise agreed to.

Article 18 Settlement of Disputes

(1) If any dispute arises between the Contracting Parties relating to the interpretation or implementation of this Agreement, the aeronautical authorities of the two Contracting Parties shall in the first place settle the dispute by negotiation.

(2) If the aeronautical authorities of the Contracting Parties fail to reach a settlement of the said dispute, the Contracting Parties shall settle such dispute through diplomatic channels.

Article 19 Amendment and Modification

(1) If either of the Contracting Parties considers it desirable to amend any provision of this Agreement or its Annex, it may at any time request consultation with the other Contracting Party, and such consultation, which may be through discussion or by correspondence, shall begin within a period of ninety (90) days from the date of receipt of the request by the other Contracting Party, unless both Parties agree to an extension of this period.

(2) The consultation referred to in paragraph (1) of this Article may also be held between the aeronautical authorities of the Contracting Parties.

(3) Any amendment to this Agreement shall come into force when it has been confirmed by an exchange of notes through diplomatic channels.

(4) If the Amendment relates only to the provisions of the annexed Schedules, it may be agreed upon between the aeronautical authorities of both Contracting Parties and shall become effective from the date of the agreement between both aeronautical authorities.

Article 20
Termination

(1) Either Contracting Party may at any time give notice to the other Contracting Party through diplomatic channels of its decision to terminate this Agreement. This Agreement shall then terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party unless such notice is withdrawn by agreement between the Contracting Parties before the expiry of this period. Such notice shall simultaneously be communicated to the International Civil Aviation Organization.

(2) In default of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the date on which the International Civil Aviation Organization will have received communication thereof.

Article 21
Registration with International Civil Aviation Organization


This Agreement or any amendment thereto shall be registered with the International Civil Aviation Organization.

Article 22
Entry Into force

This Agreement shall enter into force on the date of receipt of the last notification through diplomatic notes by either Contracting Party to the other Contracting Party that it has fulfilled its internal legal procedures for the entry into force of this Agreement.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

Done in _____ on _____ in duplicate in the Chinese, English and Spanish languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.



For the Government of the
People's Republic of China

For the Government of the
Republic of Costa Rica



Annex
Route Schedule

1. The route of the agreed services operated by the airlines designated by the Government of the People's Republic of China shall be as follows in both directions:

Points of Origin	Intermediate points	Points of Destination	Points beyond
Points in the People's Republic of China	Any point	Four (4) Points in Costa Rica to be selected by China	Any point

2. The route of the agreed services operated by the airlines designated by the Government of shall be as follows in both directions:

Points of Origin	Intermediate points	Points of Destination	Points beyond
Points in Costa Rica	Any point	Four (4) Points in the People's Republic of China to be selected by Costa Rica	Any point

Notes:

1. The designated airlines of each Contracting Party may, on any or all flight in either or both direction:

(i) omit at their own discretion, any points on the above routes provided that the agreed services begin and terminate in the territory of the Contracting Party designating the airline;

(ii) combine different flight numbers within the one aircraft operation;

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

2. On any segment or segments of the routes above, any designated airlines may perform international air transportation as to change, at any point on the route, in type or number of aircraft operated; provided that, in the outbound direction, the transportation beyond such point is a continuation of the transportation from the territory of the Contracting Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Contracting Party that has designated the airline is a continuation of the transportation from beyond such point, insofar as those aircraft used in change of gauge does not involve third party wet-leasing arrangement.