

AIR SERVICES AGREEMENT
BETWEEN
THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA
AND
HIS MAJESTY’S GOVERNMENT OF NEPAL

The Government of the People’s Republic of China and His Majesty’s Government of Nepal, hereinafter called “the Contracting Parties”,

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944 and

Desiring to develop their mutual relations in the field of civil aviation and to conclude an agreement for the purpose of establishing air services between and beyond their respective territories;

Have agreed as follows:

Article 1
Definitions

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

a) “Convention” means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944, and includes any Annexes adopted under Article 90 of the Convention and any amendment of the Annexes or the Convention under Articles 90 and 94 thereof so far as those Annexes and amendments have become effective for or

been ratified by both Contracting Parties;

b) “Aeronautical Authorities” means in the case of China, the General Administration of Civil Aviation of China, and in the case of Nepal, the Ministry of Culture, Tourism and Civil Aviation, or in both cases, any authority or person empowered to perform the functions presently exercised by the said authorities;

c) “Designated Airline” means an airline which has been designated and authorized in accordance with Article 4 of this Agreement;

d) “Territory” in relation to a State means the land areas and territorial waters adjacent thereto and airspace there above under the sovereignty of that State;

e) “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) “Tariffs” means the prices to be paid for the carriage of passengers, baggage and cargo and the condition under which those prices apply, including prices and conditions for agency and other ancillary services, but excluding remuneration and conditions for the carriage of mail;

g) “Route Schedule” means the schedule of the routes annexed to this Agreement and any amendments thereto as agreed in accordance with the provisions of Article 18 of this Agreement. The route schedule shall form an integral part of this Agreement;

h) “Agreement” means this Agreement, its Annexes drawn up in application thereof, and any amendments thereto;

i) “Agreed Service” means scheduled air services performed for the transport

of passengers, mail and cargo separately or in combination, for compensation on the routes specified;

j) “Specified Routes” means the routes specified in the Route Schedule annexed to this Agreement;

k) “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;

l) “Laws and Regulations” of a Contracting Party means the laws and regulations at any time in force of that Contracting Party;

m) the term “aircraft” means civil aircraft;

n) the term “capacity” means

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

ii) 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.

Article 2

Applicability of the Chicago Convention

The provisions of this Agreement shall be subject to the provisions of the Convention on International Civil Aviation insofar as those provisions are applicable to international air services.

Article 3

Grant of Rights

1. Each Contracting Party grants to the other Contracting Party the following rights, subject to the approval of its competent authorities, for the purpose of operating international air services by the airline designated by the other Contracting Party:

- a) to fly across its territory without landing;
- b) to make stops in the said territory for non-traffic purposes.

2. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate Section of the Schedule annexed to this Agreement. Such services and routes are hereinafter called “the agreed services” and “the specified routes” respectively.

While operating agreed services on a specified route the airlines designated by each Contracting Party shall enjoy in addition to the rights specified in paragraph 1 of this Article the right to make stops in the territory of the other Contracting Party at the points specified for that route in the Schedule of this Agreement for the purpose of taking on board and discharging passengers, baggage and cargo including mail, originating in or destined for the first Contracting Party in combination or separately.

3. Nothing contained in paragraph 2 of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking on board, in the territory of the other Contracting Party, passengers and cargo including mail carried for hire or reward and destined for another point in the territory of the other Contracting Party.

If because of armed conflict, political disturbances or developments or special and unusual circumstances a designated airline of one Contracting Party is unable to operate a service on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangements of routes.

Article 4

Designation of and Authorization of Airlines

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes and to withdraw or alter such designation.

2. On receipt of such designation the Aeronautical Authorities of the other Contracting Party shall, subject to the provisions of paragraphs 3 and 4 of this Article, without delay grant to the airline(s) so designated by the other Contracting Party the appropriate operating authorizations to operate the agreed services.

3. The Aeronautical Authorities of the other Contracting Party shall, subject to the provisions of this Article and paragraph 1 of Article 5, without delay, grant to the airline(s) designated by the other Contracting Party the appropriate authorizations.

4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in Article 3 of this Agreement in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

5. Upon receipt of such authorizations pursuant to paragraph 2 above the designated airline(s) may begin at any time to operate agreed services, in whole or in part, provided that the airline(s) complies with the applicable provisions of this Agreement.

Article 5

Revocation or Suspension of Operating Authorizations

1. The Aeronautical Authorities of each Contracting Party shall have the right to revoke an operating authorization or to withhold the authorization referred to in Article 4 of this Agreement with respect to an airline designated by the other Contracting Party, or to revoke or suspend such authorizations or to impose conditions:

a) in the event of failure by such airline to qualify before the aeronautical authorities of that Contracting Party under the laws and regulations normally and reasonably applied by these authorities 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 substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in its nationals; and

d) in the case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

2. Unless immediate action is essential to prevent infringements of the laws and regulations referred to above, the rights enumerated in paragraph 1 of this

Article shall be exercised only after consultation with the other Contracting Party in conformity with Article 18 of this Agreement.

Article 6

Principles Governing Operation of Agreed Services

1. There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.

2. In operating the agreed services the 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 which the later provide on the whole or part of the same routes.

3. 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 airline(s) of the other Contracting Party.

4. The capacity to be provided on the specified routes shall be such as is from time to time jointly determined by the aeronautical authorities of both Contracting Parties.

Article 7

Tariffs

1. The tariffs to be charged by the designated airlines for carriage between and beyond the territories of the two Contracting Parties in operating the agreed services shall be established at reasonable levels, due regard being paid to all relevant factors, including the interests of users, cost of operation, reasonable profit and market considerations.

2. The tariffs referred to in paragraph 1 of this article shall be agreed by the designated airlines of both Contracting Parties, in consultation when necessary and possible with other airline(s) operating over the same route or section.

3. The tariff so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least sixty (60) days (or such shorter period as the aeronautical authorities of both Contracting Parties may agree) before the proposed date of their introduction and become effective after the approval by the aeronautical authorities of both Contracting Parties.

4. If the aeronautical authorities cannot agree on a tariff under the provision of paragraph 3 of this Article, the dispute may, at the request of either Contracting Party, be settled in accordance with the provisions of Article 19 of this Agreement.

5. Each tariff established in accordance with the provisions of this Article shall remain in force until it has been replaced by a new tariff determined in accordance with the provisions of this Article. However, a tariff shall not have its validity extended by virtue of this paragraph for more than twelve (12) months after the date on which it would otherwise have expired unless otherwise agreed by the aeronautical authorities of both Contracting Parties.

Article 8

Approval of Schedules

1. The designated airline(s) of each Contracting Party shall submit their proposed schedules for the agreed services and any amendments thereto for the approval of the aeronautical authorities of both Contracting Parties not later than sixty (60) days before their proposed effective date.

2. The designated airline(s) of each Contracting Party may operate on an “ad

hoc” basis flights supplementary to the agreed services. Applications for the approval of such flights shall be submitted to the aeronautical authorities of both Contracting Parties not later than five (5) working days before the proposed date of operation.

Article 9

Recognition of Certificates and Licenses

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Contracting Party, and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services on the routes specified in the Annex provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which are or may be established pursuant to the Convention.

2. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licenses granted to its own nationals by the other Contracting Party.

3. Either Contracting Party may request technical discussions concerning the safety standards maintained and administered by the other Contracting Party relating to aeronautical facilities, aircrews, aircraft, technical supervision and operation of the airline operating the air transport services agreed upon between both authorities. If, following such technical discussions, 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 to 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.

Article 10
Provision of Statistics

The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request, such periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services and showing, possibly, the initial origins and final destinations of the traffic as may be possible. Such data shall include all information required to determine the amount of traffic carried by the said designated airline(s) on the agreed services.

Article 11
Applicability of Laws and Regulations

1. The laws and regulations of either Contracting Party relating to the admission to, remaining in or departure from its territory of aircraft engaged in international air navigation or to the operation and navigation of such aircraft shall be complied with by the designated airline(s) of the other Contracting Party upon entrance into, departure from and while within the said territory.

2. The laws and regulations of one Contracting Party relating to entry, clearance, transit, immigration, passports, customs, quarantine and currency shall be complied with by the designated airline(s) of the other Contracting Party, or on behalf of its crews, passengers, cargo and mail upon transit of, admission to, departure from and while within the territory of the other Contracting Party.

3. Neither of the Contracting Parties shall give preference to its own or any other airline over the airline(s) of the other Contracting Party engaged in similar international air services in the application of its customs, immigration,

quarantine and similar regulations.

4. Passengers, baggage and cargo in direct transit through the territory of either Contracting Party and not leaving the area of the airport reserved for such purpose shall be subject to no more than a simplified control. Baggage and cargo in direct transit shall be exempt from custom duties and other similar taxes with the exemption of the charges corresponding to the services provided.

Article 12

Taxes, Customs and Charges

1. Aircraft operating on international air services by the designated airline(s) of either Contracting Party, as well as their regular equipment, spare parts (including engines), supplies of fuels, oil and lubricants, aircraft stores (including food, beverages and tobacco) on board as well as advertising and promotional materials kept on board such aircraft shall be, on the basis of reciprocity, exempt from custom duties, inspection fees and similar national or local duties and charges, on arrival in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported, to the fullest extent possible under its national laws and regulations.

2. With regard to regular equipment, spare parts, supplies of fuels and lubricants and aircraft stores introduced into the territory of one Contracting Party by or on behalf of the designated airline(s) of the other Contracting Party or taken on board the aircraft operated by such designated airline(s) and intended solely for use on board that aircraft while operating international services, no duties and charges, including customs duties and inspection fees imposed in the territory of the first Contracting Party, shall be applied, even when these supplies are to be used on the parts of the journey performed over the territory of the Contracting Party in which they are taken on board.

The Articles referred to above may be required to be kept under customs supervision and control.

The provisions of this paragraph cannot be interpreted in such a way that a Contracting Party can be made subject to the obligation to refund customs duties which already have been levied on the items referred to above.

3. Regular airborne equipment, spare parts, supplies of fuel and lubricants and aircraft stores retained on board the aircraft of the designated airline(s) of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that Contracting Party, who may require that these materials be placed under their supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

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 as specified.

Article 13

Transfer of Earnings

1. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and /or through its licensed agents. To the extent permitted by national laws and regulations, each designated airline shall have the right to sell transportation in the currency of that territory or in freely convertible currencies of other countries, and to the same extent any person shall be free to purchase such transportation in currencies accepted for sale by that airline.

2. Each Contracting Party grants to the designated airline(s) of the other Contracting Party the right of free transfer, including normal commercial interest earned on such revenues while on deposit awaiting transfer, in accordance with the laws and regulations of the Contracting Party, at the official rate of exchange of the excess of receipts over expenditure earned by that airline in its territory in connection with the carriage of passengers, mail and cargo, preferably within thirty (30) days of application.

3. Each Contracting Party shall facilitate the conversion and transfer of the revenue received in its territory by the designated airline(s) of the other Contracting Party, and assist promptly the said airline(s) in attending to the relevant formalities.

Article 14 **Aviation Security**

1. Consistent 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, 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 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971 and any other multilateral agreement governing civil aviation security to which the Contracting Parties are party.

2. The Contracting Parties shall provide upon request necessary assistance to each other to prevent acts of unlawful seizure of civil 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 aviation security provisions and technical requirements established by the International Civil Aviation Organization and designated as Annexes to the Convention to the extent that such security provisions are applicable to the Contracting Parties; for this purpose, they shall require that operators of aircraft of their registry or 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.

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 territory of that other Contracting Party.

5. 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.

6. When an incident or threat of an incident of unlawful seizure of civil 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 thereof.

7. Should one Contracting Party have problems with regard to the aviation security provision of this Article, the aeronautical authorities of either Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party.

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 area 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 of this Article that meet the Standard 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 the State of the other Contracting Party, may, while within the territory of the State 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 obligation 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 of the other Contracting Party.

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

6. With reference to paragraph 2 of this Article, if it is determined that one Contracting Party remains in non-compliance with ICAO Standards when the agreed time period has lapsed, the Secretary-General of ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.

Article 16

Airline Representation and Commercial Activities

1. The designated airlines of both Contracting Parties shall be allowed:
 - a) to establish at the point(s) on the specified route in the territory of the other Contracting Party offices for the promotion of air transportation and sale of air tickets (including the right to sell and to issue any ticket and/or air waybill, both its own tickets/air waybills and of any other carrier) as well as other facilities required for the provision of air transportation in relation to the agreed service;
 - b) in the territory of the other Contracting Party to engage directly and, at that airline's discretion, through the licensed agents in the sale of air transportation in relation to the agreed service.

2. The designated airline(s) of one Contracting Party shall be allowed, on the basis of reciprocity, to bring into and to maintain in the territory of the other contracting Party their representatives and commercial, operational and technical staff as required in connection with the provision of the agreed service.

3. The staff of the offices of the designated airline(s) of each Contracting Party shall be nationals of either Contracting Party; the number of such staff shall be determined between the aeronautical authorities of both Contracting Parties. The said offices may use the services of any other organization, company or airline operating in the territory of the other contracting Party and authorized to perform such services in the territory to the extent permitted by the national laws and regulations of the said Contracting Party.

4. The representatives and staff shall be subject to the laws and regulations in force of the other contracting Party, and consistent with such laws and regulations, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary work permits, visas or other similar documents to the representatives and staff referred to in paragraph 2 of this Article.

5. For the commercial activities the same principles shall apply to the designated airlines of both Contracting Parties. The competent authorities of each Contracting Party will take all necessary steps to ensure that the representation of the airline(s) designated by the other Contracting Party may exercise their activities in an orderly manner.

6. The crew members of the designated airline(s) of either contracting Party on the agreed services shall be nationals of the said Contracting Party. If a designated airline of either Contracting Party desires to employ crew members of any other nationalities on the agreed services, prior approval shall be obtained from the other Contracting Party.

Article 17
User Charges

1. Neither Contracting Party shall impose or permit to be imposed on the designated airline(s) of the other Contracting Party user charges higher than those imposed on the designated airline(s) of any other States operating similar international air services.

2. Each Contracting Party shall encourage consultation between its competent charging authorities and airlines using the services and facilities where practicable through those airlines representative organizations. Reasonable notice should be given to users of any proposals for changes in user charges to enable them to express their views before changes are made. Each Contracting Party shall further encourage the competent charging authorities and the airlines to exchange appropriate information concerning user charges.

Article 18
Multilateral Conventions

This Agreement and its Annexes shall be amended so as to confirm with any multilateral convention which may become binding on both Contracting Parties insofar as these provisions are applicable to international air services.

Consultations in accordance with the provision of this Agreement may be held with a view to determining the extent to which this agreement is affected by the provisions of the multilateral Convention.

Article 19
Consultation and Amendment

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 provision of this Agreement and of its Annex, and shall also consult as and when necessary to provide for modification thereof.

2. Either Contracting Party may request consultation, which may be brought through discussion or by correspondence and shall begin within a period of sixty (60) days from the date of request, unless both Contracting Parties agree to an extension of this period.

3. Any modification to this 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 legal requirements.

4. Any modification of the Annex to this Agreement shall be agreed upon in writing between the aeronautical authorities and shall take effect on a date to be determined by the said authorities.

Article 20

Settlement of Disputes

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this agreement, the aeronautical authorities of the two Contracting Parties shall in the first place endeavour to settle it by direct 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 21

Registration

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

Article 22

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 communicated simultaneously to the International Civil Aviation Organization. In such case the 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 before the expiry of this period. In the absence of acknowledgment of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article 23

Titles

The title of each article of this Agreement is for the purpose of reference and in no way to define, limit or describe the scope of the provision of this Agreement.

Article 24

Entry into Force

This Agreement shall enter into force on the date of an exchange of Diplomatic Notes confirming that all legal requirements of each Contracting

Party have been completed.

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

DONE in _____ on this day of _____ in duplicate in the English, Chinese and Nepalese languages, all texts being equally authentic. In case of any divergence of implementation or application, the English text shall prevail.

**For the Government of the
People's Republic of China**

**For His Majesty's Government of
Nepal**

Annex

Route Schedule

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

Points in China --- 2 intermediate points except Delhi to be selected at the discretion of the Chinese side --- Kathmandu --- 2 points beyond except Delhi to be selected at the discretion of the Chinese side

II. The route of the agreed services operated by the airline(s) designated by His Majesty's Government of Nepal shall be as follows in both directions:

Points in Nepal --- 2 intermediate points to be selected at the discretion of the Nepalese side --- Beijing, Shanghai and 4 additional points in China (including Lhasa) when available for international traffic by foreign airlines to be selected at the discretion of the Nepalese side --- 2 points beyond to be selected at the discretion of the Nepalese side

III. The designated airline(s) of each Contracting Party shall be entitled to exercise full fifth freedom traffic rights at both intermediate and beyond points.

IV. The designated airline(s) of either contracting Party may omit, at its own discretion, any point on the specified route on any or all flights, provided that the agreed services begin and terminate in the territory of the Contracting Party.