

**CONVENTION ON THE INTERNATIONAL MARITIME SATELLITE ORGANIZATION
(INMARSAT) with Annex and Operating Agreement (1976);
as amended 1985; with Protocol (1981)**

ENTRY INTO FORCE: 16 Jul 1979

The States Parties to this Convention

Considering the principle set forth in Resolution 1721 (XVI) of the General Assembly of the United Nations that communication by means of satellites should be available to the nations of the world as soon as practicable on a global and non-discriminatory basis,

Considering the relevant provisions of the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies, concluded on 27 January 1967, and in particular article 1, which states that outer space shall be used for the benefit and in the interests of all countries,

Taking into account that a very high proportion of world trade is dependent upon ships,

Being aware that considerable improvements to the maritime distress and safety systems and to the communication link between ships and between ships and their management as well as between crew or passengers on board and persons on shore can be made by using satellites,

Determined, to this end, to make provision for the benefit of ships of all nations through the most advanced suitable space technology available, for the most efficient and economic facilities possible consistent with the most efficient and equitable use of the radio frequency spectrum and of satellite orbits,

Recognizing that a maritime satellite system comprises mobile earth stations and land earth stations, as well as the space segment,

Affirming that a maritime satellite system shall also be open for aeronautical communication for the benefit of aircraft of all nations,

Agree as follows

**Article 1.
DEFINITIONS**

For the purposes of this Convention:

(a) "Operating Agreement" means the Operating Agreement on the International Maritime Satellite Organization (INMARSAT), including its annex

(b) "Party" means a State for which this Convention has entered into force

(c) "Signatory" means either a Party or an entity designated in accordance with article 2(3), for which the Operating Agreement has entered into force.

(d) "Space segment" means the satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment required to support the operation of these satellites.

(e) "INMARSAT space segment" means the space segment owned or leased by INMARSAT

(f) "Ship" means a vessel of any type operating in the marine environment. It includes inter alia hydrofoil boats, air-cushion vehicles, submersibles, floating craft and platforms not permanently moored.

(g) "Property" means anything that can be the subject of a right of ownership, including contractual rights.

(h) "Aircraft" means any machine that can derive support in the atmosphere from the reactions of the air other than the reactions of the air against the earth's surface.

Article 2. ESTABLISHMENT OF INMARSAT

(1) The International Maritime Satellite Organization (INMARSAT), herein referred to as "the Organization", is hereby established.

(2) The Operating Agreement shall be concluded in conformity with the provisions of this Convention and shall be opened for signature at the same time as this Convention.

(3) Each Party shall sign the Operating Agreement or shall designate a competent entity, public or private, subject to the jurisdiction of that Party, which shall sign the Operating Agreement.

(4) Telecommunications administrations and entities may, subject to applicable domestic law, negotiate and enter directly into appropriate traffic agreements with respect to their use of telecommunications facilities provided pursuant to this Convention and the Operating Agreement, as well as with respect to services to be furnished to the public, facilities, division of revenues and related business arrangements.

Article 3. PURPOSE

(1) The purpose of the Organization is to make provision for the space segment necessary for improving maritime communications and, as practicable, aeronautical communications, thereby assisting in improving communications for distress and safety of life, communications for air traffic services, the efficiency and management of ships and aircraft, maritime and aeronautical public correspondence services and radiodetermination capabilities.

(2) The Organization shall seek to serve all areas where there is need for maritime and aeronautical communications

(3) The Organization shall act exclusively for peaceful purposes.

Article 4
RELATIONS BETWEEN A PARTY AND ITS DESIGNATED ENTITY

Where a Signatory is an entity designated by a Party.

- (a) Relations between the Party and the Signatory shall be governed by applicable domestic law.
- (b) The Party shall provide such guidance and instructions as are appropriate and consistent with its domestic law to ensure that the Signatory fulfils its responsibilities.
- (c) The Party shall not be liable for obligations arising under the Operating Agreement. The Party shall, however, ensure that the Signatory, in carrying out its obligations within the Organization, will not act in a manner which violates obligations which the Party has accepted under this Convention or under related international agreements.
- (d) If the Signatory withdraws or its membership is terminated the Party shall act in accordance with article 29(3) or 30(6).

Article 5.
OPERATIONAL AND FINANCIAL PRINCIPLES OF THE ORGANIZATION

- (1) The Organization shall be financed by the contributions of Signatories. Each Signatory shall have a financial interest in the Organization in proportion to its investment share which shall be determined in accordance with the Operating Agreement.
- (2) Each Signatory shall contribute to the capital requirements of the Organization and shall receive capital repayment and compensation for use of capital in accordance with the Operating Agreement
- (3) The Organization shall operate on a sound economic and financial basis having regard to accepted commercial principles.

Article 6.
PROVISION OF SPACE SEGMENT

The Organization may own or lease the space segment

Article 7.
ACCESS TO SPACE SEGMENT

- (1) The INMARSAT space segment shall be open for use by ships and aircraft of all nations on conditions to be determined by the Council. In determining such conditions, the Council shall not discriminate among ships or aircraft on the basis of nationality.
- (2) The Council may, on a case-by-case basis, permit access to the INMARSAT space segment by earth stations located on structures operating in the marine environment other than ships, if and as long as the operation of such earth stations will not significantly affect the provision of service to ships or aircraft
- (3) Earth stations on land communicating via the INMARSAT space segment shall be located on land territory under the jurisdiction of a Party and shall be wholly owned by Parties or entities subject to their jurisdiction. The Council may authorize otherwise if it finds this to be in the interests of the Organization.

Article 8.
OTHER SPACE SEGMENTS

(1) A Party shall notify the Organization in the event that it or any person within its jurisdiction intends to make provision for, or initiate the use of, individually or jointly, separate space segment facilities to meet any or all of the maritime purposes of the INMARSAT space segment, to insure technical compatibility and to avoid significant economic harm to the INMARSAT system.

(2) The Council shall express its views in the form of a recommendation of a non-binding nature with respect to technical compatibility and shall provide its views to the Assembly with respect to economic harm.

(3) The Assembly shall express its views in the form of recommendations of a non-binding nature within a period of nine months from the date of commencing the procedures provided for in this article. An extraordinary meeting of the Assembly may be convened for this purpose.

(4) The notification pursuant to paragraph (1), including the provision of pertinent technical information, and subsequent consultations with the Organization, shall take into account the relevant provisions of the Radio Regulations of the International Telecommunication Union.

(5) This article shall not apply to the establishment, acquisition, utilization or continuation of separate space segment facilities for national security purposes, or which were contracted for, established, acquired or utilized prior to the entry into force of this Convention.

Article 9.
STRUCTURE

The organs of the Organization shall be:

- (a) The Assembly.
- (b) The Council.
- (c) The Directorate headed by a Director General.

Article 10.
ASSEMBLY--COMPOSITION AND MEETINGS

(1) The Assembly shall be composed of all the Parties.

(2) Regular sessions of the Assembly shall be held once every two years. Extraordinary sessions shall be convened upon the request of one-third of the Parties or upon the request of the Council.

Article 11.
ASSEMBLY--PROCEDURE

(1) Each Party shall have one vote in the Assembly.

(2) Decisions on matters of substance shall be taken by a two-thirds majority, and on procedural matters by a simple majority, of the Parties present and voting. Parties which abstain from voting shall be considered as not voting.

(3) Decisions whether a question is procedural or substantive shall be taken by the Chairman. Such decisions may be overruled by a two-thirds majority of the Parties present and voting.

(4) A quorum for any meeting of the Assembly shall consist of a majority of the Parties

**Article 12.
ASSEMBLY--FUNCTIONS**

(1) The functions of the Assembly shall be to:

(a) Consider and review the activities, purposes, general policy and long-term objectives of the Organization and express views and make recommendations thereon to the Council.

(b) Ensure that the activities of the Organization are consistent with this Convention and with the purposes and principles of the United Nations Charter, as well as with any other treaty by which the Organization becomes bound in accordance with its decision.

(c) Authorize, on the recommendation of the Council, the establishment of additional space segment facilities the special or primary purpose of which is to provide radiodetermination, distress or safety services. However, the space segment facilities established to provide maritime and aeronautical public correspondence services can be used for telecommunications for distress, safety and radiodetermination purposes without such authorization.

(d) Decide on other recommendations of the Council and express views on reports of the Council.

(e) Elect four representatives on the Council in accordance with article 13(1)(b).

(f) Decide upon questions concerning formal relationships between the Organization and States, whether Parties or not, and international organizations.

(g) Decide upon any amendment to this Convention pursuant to article 34 or to the Operating Agreement pursuant to article XVIII thereof

(h) Consider and decide whether membership be terminated in accordance with article 30.

(i) Exercise any other functions conferred upon it in any other article of this Convention or the Operating Agreement.

(2) In performing its functions the Assembly shall take into account any relevant recommendations of the Council

**Article 13.
COUNCIL--COMPOSITION**

(1) The Council shall consist of twenty-two representatives of Signatories as follows:

(a) Eighteen representatives of those Signatories, or groups of Signatories not otherwise represented, which have agreed to be represented as a group, which have the largest investment shares in the Organization. If a group of Signatories and a single

Signatory have equal investment shares, the latter shall have the prior right. If by reason of two or more Signatories having equal investment shares the number of representatives on the Council would exceed twenty-two, all shall nevertheless, exceptionally, be represented.

(b) Four representatives of Signatories not otherwise represented on the Council, elected by the Assembly, irrespective of their investment shares, in order to ensure that the principle of just geographical representation is taken into account, with due regard to the interests of the developing countries. Any Signatory elected to represent a geographical area shall represent each Signatory in that geographical area which has agreed to be so represented and which is not otherwise represented on the Council. An election shall be effective as from the first meeting of the Council following that election, and shall remain effective until the next ordinary meeting of the Assembly.

(2) Deficiency in the number of representatives on the Council pending the filling of a vacancy shall not invalidate the composition of the Council.

Article 14. COUNCIL--PROCEDURE

(1) The Council shall meet as often as may be necessary for the efficient discharge of its functions, but not less than three times a year.

(2) The Council shall endeavor to take decisions unanimously. If unanimous agreement cannot be reached, decisions shall be taken as follows: Decisions on substantive matters shall be taken by a majority of the representatives on the Council representing at least two-thirds of the total voting participation of all Signatories and groups of Signatories represented on the Council. Decisions on procedural matters shall be taken by a simple majority of the representatives present and voting, each having one vote. Disputes whether a specific matter is procedural or substantive shall be decided by the Chairman of the Council. The decision of the Chairman may be overruled by a two-thirds majority of the representatives present and voting, each having one vote. The Council may adopt a different voting procedure for the election of its officers.

(3) (a) Each representative shall have a voting participation equivalent to the investment share or shares he represents. However, no representative may cast on behalf of one Signatory more than 25 per cent of the total voting participation in the Organization except as provided in sub-paragraph (b)(iv).

(b) Notwithstanding article V(9), (10) and (12) of the Operating Agreement:

(i) If a Signatory represented on the Council is entitled, based on its investment share to a voting participation in excess of 25 per cent of the total voting participation in the Organization, it may offer to other Signatories any or all of its investment share in excess of 25 per cent.

(ii) Other Signatories may notify the Organization that they are prepared to accept any or all of such excess investment share. If the total of the amounts notified to the Organization does not exceed the amount available for distribution, the latter amount shall be distributed by the Council to the notifying Signatories in accordance with the amounts notified. If the total of the amounts notified does exceed the amount available for distribution, the latter amount shall be distributed by the Council as may be agreed among the notifying Signatories, or, failing agreement, in proportion to the amounts notified.

(iii) Any such distribution shall be made by the Council at the time of determinations of investment shares pursuant to article V of the Operating Agreement. Any distribution shall not increase the investment share of any Signatory above 25 per cent.

(iv) To the extent that the investment share of the Signatory in excess of 25 per cent offered for distribution is not distributed in accordance with the procedure set forth in this paragraph, the voting participation of the representative of the Signatory may exceed 25 per cent.

(c) To the extent that a Signatory decides not to offer its excess investment share to other Signatories, the corresponding voting participation of that Signatory in excess of 25 per cent shall be distributed equally to all other representatives on the Council.

(4) A quorum for any meeting of the Council shall consist of a majority of the representatives on the Council, representing at least two-thirds of the total voting participation of all Signatories and group of Signatories represented on the Council.

Article 15. COUNCIL--FUNCTIONS

The Council shall have the responsibility, having due regard for the views and recommendations of the Assembly, to make provision for the space segment necessary for carrying out the purposes of the Organization in the most economic, effective and efficient manner consistent with this Convention and the Operating Agreement. To discharge this responsibility, the Council shall have the power to perform all appropriate functions, including:

(a) Determination of maritime and aeronautical satellite telecommunications requirements and adoption of policies, plans, programmes, procedures and measures for the design, development, construction, establishment, acquisition by purchase or lease operation, maintenance and utilization of the INMARSAT space segment, including the procurement of any necessary launch services to meet such requirements.

(b) Adoption and implementation of management arrangements which shall require the Director General to contract for technical and operational functions whenever this is more advantageous to the Organization.

(c) Adoption of criteria and procedures for approval of earth stations on land, on ships, on aircraft, and on structures in the marine environment for access to the INMARSAT space segment and for verification and monitoring of performance of earth stations having access to and utilization of the INMARSAT space segment. For earth stations on ships and aircraft, the criteria should be in sufficient detail for use by national licensing authorities, at their discretion, for type-approval purposes.

(d) Submission of recommendations to the Assembly in accordance with article 12(1)(c)

(e) Submission to the Assembly of periodic reports on the activities of the Organization, including financial matters.

(f) Adoption of procurement procedures, regulations and contract terms and approval of procurement contracts consistent with this Convention and the Operating Agreement

(g) Adoption of financial policies, approval of the financial regulations, annual budget and annual financial statements, periodic determination of charges for use of the INMARSAT space segment, and decisions with respect to all other financial matters

including investment shares and capital ceiling consistent with this Convention and the Operating Agreement.

(h) Determination of arrangements for consultation on a continuing basis with bodies recognized by the Council as representing shipowners, aircraft operators, maritime and aeronautical personnel and other users of maritime and aeronautical telecommunications.

(i) Designation of an arbitrator where the Organization is a party to an arbitration.

(j) Exercise of any other functions conferred upon it in any other Article of this Convention or the Operating Agreement or any other function appropriate for the achievement of the purposes of the Organization.

Article 16. DIRECTORATE

(1) The Director General shall be appointed, from among candidates proposed by Parties or Signatories through Parties, by the Council, subject to confirmation by the Parties. The Depository shall immediately notify the Parties of the appointment. The appointment is confirmed unless within sixty days of the notification more than one-third of the Parties have informed the Depository in writing of their objection to the appointment. The Director General may assume his functions after appointment and pending confirmation.

(2) The term of office of the Director General shall be six years. However, the Council may remove the Director General earlier on its own authority. The Council shall report the reasons for the removal to the Assembly.

(3) The Director General shall be the chief executive and legal representative of the Organization and shall be responsible to and under the direction of the Council.

(4) The structure, staff levels and standard terms of employment of officials and employees and of consultants and other advisers to the Directorate shall be approved by the Council.

(5) The Director General shall appoint the members of the Directorate. The appointment of senior officials reporting directly to the Director General shall be approved by the Council.

(6) The paramount consideration in the appointment of the Director General and other personnel of the Directorate shall be the necessity of ensuring the highest standards of integrity, competency and efficiency.

Article 17. REPRESENTATION AT MEETINGS

All Parties and Signatories which, under this Convention or the Operating Agreement are entitled to attend and/or participate at meetings of the Organization shall be allowed to attend and/or participate at such meetings as well as any other meeting held under the auspices of the Organization, regardless of where the meeting may take place. The arrangements made with any host country, shall be consistent with these obligations.

**Article 18.
COSTS OF MEETINGS**

- (1) Each Party and Signatory shall meet its own costs of representation at meetings of the Organization.**
- (2) Expenses of meetings of the Organization shall be regarded as an administrative cost of the Organization. However, no meeting of the Organization shall be held outside its headquarters, unless the prospective host agrees to defray the additional expenditure involved.**

**Article 19.
ESTABLISHMENT OF UTILIZATION CHARGES**

- (1) The Council shall specify the units of measurement for the various types of utilization of the INMARSAT space segment and shall establish charges for such utilization. These charges shall have the objective of earning sufficient revenues for the Organization to cover its operating, maintenance, and administrative costs, the provision of such operating funds as the Council may determine to be necessary, the amortization of investment made by Signatories, and compensation for use of capital in accordance with the Operating Agreement.**
- (2) The rates of utilization charge for each type of utilization shall be the same for all Signatories for that type of utilization.**
- (3) For entities, other than Signatories, which are authorized in accordance with article 7 to utilize the INMARSAT space segment, the Council may establish rates of utilization charge different from those established for Signatories. The rates for each type of utilization shall be the same for all such entities for that type of utilization.**

**Article 20.
PROCUREMENT**

- (1) The procurement policy of the Council shall be such as to encourage, in the interests of the Organization, world-wide competition in the supply of goods and services. To this end:
 - (a) Procurement of goods and services required by the Organization, whether by purchase or lease, shall be effected by the award of contracts, based on responses to open international invitations to tender.**
 - (b) Contracts shall be awarded to bidders offering the best combination of quality, price and the most favourable delivery time.**
 - (c) If there are bids offering comparable combinations of quality, price and the most favourable delivery time, the Council shall award the contract so as to give effect to the procurement policy set out above.****
- (2) In the following cases the requirement of open international tender may be dispensed with under procedures adopted by the Council, provided that in so doing the Council shall encourage in the interests of the Organization world-wide competition in the supply of goods and services:**

(a) The estimated value of the contract does not exceed 50,000 US dollars and the award of the contract would not by reason of the application of the dispensation place a contractor in such a position as to prejudice at some later date the effective exercise by the Council of the procurement policy set out above. To the extent justified by changes in world prices, as reflected by relevant price indices, the Council may revise the financial limit

(b) Procurement is required urgently to meet an emergency situation.

(c) There is only one source of supply to a specification which is necessary to meet the requirements of the Organization or the sources of supply are so severely restricted in number that it would be neither feasible nor in the best interest of the Organization to incur the expenditure and time involved in open international tender provided that where there is more than one source they will have an opportunity to bid on an equal basis

(d) The requirement is of an administrative nature for which it would be neither practicable nor feasible to undertake open international tender.

(e) The procurement is for personal services.

Article 21.

INVENTIONS AND TECHNICAL INFORMATION

(1) The Organization, in connexion with any work performed by it or on its behalf at its expense, shall acquire in inventions and technical information those rights, but no more than those rights, which are necessary in the common interests of the Organization and of the Signatories in their capacity as such. In the case of work done under contract any such rights obtained shall be on a non-exclusive basis.

(2) For the purpose of paragraph (1) the Organization, taking into account its principles and objectives and generally accepted industrial practices, shall, in connexion with such work involving a significant element of study, research or development ensure for itself:

(a) The right to have disclosed to it without payment all inventions and technical information generated by such work.

(b) The right to disclose and to have disclosed to Parties and Signatories and others within the jurisdiction of any Party such inventions and technical information, and to use and to authorize and to have authorized Parties and Signatories and such others to use such inventions and technical information without payment in connexion with the INMARSAT space segment and any earth station on land, ship or aircraft operating in conjunction therewith.

(3) In the case of work done under contract, ownership of the rights in inventions and technical information generated under the contract shall be retained by the contractor.

(4) The Organization shall also ensure for itself the right, on fair and reasonable terms and conditions, to use and to have used inventions and technical information directly utilized in the execution of work performed on its behalf but not included in paragraph (2), to the extent that such use is necessary for the reconstruction or modification of any product actually delivered under a contract financed by the Organization, and to the extent that the person who has performed such work is entitled to grant such right.

(5) The Council may in individual cases approve a deviation from the policies prescribed in paragraphs (2)(b) and (4), where in the course of negotiation it is demonstrated to the Council that failure to deviate would be detrimental to the interests of the Organization.

(6) The Council may also, in individual cases where exceptional circumstances warrant, approve a deviation from the policy prescribed in paragraph (3) where all the following conditions are met:

(a) It is demonstrated to the Council that failure to deviate would be detrimental to the interests of the Organization.

(b) The Council determines that the Organization should be able to ensure patent protection in any country.

(c) Where, and to the extent that, the contractor is unable or unwilling to ensure such patent protection within the time required.

(7) With respect to inventions and technical information in which rights are acquired by the Organization otherwise than pursuant to paragraph (2), the Organization, to the extent that it has the right to do so, shall upon request:

(a) Disclose or have disclosed such inventions and technical information to any Party or Signatory subject to reimbursement of any payment made by or required of the Organization in respect of the exercise of this right of disclosure.

(b) Make available to any Party or Signatory the right to disclose or have disclosed to others within the jurisdiction of any Party and to use and to authorize and to have authorized such others to use such inventions and technical information:

(i) Without payment in connexion with the INMARSAT space segment or any earth station on land, ship or aircraft operating in conjunction therewith

(ii) For any other purpose, on fair and reasonable terms and conditions to be settled between Signatories or others within the jurisdiction of any Party and the Organization or the owner of the inventions and technical information or any other authorized entity or person having a property interest therein, and subject to reimbursement of any payment made by or required of the Organization in respect of the exercise of these rights.

(8) The disclosure and use, and the terms and conditions of disclosure and use, of all inventions and technical information in which the Organization has acquired any rights shall be on a non-discriminatory basis with respect to all Signatories and others within the jurisdiction of Parties.

(9) Nothing in this article shall preclude the Organization, if desirable, from entering into contracts with persons subject to domestic laws and regulations relating to the disclosure of technical information.

Article 22. LIABILITY

Parties are not, in their capacity as such, liable for the acts and obligations of the Organization, except in relation to non-Parties or natural or juridical persons they might represent in so far as such liability may follow from treaties in force between the Party and the non-Party concerned. However, the foregoing does not preclude a Party

which has been required to pay compensation under such a treaty to a non-Party or to a natural or juridical person it might represent from invoking any rights it may have under that treaty against any other Party

**Article 23.
EXCLUDED COSTS**

Taxes on income derived from the Organization by any of the Signatories shall not form part of the costs of the Organization.

**Article 24
AUDIT**

The accounts of the Organization shall be audited annually by an independent Auditor appointed by the Council. Any Party or Signatory shall have the right to inspect the accounts of the Organization.

**Article 25.
LEGAL PERSONALITY**

The Organization shall have legal personality and shall be responsible for its acts and obligations. For the purpose of its proper functioning, it shall, in particular, have the capacity to contract, to acquire, lease, hold and dispose of movable and immovable property, to be a party to legal proceedings and to conclude agreements with States or international organizations.

**Article 26.
PRIVILEGES AND IMMUNITIES**

(1) Within the scope of activities authorized by this Convention, the Organization and its property shall be exempt in all States Parties to this Convention from all national income and direct national property taxation and from customs duties on communication satellites and components and parts for such satellites to be launched for use in the INMARSAT space segment. Each Party undertakes to use its best endeavours to bring about, in accordance with the applicable domestic procedure, such further exemption from income and direct property taxation and customs duties as is desirable, bearing in mind the particular nature of the Organization.

(2) All Signatories acting in their capacity as such, except the Signatory designated by the Party in whose territory the headquarters is located, shall be exempt from national taxation on income earned from the Organization in the territory of that Party.

(3) (a) As soon as possible after the entry into force of this Convention, the Organization shall conclude, with any Party in whose territory the Organization establishes its headquarters, other offices or installations, an agreement to be negotiated by the Council and approved by the Assembly, relating to the privileges and immunities of the Organization, its Director General, its staff, of experts performing missions for the Organization and of representatives of Parties and Signatories whilst in the territory of the host Government for the purpose of exercising their functions.

(b) The agreement shall be independent of this Convention and shall terminate by agreement between the host Government and the Organization or if the headquarters of the Organization are moved from the territory of the host Government.

(4) All Parties other than a Party which has concluded an agreement referred to in paragraph (3) shall as soon as possible after the entry into force of this Convention conclude a Protocol on the privileges and immunities of the Organization, its Director General, its staff, of experts performing missions for the Organization and of representatives of Parties and Signatories whilst in the territory of Parties for the purposes of exercising their functions. The Protocol shall be independent of this Convention and shall prescribe the conditions for its termination.

Article 27

RELATIONSHIP WITH OTHER INTERNATIONAL ORGANIZATIONS

The Organization shall co-operate with the United Nations and its bodies dealing with the Peaceful Uses of Outer Space and Ocean Area, its Specialized Agencies, as well as other international organizations, on matters of common interest. In particular the Organization shall take into account the relevant international standards, regulations, resolutions, procedures and recommendations of the International Maritime Organization and the International Civil Aviation Organization. The Organization shall observe the relevant provisions of the International Telecommunication Convention and regulations made thereunder, and shall in the design, development, construction and establishment of the INMARSAT space segment and in the procedures established for regulating the operation of the INMARSAT space segment and of earth stations give due consideration to the relevant resolutions, recommendations and procedures of the organs of the International Telecommunication Union.

Article 28.

NOTIFICATION TO THE INTERNATIONAL TELECOMMUNICATION UNION

Upon request from the Organization, the Party in whose territory the Headquarters of the Organization is located shall co-ordinate the frequencies to be used for the space segment and shall, on behalf of each Party that consents, notify the International Telecommunication Union of the frequencies to be so used and other information, as provided for in the Radio Regulations annexed to the International Telecommunication Convention.

Article 29.

WITHDRAWAL

(1) Any Party or Signatory may by written notification to the Depositary withdraw voluntarily from the Organization at any time. Once a decision has been made under applicable domestic law that a Signatory may withdraw, notice of the withdrawal shall be given in writing to the Depositary by the Party which has designated the Signatory, and the notification shall signify the acceptance by the Party of the withdrawal. Withdrawal of a Party, in its capacity as such, shall entail the simultaneous withdrawal of any Signatory designated by the Party or of the Party in its capacity as Signatory, as the case may be.

(2) Upon receipt by the Depositary of a notice to withdraw, the Party giving notice and any Signatory which it has designated, or the Signatory in respect of which notice has been given, as the case may be, shall cease to have any rights of representation and any voting rights in any organ of the Organization and shall incur no obligation after the date of such receipt. However, a withdrawing Signatory shall remain responsible, unless otherwise decided by the Council pursuant to article XIII of the Operating Agreement, for contributing its share of the capital contributions necessary to meet contractual commitments specifically authorized by the Organization before the receipt and liabilities arising from acts or omissions before the receipt. Except with respect to such

capital contributions and except with respect to article 31 of this Convention and article XVI of the Operating Agreement, withdrawal shall become effective and this Convention and/ or the Operating Agreement shall cease to be in force for the Party and/or Signatory three months after the date of receipt by the Depository of the written notification referred to in paragraph (1)

(3) If a Signatory withdraws, the Party which designated it shall, before the effective date of withdrawal and with effect from that date, designate a new Signatory, assume the capacity of a Signatory in accordance with paragraph (4), or withdraw. If the Party has not acted by the effective date, it shall be considered to have withdrawn as from that date. Any new Signatory shall be responsible for all the outstanding capital contributions of the previous Signatory and for the proportionate share of any capital contributions necessary to meet contractual commitments specifically authorized by the Organization, and liabilities arising from acts or omissions, after the date of receipt of the notice

(4) If for any reason a Party desires to substitute itself for its designated Signatory or to designate a new Signatory, it shall give written notice to the Depository. Upon assumption by the new Signatory of all the outstanding obligations, as specified in the last sentence of paragraph (3), of the previously designated Signatory and upon signature of the Operating Agreement, that Agreement shall enter into force for the new Signatory and shall cease to be in force for the previous Signatory.

Article 30. SUSPENSION AND TERMINATION

(1) Not less than one year after the Directorate has received written notice that a Party appears to have failed to comply with any obligation under this Convention, the Assembly, after considering any representations made by the Party, may decide, if it finds that the failure to comply has in fact occurred and that such failure impairs the effective operation of the Organization, that the membership of the Party is terminated. This Convention shall cease to be in force for the Party as from the date of the decision or at such later date as the Assembly may determine. An extraordinary session of the Assembly may be convened for this purpose. The termination shall entail the simultaneous withdrawal of any Signatory designated by the Party or of the Party in its capacity as Signatory, as the case may be. The Operating Agreement shall cease to be in force for the Signatory on the date on which this Convention ceases to be in force for the Party concerned, except with respect to capital contributions necessary to meet contractual commitments specifically authorized by the Organization before the termination and liabilities arising from acts or omissions before the termination, and except with respect to article 31 of this Convention and article XVI of the Operating Agreement.

(2) If any Signatory, in its capacity as such, fails to comply with any obligation under this Convention or the Operating Agreement, other than obligations under article III(1) of the Operating Agreement and the failure has not been remedied within three months after the Signatory has been notified in writing of a resolution of the Council taking note of the failure to comply, the Council, after considering any representations made by the Signatory and, if applicable, the Party concerned may suspend the rights of the Signatory. If, after an additional three months and after consideration of any representations made by the Signatory and, if applicable, the Party, the Council finds that the failure to comply has not been remedied, the Assembly may decide on the recommendation of the Council that the membership of the Signatory is terminated. Upon the date of such decision, the termination shall become effective and the Operating Agreement shall cease to be in force for that Signatory.

(3) If any Signatory fails to pay any amount due from it pursuant to article III(1) of the Operating Agreement within four months after the payment has become due, the rights of the Signatory under this Convention and the Operating Agreement shall be automatically suspended. If within three months after the suspension the Signatory has not paid all sums due or the Party which has designated it has not made a substitution pursuant to article 29(4), the Council, after considering any representations made by the Signatory or by the Party which has designated it, may decide that the membership of the Signatory is terminated. From the date of such decision, the Operating Agreement shall cease to be in force for the Signatory.

(4) During the period of suspension of the rights of a Signatory pursuant to paragraphs (2) or (3), the Signatory shall continue to have all the obligations of a Signatory under this Convention and the Operating Agreement.

(5) A Signatory shall incur no obligation after termination, except that it shall be responsible for contributing its share of the capital contributions necessary to meet contractual commitments specifically authorized before the termination and liabilities arising from acts or omissions before the termination, and except with respect to article 31 of this Convention and article XVI of the Operating Agreement.

(6) If the membership of a Signatory is terminated, the Party which designated it shall, within three months from the date of the termination and with effect from that date, designate a new Signatory, assume the capacity of a Signatory in accordance with article 29(4), or withdraw. If the Party has not acted by the end of that period, it shall be considered to have withdrawn as from the date of termination, and this Convention shall cease to be in force for the Party as from that date.

(7) Whenever this Convention has ceased to be in force for a Party, settlement between the Organization and any Signatory designated by that Party or that Party in its capacity as Signatory, shall be accomplished as provided in article XIII of the Operating Agreement.

Article 31. SETTLEMENT OF DISPUTES

(1) Disputes arising between Parties, or between Parties and the Organization relating to rights and obligations under this Convention should be settled by negotiation between the parties concerned. If within one year of the time any party has requested settlement, a settlement has not been reached and if the parties to the dispute have not agreed to submit it to the International Court of Justice or to some other procedure for settling disputes, the dispute may, if the parties to the dispute consent, be submitted to arbitration in accordance with the annex to this Convention. Any decision of an arbitral tribunal in a dispute between Parties, or between Parties and the Organization, shall not prevent or affect a decision of the Assembly pursuant to article 30(1), that the Convention shall cease to be in force for a Party.

(2) Unless otherwise mutually agreed, disputes arising between the Organization and one or more Parties under agreements concluded between them, if not settled by negotiation within one year of the time any party has requested settlement, shall, at the request of any party to the dispute, be submitted to arbitration in accordance with the annex to this Convention.

(3) Disputes arising between one or more Parties and one or more Signatories in their capacity as such, relating to rights and obligations under this convention or the Operating Agreement may be submitted to arbitration in accordance with the annex to this

Convention if the Party or Parties and the Signatory or Signatories involved agree to such arbitration.

(4) This article shall continue to apply to a Party or Signatory which ceases to be a Party or Signatory, in respect of disputes relating to rights and obligations arising from its having been a Party or Signatory.

Article 32 SIGNATURE AND RATIFICATION

(1) This Convention shall remain open for signature in London until entry into force and shall thereafter remain open for accession. All States may become Parties to the Convention by:

- (a) Signature not subject to ratification, acceptance or approval, or
- (b) Signature subject to ratification, acceptance or approval, followed by ratification, acceptance or approval, or
- (c) Accession.

(2) Ratification, acceptance, approval or accession shall be effected by the deposit of the appropriate instrument with the Depository.

(3) On becoming a Party to this Convention, or at any time thereafter, a State may declare, by written notification to the Depository, to which Registers of ships, to which aircraft operating under its authority, and to which land earth stations under its jurisdiction, the Convention shall apply.

(4) No State shall become a Party to this Convention until it has signed, or the entity it has designated, has signed the Operating Agreement

(5) Reservations cannot be made to this Convention or the Operating Agreement.

Article 33. ENTRY INTO FORCE

(1) This Convention shall enter into force sixty days after the date on which States representing 95 per cent of the initial investment shares have become Parties to the Convention.

(2) Notwithstanding paragraph (1), if the Convention has not entered into force within thirty-six months after the date it was opened for signature, it shall not enter into force.

(3) For a State which deposits an instrument of ratification, acceptance, approval or accession after the date on which the Convention has entered into force, the ratification, acceptance, approval or accession shall take effect on the date of deposit.

**Article 34.
AMENDMENTS**

(1) Amendments to this Convention may be proposed by any Party. Proposed amendments shall be submitted to the Directorate, which shall inform the other Parties and Signatories. Three months' notice is required before consideration of an amendment by the Council, which shall submit its views to the Assembly within a period of six months from the date of circulation of the amendment. The Assembly shall consider the amendment not earlier than six months thereafter, taking into account any views expressed by the Council. This period may, in any particular case, be reduced by the Assembly by a substantive decision.

(2) If adopted by the Assembly, the amendment shall enter into force one hundred and twenty days after the Depositary has received notices of acceptance from two-thirds of those States which at the time of adoption by the Assembly were Parties and represented at least two thirds of the total investment shares. Upon entry into force, the amendment shall become binding upon all Parties and Signatories, including those which have not accepted it.

**Article 35.
DEPOSITARY**

(1) The Depositary of this Convention shall be the Secretary-General of the International Maritime Organization.

(2) The Depositary shall promptly inform all signatory and acceding States and all Signatories of:

- (a) Any signature of the Convention.
- (b) The deposit of any instrument of ratification, acceptance, approval or accession.
- (c) The entry into force of the Convention.
- (d) The adoption of any amendment to the Convention and its entry into force.
- (e) Any notification of withdrawal.
- (f) Any suspension or termination
- (g) Other notifications and communications relating to the Convention.

(3) Upon entry into force of the Convention the Depositary shall transmit a certified copy to the Secretariat of the United Nations for registration and publication in accordance with Article 102 of the Charter of the United Nations.

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

DONE at London this third day of September one thousand nine hundred and seventy-six in the English, French, Russian and Spanish languages, all the texts being equally authentic, in a single original which shall be deposited with the Depositary, who shall send a certified copy to the Government of each of the States which were invited to attend the International Conference on the Establishment of an International Maritime Satellite System and to the Government of any other State which signs or accedes to this Convention

ANNEX
PROCEDURES FOR THE SETTLEMENT OF DISPUTES REFERRED TO IN ARTICLE 31 OF
THE CONVENTION AND ARTICLE XVI OF THE OPERATING AGREEMENT

Article 1. Disputes cognizable pursuant to article 31 of the Convention or article XVI of the Operating Agreement shall be dealt with by an arbitral tribunal of three members.

Article 2. Any petitioner or group of petitioners wishing to submit a dispute to arbitration shall provide each respondent and the Directorate with a document containing:

- (a) A full description of the dispute, the reasons why each respondent is required to participate in the arbitration, and the measures being requested.**
- (b) The reasons why the subject matter of the dispute comes within the competence of a tribunal and why the measures requested can be granted if the tribunal finds in favour of the petitioner**
- (c) An explanation why the petitioner has been unable to achieve a settlement of the dispute by negotiation or other means short of arbitration.**
- (d) Evidence of the agreement or consent of the disputants when this is a condition for arbitration.**
- (e) The name of the person designated by the petitioner to serve as a member of the tribunal.**

The Directorate shall promptly distribute a copy of the document to each Party and Signatory.

Article 3. (1) Within sixty days from the date copies of the document described in article 2 have been received by all the respondents, they shall collectively designate an individual to serve as a member of the tribunal. Within that period, the respondents may jointly or individually provide each disputant and the Directorate with a document stating their individual or collective responses to the document referred to in article 2 and including any counterclaims arising out of the subject matter of the dispute.

(2) Within thirty days after the designation of the two members of the tribunal, they shall agree on a third arbitrator. He shall not be of the same nationality as, or resident in the territory of, any disputant, or in its service.

(3) If either side fails to nominate an arbitrator within the period specified or if the third arbitrator is not appointed within the period specified, the President of the International Court of Justice, or, if he is prevented from acting or is of the same nationality as a disputant, the Vice-President, or, if he is prevented from acting or is of the same nationality as a disputant, the senior judge who is not of the same nationality as any disputant, may at the request of either disputant, appoint an arbitrator or arbitrators as the case requires

(4) The third arbitrator shall act as president of the tribunal.

(5) The tribunal is constituted as soon as the president is selected.

Article 4. (1) If a vacancy occurs in the tribunal for any reason which the president or the remaining members of the tribunal decide is beyond the control of the disputants, or is

compatible with the proper conduct of the arbitration proceedings, the vacancy shall be filled in accordance with the following provisions:

(a) If the vacancy occurs as a result of the withdrawal of a member appointed by a side to the dispute, then that side shall select a replacement within ten days after the vacancy occurs.

(b) If the vacancy occurs as a result of the withdrawal of the president or of a member appointed pursuant to article 3(3), a replacement shall be selected in the manner described in paragraph (2) or (3), respectively, of article 3.

(2) If a vacancy occurs for any other reason, or if a vacancy occurring pursuant to paragraph (1) is not filled, the remainder of the tribunal shall have the power, notwithstanding article 1, upon request of one side, to continue the proceedings and give the final decision of the tribunal.

Article 5. (1) The tribunal shall decide the date and place of its meetings.

(2) The proceedings shall be held in private and all material presented to the tribunal shall be confidential. However, the Organization and any Party which has designated a Signatory which is a disputant in the proceedings shall have the right to be present and shall have access to the material presented. When the Organization is a disputant in the proceedings, all Parties and all Signatories shall have the right to be present and shall have access to the material presented.

(3) In the event of a dispute over the competence of the tribunal, the tribunal shall deal with that question first.

(4) The proceedings shall be conducted in writing, and each side shall have the right to submit written evidence in support of its allegations of fact and law. However, oral arguments and testimony may be given if the tribunal considers it appropriate.

(5) The proceedings shall commence with the presentation of the case of the petitioner containing its arguments, related facts supported by evidence and the principles of law relied upon. The case of the petitioner shall be followed by the counter-case of the respondent. The petitioner may submit a reply to the counter-case of the respondent and the respondent may submit a rejoinder. Additional pleadings shall be submitted only if the tribunal determines they are necessary.

(6) The tribunal shall hear and determine counter-claims arising directly out of the subject matter of the dispute, if the counter-claims are within its competence as defined in article 31 of the Convention and article XVI of the Operating Agreement.

(7) If the disputants reach an agreement during the proceedings, the agreement shall be recorded in the form of a decision of the tribunal given by consent of the disputants.

(8) At any time during the proceedings, the tribunal may terminate the proceedings if it decides the dispute is beyond its competence as defined in article 31 of the Convention or article XVI of the Operating Agreement.

(9) The deliberations of the tribunal shall be secret.

(10) The decisions of the tribunal shall be presented in writing and shall be supported by a written opinion. Its rulings and decisions must be supported by at least two members. A member dissenting from the decision may submit a separate written opinion.

(11) The tribunal shall forward its decision to the Directorate, which shall distribute it to all Parties and Signatories

(12) The tribunal may adopt additional rules of procedure, consistent with those established by this annex, which are appropriate for the proceedings.

Article 6. If one side fails to present its case, the other side may call upon the tribunal to give a decision on the basis of its presentation. Before giving its decision, the tribunal shall satisfy itself that it has competence and that the case is well-founded in fact and in law.

Article 7. (1) Any Party whose Signatory is a disputant shall have the right to intervene and become an additional disputant. Intervention shall be made by written notification to the tribunal and to the other disputants.

(2) Any other Party, any Signatory or the Organization may apply to the tribunal for permission to intervene and become an additional disputant. The tribunal shall grant permission if it determines that the applicant has a substantial interest in the case.

Article 8. The tribunal may appoint experts to assist it at the request of a disputant or on its own initiative.

Article 9. Each Party, each Signatory and the Organization shall provide all information which the tribunal, at the request of a disputant or on its own initiative, determines to be required for the handling and determination of the dispute.

Article 10. Pending the final decision, the tribunal may indicate any provisional measures which it considers ought to be taken to preserve the respective rights of the disputants.

Article 11. (1) The decision of the tribunal shall be in accordance with international law and be based on:

- (a) The Convention and the Operating Agreement.**
- (b) Generally accepted principles of law.**

(2) The decision of the tribunal, including any reached by agreement of the disputant pursuant to article 5(7), shall be binding on all the disputants, and shall be carried out by them in good faith. If the Organization is a disputant, and the tribunal decides that a decision of any organ of the Organization is null and void as not being authorized by or in compliance with the Convention and the Operating Agreement, the decision of the tribunal shall be binding on all Parties and Signatories.

(3) If a dispute arises as to the meaning or scope of its decision, the tribunal shall construe it at the request of any disputant.

Article 12. Unless the tribunal determines otherwise because of the particular circumstances of the case, the expenses of the tribunal, including the remuneration of the members of the tribunal, shall be borne in equal shares by each side. Where a side consists of more than one disputant, the tribunal shall apportion the share of that side among the disputants on that side. Where the Organization is a disputant, its expenses associated with the arbitration shall be regarded as an administrative cost of the Organization.

OPERATING AGREEMENT ON THE INTERNATIONAL MARITIME SATELLITE ORGANIZATION (INMARSAT)

The Signatories to this Operating Agreement,

Considering that the States Parties to the Convention on the International Maritime Satellite Organization (INMARSAT) have undertaken therein to sign, or to designate a competent entity to sign, this Operating Agreement,

Agree as follows:

**Article I.
DEFINITIONS**

(1) For the purposes of this Agreement:

(a) "Convention" means the Convention on the International Maritime Satellite Organization (INMARSAT) including its annex.

(b) "Organization" means the International Maritime Satellite Organization (INMARSAT) established by the Convention.

(c) "Amortization" includes depreciation; it does not include compensation for use of capital.

(2) The definitions in article 1 of the Convention shall apply to this Agreement.

**Article II.
RIGHTS AND OBLIGATIONS OF SIGNATORIES**

(1) Each Signatory acquires the rights provided for Signatories in the Convention and this Agreement and undertakes to fulfil the obligations placed upon it by these two instruments.

(2) Each Signatory shall act consistently with all provisions of the Convention and this Agreement.

**Article III.
CAPITAL CONTRIBUTIONS**

(1) In proportion to its investment share, each Signatory shall make contributions to the capital requirements of the Organization and shall receive capital repayment and compensation for use of capital, as determined by the Council in accordance with the Convention and this Agreement.

(2) Capital requirements shall include:

(a) All direct and indirect costs of the design, development, acquisition, construction and establishment of the INMARSAT space segment, of the acquisition of contractual rights by means of lease, and of other property of the Organization.

(b) Funds required for operating, maintenance and administrative costs of the Organization pending availability of revenues to meet such costs, and pursuant to article VIII(3).

(c) Payments by Signatories pursuant to article XI.

(3) Interest at a rate to be determined by the Council shall be added to any amount unpaid after the scheduled date for payment determined by the Council.

(4) If, during the period up to the first determination of investment shares on the basis of utilization pursuant to article V, the total amount of capital contributions which signatories are required to pay in any financial year exceeds 50 per cent of the capital ceiling established by or pursuant to article IV, the Council shall consider the adoption of other arrangements, including temporary debt financing, to permit those Signatories which so desire to pay the additional contributions in subsequent years by instalments. The Council shall determine the rate of interest to apply in such cases, reflecting the additional costs to the Organization.

Article IV. CAPITAL CEILING

The sum of the net capital contributions of Signatories and of the outstanding contractual capital commitments of the Organization shall be subject to a ceiling. This sum shall consist of the cumulative capital contributions made by Signatories pursuant to article III, less the cumulative capital repaid to them pursuant to this Agreement, plus the outstanding amount of contractual capital commitments of the Organization. The initial capital ceiling shall be 200 million US dollars. The Council shall have authority to adjust the capital ceiling.

Article V. INVESTMENT SHARES

(1) Investment shares of Signatories shall be determined on the basis of utilization of the INMARSAT space segment. Each Signatory shall have an investment share equal to its percentage of all utilization of the INMARSAT space segment by all Signatories. Utilization of the INMARSAT space segment shall be measured in terms of the charges levied by the Organization for use of the INMARSAT space segment pursuant to article 19 of the Convention and article VIII of this Agreement.

(2) For the purpose of determining investment shares, utilization in both directions shall be divided into two equal parts, a ship or aircraft part and a land part. The part associated with the ship or aircraft where the traffic originates or terminates shall be attributed to the Signatory of the Party under whose authority the ship or aircraft is operating. The part associated with the land territory where the traffic originates or terminates shall be attributed to the Signatory of the Party in whose territory the traffic originates or terminates. However, where, for any Signatory, the ratio of the ship and aircraft parts to the land parts exceeds 20:1, that Signatory shall, upon application to the Council, be attributed a utilization equivalent to twice the land part or an investment share of 0.1 per cent, whichever is higher. Structures operating in the marine environment, for which access to the INMARSAT space segment has been permitted by the Council, shall be considered as ships for the purpose of this paragraph.

(3) Prior to determination of investment shares on the basis of utilization pursuant to paragraphs (1), (2) and (4), the investment share of each Signatory shall be established in accordance with the annex to this Agreement.

(4) The first determination of investment shares based on utilization pursuant to paragraphs (1) and (2) shall be made not less than two nor more than three years from the

(c) Payments by Signatories pursuant to article XI.

(3) Interest at a rate to be determined by the Council shall be added to any amount unpaid after the scheduled date for payment determined by the Council.

(4) If, during the period up to the first determination of investment shares on the basis of utilization pursuant to article V, the total amount of capital contributions which signatories are required to pay in any financial year exceeds 50 per cent of the capital ceiling established by or pursuant to article IV, the Council shall consider the adoption of other arrangements, including temporary debt financing, to permit those Signatories which so desire to pay the additional contributions in subsequent years by instalments. The Council shall determine the rate of interest to apply in such cases, reflecting the additional costs to the Organization.

Article IV. CAPITAL CEILING

The sum of the net capital contributions of Signatories and of the outstanding contractual capital commitments of the Organization shall be subject to a ceiling. This sum shall consist of the cumulative capital contributions made by Signatories pursuant to article III, less the cumulative capital repaid to them pursuant to this Agreement, plus the outstanding amount of contractual capital commitments of the Organization. The initial capital ceiling shall be 200 million US dollars. The Council shall have authority to adjust the capital ceiling.

Article V. INVESTMENT SHARES

(1) Investment shares of Signatories shall be determined on the basis of utilization of the INMARSAT space segment. Each Signatory shall have an investment share equal to its percentage of all utilization of the INMARSAT space segment by all Signatories. Utilization of the INMARSAT space segment shall be measured in terms of the charges levied by the Organization for use of the INMARSAT space segment pursuant to article 19 of the Convention and article VIII of this Agreement.

(2) For the purpose of determining investment shares, utilization in both directions shall be divided into two equal parts, a ship or aircraft part and a land part. The part associated with the ship or aircraft where the traffic originates or terminates shall be attributed to the Signatory of the Party under whose authority the ship or aircraft is operating. The part associated with the land territory where the traffic originates or terminates shall be attributed to the Signatory of the Party in whose territory the traffic originates or terminates. However, where, for any Signatory, the ratio of the ship and aircraft parts to the land parts exceeds 20:1, that Signatory shall, upon application to the Council, be attributed a utilization equivalent to twice the land part or an investment share of 0.1 per cent, whichever is higher. Structures operating in the marine environment, for which access to the INMARSAT space segment has been permitted by the Council, shall be considered as ships for the purpose of this paragraph.

(3) Prior to determination of investment shares on the basis of utilization pursuant to paragraphs (1), (2) and (4), the investment share of each Signatory shall be established in accordance with the annex to this Agreement.

(4) The first determination of investment shares based on utilization pursuant to paragraphs (1) and (2) shall be made not less than two nor more than three years from the

commencement of operational use of the INMARSAT space segment in the Atlantic, Pacific and Indian Ocean areas, the specific date of determination to be decided by the Council. For the purposes of this first determination, utilization shall be measured over the one-year period prior to such determination.

(5) Subsequent to the first determination on the basis of utilization, investment shares shall be redetermined to be effective:

(a) Upon one-year intervals after the first determination of investment shares on the basis of utilization, based on the utilization of all Signatories during the previous year.

(b) Upon the date of entry into force of this Agreement for a new Signatory.

(c) Upon the effective date of withdrawal or termination of membership of a Signatory.

(6) The investment share of a Signatory which becomes a Signatory after the first determination of investment shares on the basis of utilization, shall be determined by the Council.

(7) To the extent that an investment share is determined pursuant to paragraph (5)(b) or (c) or paragraph (8), the investment shares of all other Signatories shall be adjusted in the proportion that their respective investment shares, held prior to this adjustment, bear to each other. On the withdrawal or termination of membership of a Signatory, investment shares of 0.05 per cent determined in accordance with paragraph (8) shall not be increased.

(8) Notwithstanding any provisions of this article, no Signatory shall have an investment share of less than 0.05 per cent of the total investment shares.

(9) In any new determination of investment shares the share of any Signatory shall not be increased in one step by more than 50 per cent of its initial share, or decreased by more than 50 per cent of its current share.

(10) Any unallocated investment shares, after application of paragraphs (2) and (9) shall be made available and apportioned by the Council among Signatories wishing to increase their investment shares. Such additional allocation shall not increase any share by more than 50 per cent of a Signatory's current investment share

(11) Any residual unallocated investment shares, after application of paragraph (10), shall be distributed among the Signatories in proportion to the investment shares which would otherwise have applied after any new determination, subject to paragraphs (8) and (9).

(12) Upon application from a Signatory, the Council may allocate to it an investment share reduced from its share determined pursuant to paragraphs (1) to (7) and (9) to (11), if the reduction is entirely taken up by the voluntary acceptance by other Signatories of increased investment shares. The Council shall adopt procedures for the equitable distribution of the released share or shares among Signatories wishing to increase their shares.

Article VI.
FINANCIAL ADJUSTMENTS BETWEEN SIGNATORIES

(1) At each determination of investment shares after the initial determination upon entry into force of this Agreement, financial adjustments between Signatories shall be carried out through the Organization on the basis of a valuation effected pursuant to paragraph (2). The amounts of these financial adjustments shall be determined with respect to each Signatory by applying to the valuation the difference, if any, between the new investment share of each Signatory and its investment share prior to the determination.

(2) The valuation shall be effected as follows:

(a) Deduct from the original acquisition cost of all property as recorded in the Organization's accounts as at the date of the adjustment, including all capitalized return and capitalized expenses, the sum of:

(i) The accumulated amortization as recorded in the Organization's accounts as at the date of adjustment.

(ii) Loans and other accounts payable by the Organization as at the date of adjustment.

(b) Adjust the results obtained pursuant to sub-paragraph (a) by adding or deducting a further amount representing any deficiency or excess, respectively, in the payment by the Organization of compensation for use of capital from the entry into force of this Agreement to the effective date of valuation relative to the cumulative amount due pursuant to this Agreement at the rate or rates of compensation for use of capital in effect during the periods in which the relevant rates were applicable, as established by the Council pursuant to article VIII. For the purpose of assessing the amount representing any deficiency or excess in payment, compensation due shall be calculated on a monthly basis and relate to the net amount of the elements described in sub-paragraph (a)

(3) Payments due from and to Signatories pursuant to this article shall be effected by a date decided by the Council. Interest at a rate to be determined by the Council shall be added to any amount unpaid after that date.

Article VII.
PAYMENT OF UTILIZATION CHARGES

(1) Utilization charges established pursuant to article 19 of the Convention shall be payable by Signatories or authorized telecommunications entities in accordance with arrangements adopted by the Council. These arrangements shall follow as closely as practicable recognized international telecommunications accounting procedures.

(2) Unless otherwise decided by the Council, Signatories and authorized telecommunications entities shall be responsible for the provision of information to the Organization to enable the Organization to determine all utilization of the INMARSAT space segment and to determine investment shares. The Council shall adopt procedures for submission of the information to the Organization.

(3) The Council shall institute any appropriate sanctions in cases where payments of utilization charges have been in default for four months or longer after the due date.

(4) Interest at a rate to be determined by the Council shall be added to any amount unpaid after the scheduled date for payment determined by the Council.

Article VIII.

REVENUES

(1) The revenues earned by the Organization shall normally be applied, to the extent that such revenues allow, in the following order of priority, unless the Council decides otherwise:

- (a) To meet operating, maintenance and administrative costs.
- (b) To provide such operating funds as the Council may determine to be necessary.
- (c) To pay to Signatories, in proportion to their respective investment shares, sums representing a repayment of capital in the amount of the provisions for amortization established by the Council and recorded in the accounts of the Organization.
- (d) To pay to a Signatory which has withdrawn from the Organization or whose membership has been terminated, such sums as may be due to it pursuant to article XIII.
- (e) To pay to Signatories, cumulatively in proportion to their respective investment shares, the available balance towards compensation for use of capital.

(2) In the determination of the rate of compensation for the use of capital of Signatories, the Council shall include an allowance for the risks associated with investment in INMARSAT and, taking into account such allowance, shall fix the rate as close as possible to the cost of money in the world markets

(3) To the extent that the revenues earned by the Organization are insufficient to meet operating, maintenance and administrative costs of the Organization, the Council may decide to meet the deficiency by using operating funds of the Organization, by overdraft arrangements, by raising a loan, by requiring Signatories to make capital contributions in proportion to their respective current investment shares or by any combination of such measures.

Article IX. SETTLEMENT OF ACCOUNTS

(1) Settlement of accounts between Signatories and the Organization in respect of financial transactions pursuant to articles III, VI, VII and VIII shall be arranged in such a manner that funds transferred between Signatories and the Organization, as well as funds at the Organization's disposal in excess of the operating funds determined by the Council to be necessary, shall be kept at the lowest practicable level.

(2) All payments between the Signatories and the Organization pursuant to this Agreement shall be effected in any freely convertible currency acceptable to the creditor.

Article X. DEBT FINANCING

(1) The Organization may, upon decision by the Council, enter into overdraft arrangements for the purpose of meeting financial deficiencies pending receipt of adequate revenues or capital contributions.

(2) In exceptional circumstances the Organization may raise loans upon decision by the Council for the purpose of financing any activity undertaken by the Organization in accordance with article 3 of the Convention or for meeting any liability incurred by it. The outstanding amounts of such loans shall be considered as contractual capital commitments for the purpose of Article IV

**Article XI.
LIABILITY**

(1) If the Organization is required by a binding decision rendered by a competent tribunal or as a result of a settlement agreed to or concurred in by the Council, to pay any claim, including any costs or expenses associated therewith, which arises out of any act or obligation of the Organization carried out or incurred in pursuance of the Convention or this Agreement, the Signatories shall, to the extent that the claim is not satisfied by indemnification, insurance or other financial arrangements, pay to the Organization the amount unsatisfied on the claim in proportion to their respective investment shares as at the date when the liability arose, notwithstanding any ceiling established by or pursuant to article IV

(2) If a Signatory, in its capacity as such, is required by a binding decision rendered by a competent tribunal or as a result of a settlement agreed to or concurred in by the Council, to pay any claim, including any costs or expenses associated therewith, which arises out of any act or obligation of the Organization carried out or incurred in pursuance of the Convention or this Agreement, the Organization shall reimburse the Signatory to the extent the Signatory has paid the claim.

(3) If such a claim is asserted against a Signatory, that Signatory, as a condition of payment by the Organization, shall without delay notify the Organization of the claim, and shall afford it the opportunity to advise on or to conduct the defence or other disposition of the claim and, to the extent permitted by the law of the jurisdiction in which the claim is brought, to become a party to the proceeding either with the Signatory or in substitution for it.

(4) If the Organization is required to reimburse a Signatory under this article, the Signatories shall, to the extent that the reimbursement is not satisfied by indemnification, insurance or other financial arrangements, pay to the Organization the unsatisfied amount of the claimed reimbursement in proportion to their respective investment shares as at the date when the liability arose, notwithstanding any ceiling established by or pursuant to article IV.

**Article XII.
EXONERATION FROM LIABILITY ARISING FROM THE PROVISION OF
TELECOMMUNICATIONS SERVICES**

Neither the Organization, nor any Signatory in its capacity as such, nor any officer or employee of any of them, nor any member of the board of directors of any Signatory, nor any representative to any organ of the Organization acting in the performance of their functions, shall be liable to any Signatory or to the Organization for loss or damage sustained by reason of any unavailability, delay or faultiness of telecommunications services provided or to be provided pursuant to the Convention or this Agreement.

**Article XIII
SETTLEMENT UPON WITHDRAWAL OR TERMINATION**

(1) Within three months after the effective date of withdrawal or termination of the membership of a Signatory pursuant to articles 29 or 30 of the Convention, the Council shall notify the Signatory of the evaluation by the Council of its financial status in relation to the Organization as at the effective date of its withdrawal or termination and of the proposed terms of settlement pursuant to paragraph (3). The notification shall include a statement of.

(a) The amount payable by the Organization to the Signatory, calculated by multiplying its investment share, as at the effective date of withdrawal or termination, by the amount established from a valuation effected pursuant to article VI as at that date.

(b) Any amount to be paid by the Signatory to the Organization representing its share of capital contributions for contractual commitments specifically authorized prior to the receipt of notice of decision to withdraw or, as the case may be, prior to the effective date of termination, together with the proposed schedule for payment.

(c) Any other amounts due from the Signatory to the Organization as at the effective date of withdrawal or termination

(2) In its evaluation pursuant to paragraph (1), the Council may decide to relieve the Signatory in whole or in part of its responsibility for contributing its share of the capital contributions for contractual commitments specifically authorized and liabilities arising from acts or omissions prior to the receipt of notice of decision to withdraw or as the case may be, the effective date of termination.

(3) Subject to payment by the Signatory of any amounts due from it under sub-paragraphs (1)(b) and (c), the Organization, taking into account article VIII, shall repay to the Signatory the amounts referred to in sub-paragraphs (1)(a) and (b) over a period consistent with the period over which the remaining Signatories will be repaid their contributions, or sooner if the Council so decides. The Council shall determine the rate of interest to be paid to or by the Signatory in respect of any amounts which may, from time to time, be outstanding for settlement.

(4) Unless the Council decides otherwise, a settlement pursuant to this article shall not relieve the Signatory of its obligation to contribute its share of the non-contractual liabilities arising from acts or omissions of the Organization prior to the date of receipt of notice of decision to withdraw or, as the case may be, prior to the effective date of termination

(5) The Signatory shall not lose any rights acquired by it, in its capacity as such which would otherwise continue after the effective date of withdrawal or termination, and for which it has not been compensated by the settlement pursuant to this article.

Article XIV EARTH STATION APPROVAL

(1) In order to utilize the INMARSAT space segment, all earth stations shall require approval by the Organization in accordance with criteria and procedures established by the Council pursuant to article 15(c) of the Convention.

(2) Any application for such approval shall be submitted to the Organization by the Signatory of the Party in whose territory the earth station on land is or will be located, or by the Party or the Signatory of the Party under whose authority the earth station on a ship or an aircraft or on a structure operating in the marine environment is licensed or, with respect to earth stations located in a territory or on a ship or an aircraft or on a structure operating in the marine environment not under the jurisdiction of a Party, by an authorized telecommunications entity.

(3) Each applicant referred to in paragraph (2) shall, with respect to earth stations for which it has submitted an application, be responsible to the Organization for compliance of such stations with the procedures and standards specified by the Organization, unless,

in the case of a Signatory which has submitted an application, its designating Party assumes this responsibility.

**Article XV.
UTILIZATION OF THE INMARSAT SPACE SEGMENT**

(1) Any application for utilization of the INMARSAT space segment shall be submitted to the Organization by a Signatory or, in the case of a territory not under the jurisdiction of a Party, by an authorized telecommunications entity.

(2) Utilization shall be authorized by the Organization in accordance with criteria and procedures established by the Council pursuant to article 15(c) of the Convention.

(3) Each Signatory or authorized telecommunications entity for which utilization of the INMARSAT space segment has been authorized shall be responsible for compliance with all conditions established by the Organization with respect to such utilization unless, in the case of a Signatory which has submitted an application, its designating Party assumes the responsibility for authorizations made with respect to all or some of the earth stations not owned or operated by that Signatory

**Article XVI.
SETTLEMENT OF DISPUTES**

(1) Disputes arising between Signatories, or between Signatories and the Organization, relating to rights and obligations under the Convention or this Agreement, should be settled by negotiation between the parties to the dispute. If within one year of the time any party to the dispute has requested settlement a settlement has not been reached and if a particular procedure for settling disputes has not been agreed between the parties to the dispute, the dispute shall be submitted to arbitration in accordance with the annex to the Convention at the request of any party to the dispute.

(2) Unless otherwise mutually agreed, disputes arising between the Organization and one or more Signatories under agreements concluded between them shall be submitted to arbitration in accordance with the annex to the Convention at the request of one of the parties to the dispute within a period of one year from the time that settlement was requested by any party to the dispute.

(3) A Signatory which ceases to be a Signatory shall remain bound by this article in respect of disputes relating to rights and obligations arising from its having been a Signatory of this Agreement.

**Article XVII.
ENTRY INTO FORCE**

(1) This Agreement shall enter into force for a Signatory on the date on which the Convention enters into force for the respective Party in accordance with article 33 of the Convention

(2) This Agreement shall continue in force for as long as the Convention is in force

**Article XVIII.
AMENDMENTS**

(1) Amendments to this Agreement may be proposed by any Party or Signatory. Proposed amendments shall be submitted to the Directorate, which shall inform the other Parties

and Signatories. Three months' notice is required before consideration of an amendment by the Council. During this period the Directorate shall solicit and circulate the views of all Signatories. The Council shall consider amendments within six months from circulation. The Assembly shall consider the amendment not earlier than six months after the approval by the Council. This period may in any particular case be reduced by the Assembly by a substantive decision.

(2) If confirmed by the Assembly after approval by the Council, the amendment shall enter into force one hundred and twenty days after the Depositary has received notice of its approval by two thirds of those Signatories which at the time of confirmation by the Assembly were Signatories and then held at least two thirds of the total investment shares. Notification of approval of an amendment shall be transmitted to the Depositary only by the Party concerned and the transmission shall signify the acceptance by the Party of the amendment. Upon entry into force, the amendment shall become binding upon all Signatories, including those which have not accepted it.

Article XIX. DEPOSITARY

(1) The Depositary of this Agreement shall be the Secretary-General of the International Maritime Organization.

(2) The Depositary shall promptly inform all signatory and acceding States and all Signatories of:

- (a) Any signature of this Agreement.
- (b) The entry into force of this Agreement.
- (c) The adoption of any amendment to this Agreement and its entry into force.
- (d) Any notification of withdrawal.
- (e) Any suspension or termination.
- (f) Other notifications and communications relating to this Agreement.

(3) Upon entry into force of this Agreement the Depositary shall transmit a certified copy to the Secretariat of the United Nations for registration and publication in accordance with Article 102 of the Charter of the United Nations.

IN WITNESS WHEREOF the undersigned, duly authorized, have signed this Agreement.

DONE at London this third day of September one thousand nine hundred and seventy-six in the English, French, Russian and Spanish languages, all the texts being equally authentic, in a single original which shall be deposited with the Depositary, who shall send a certified copy to the Government of each of the States which were invited to attend the International Conference on the Establishment of an International Maritime Satellite System, to the Government of any other State which signs or accedes to the Convention and to each Signatory.

**ANNEX
INVESTMENT SHARES PRIOR TO THE FIRST DETERMINATION
ON THE BASIS OF UTILIZATION**

(a) The initial investment shares of the signatories of the States listed below shall be as follows:

United States	17.00
United Kingdom	12.00
USSR, Byelorussian SSR and Ukrainian SSR	11.00
Norway	9.50
Japan	8.45
Italy	4.37
France	3.50
Germany, Federal Republic of	3.50
Greece	3.50
Netherlands	3.50
Canada	3.20
Spain	2.50
Sweden	2.30
Denmark	2.10
Australia	2.00
India	2.00
Brazil	1.50
Kuwait	1.48
Poland	1.48
Argentina	0.75
Belgium	0.75
Finland	0.75
German Democratic Republic	0.74
Singapore	0.62
New Zealand	0.44
Bulgaria	0.33
Cuba	0.33
Indonesia	0.33
Iran	0.33
Chile	0.25
Peru	0.25
Switzerland	0.25
Liberia	0.10
Algeria	0.05
Egypt	0.05
Ghana	0.05
Iraq	0.05
Thailand	0.05
Turkey	0.05
United Republic of Cameroon	0.05
TOTAL:	101.45

(b) Any signatory to the Operating Agreement designated by a State listed above may, prior to the entry into force of the Convention and the Operating Agreement, accept an initial investment share higher than that listed in paragraph (a) if:

- (i) Other signatories accept a correspondingly lower initial investment share; or
- (ii) The Convention and the Operating Agreement have not entered into force twenty-four months after they were opened for signature.

The signatories concerned shall inform the Depositary, who shall prepare and distribute a revised list of initial investment shares to all States included in the list of initial investment shares.

(c) A signatory of a State not listed in paragraph (a), on signing the Operating Agreement prior to its entry into force, shall declare to the Depositary its initial investment share, which shall correspond to its projected proportionate utilization of the INMARSAT space segment. The Depositary shall add the new signatory and its initial investment share to the list of initial investment shares in paragraph (a). The revised list shall be sent to all States included in the list. The initial investment share of the new signatory shall be subject subsequently to approval or adjustment by the Council. If the Council adjusts the share, it shall adjust proportionately the initial investment shares of all Signatories and, subsequently, the investment shares of all Signatories.

(d) Upon entry into force of the Operating Agreement, the investment shares of Signatories shall be determined by adjusting the initial investment shares of Signatories proportionately so that the sum of all investment shares amounts to 100 per cent.

(e) The initial investment share of any Signatory which is not included in the list in paragraph (a) and which signs the Operating Agreement after its entry into force, and for any Signatory included in the list of initial investment shares for which the Operating Agreement has not entered into force thirty-six months after it was opened for signature, shall be determined by the Council and shall be included in a revised list of initial investment shares of all Signatories.

(f) When a new Party enters the Organization or when a Party withdraws from the Organization or its membership is terminated, the investment shares of all Signatories shall be determined by adjusting proportionately the initial investment shares of all Signatories so that the sum of all investment shares amounts to 100 per cent.

(g) Investment shares of 0.05 per cent determined in accordance with paragraph (8) of article V of the Operating Agreement, shall not be increased pursuant to paragraphs (c), (d), (e) and (f) of this annex.