

Memorandum of Understanding

The delegations representing the Government of the Dominican Republic and Iceland (hereinafter referred to "Dominican Republic" and "Iceland" respectively or Contracting Party and collectively as the "Delegations" or Contracting Parties) met in Istanbul, Turkey on the 30th of September 2009, for consultations for the purpose of negotiating an Air Service Agreement and related arrangements which would be applicable in respect of the operations of air transportation between and beyond their respective countries.

Discussions were held in a very friendly atmosphere. The composition of the two Delegations is attached as "Attachment A" and "Attachment B" respectively.

The following understandings were reached between the Delegations:

1. Air Services Agreement Text

- a) The Delegations negotiated and agreed upon the text of the Air Services Agreement by initialing this text which is attached as "Attachment C".
- b) The Delegations decided to recommend to their respective Governments the formal signing of the initialed Air Services Agreement. Pending the completion of the national requirements necessary to formalize this Agreement, it was decided that the initialed Air Services Agreement shall have interim effect from the date hereof. The Delegations agreed to inform each other in writing through diplomatic channels when the national requirements to bring the initialed Air Service Agreement in force have been satisfied.

2. Designation

- a) The Icelandic delegation pointed out to its legal obligations as a member of European Economic Area (EEA) and the need to align the bilateral agreements with the relevant EEA legislation.
- b) The Dominican Republic delegation expressed its wish to the designation of a country member of the Latin American civil Aviation Commission (LACAC) under the terms of the agreement as it appears as annex in this act and was accepted by the Icelandic delegation.

3. Exercise of Fifth and Seventh Freedom Traffic Rights

both Delegations confirmed that, in addition to full unrestricted third and fourth freedom traffic rights, the Designated Airlines of each Contracting Party are entitled to exercise full unrestricted fifth freedom traffic rights at all points (whether intermediate or beyond points) of their own choice while operating any type of services (passenger and/or cargo, separately or in combination). Additionally, the Designated Airlines of both Contracting Parties are entitled to exercise, in all-cargo services only, full seventh freedom traffic rights.



4. Double Taxation

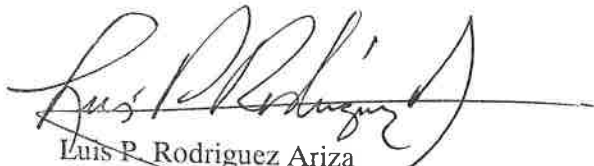
The Delegation of the Dominican republic Propoused a new article 12 (Double Taxation) to the ASA. The delegation of Iceland said that they wont be able to accept the proposal at this moment because they need to consult the competent authorities of their country.

The Delegations agreed to recommend to their relevant authorities to enter into negotiations aimed at the conclusion of an Agreement for the Avoidance of Double Taxation. Notwithstanding the aforesaid, the delegations understood to bring to the attention of their relevant authorities the draft text of an article relating to the Avoidance of Double Taxation (Attachment D), a compilation of proposals made by both delegations for the inclusion in the ASA.

This Memorandum of Understanding shall come into effect on the date of its signature.


Signed in Istanbul, Turkey on the 1st of October 2009.

For the Government of the Dominican
Republic



Luis P. Rodriguez Ariza
Chairman of the Civil Aviation Board.

For the Government of
Iceland



Helgi Ágústsson
Ambassador
Ministry of Foreign Affairs

Delegation of the Dominican Republic:

Luis P. Rodríguez Ariza
President of the Civil Aviation Board
Chief of the delegation

Axel Wittkop
Ambassador- Ministry of Foreign Relations

José Valdez
Deputy Director of Civil Aviation
Legal Advisor

Carlos Veras
Ambassador of the Dominican Republic to ICAO

Pablo Lister Marín
Secretary of Civil Aviation Board



ATTACHMENT "B"

Delegation of Iceland

Karl Alvarsson
Director Ministry of Transport, Tourism and Telecommunications

Helgi Agustsson
Ambassador of Ministry for foreign Affairs

