

MEMORANDUM OF UNDERSTANDING

Delegations representing the Ministry of Transport of the Russian Federation and the Ministry of Defence of the Islamic Republic of Pakistan met in Moscow on 17 - 18th of March, 2011.

The list of the delegations is attached as Annex I.

The consultations were held in cordial and friendly atmosphere.

During the discussions both delegations have reached the following understanding.

1. The draft of a new ASA

The delegations reached an agreement on a draft text of an Air Services Agreement between the Government of the Russian Federation and the Islamic Republic of Pakistan (hereinafter the "draft ASA"), attached at Annex II, pending agreement on Article 11 (Fair competition/ competition laws), Article 18 (Intermodal services) and Article 23 (Settlement of disputes), which need internal consultations.

2. Designations

Each Party shall have the right to designate in writing to the other Party one or more airlines for the purpose of operating the agreed services on the specified routes.

3. Capacity

- a) The designated airlines of the Russian Federation are entitled to operate seven (7) weekly frequencies between the territories of the States of both Parties with commercial rights, including two frequencies with 5th freedom traffic rights between Karachi and a point in UAE to be nominated;
- b) The designated airlines of the Islamic Republic of Pakistan are entitled to operate seven (7) weekly frequencies between the territories of the States of both Parties with commercial rights, including two frequencies with 5th freedom traffic rights between Moscow and a point in UAE to be nominated;
- c) Both delegations agreed to allow to the airlines of both Parties to carry out all-cargo flights with no limitations on capacity using 3rd and 4th freedom traffic rights.

4. Route schedule and traffic rights

Each Party grants to the other Party the rights specified in this MOU for operating scheduled international air services on following routes.



a) Routes to be operated by the designated airlines of the Russian Federation

Points of origin	Intermediate points	Points of destination	Points Beyond
Points in the Russian Federation	Any point(s) in the third countries	Karachi, the other one to be chosen from Lahore or Islamabad	Any point(s) in the third countries

b) Routes to be operated by the designated airlines of Islamic Republic of Pakistan:

Points of origin	Intermediate points	Points of destination	Points Beyond
Points in the Islamic Republic of Pakistan	Any point(s) in the third countries	Moscow, the other one to be chosen later by Pakistani side	Any point(s) in the third countries

Any operation including code-sharing, along Transsiberian, Transpolar, Crosspolar and Transasian Air Route networks in the airspace of the Russian Federation as defined in ICAO Doc 9750 shall be subject to the arrangement between the Aeronautical Authorities of the Parties.

c) The airlines of the two Parties shall also enjoy the following rights:

- i) to fly across the territory of the State of the other Party without landing;
- ii) to make stops in the territory of the State of the other Party for non-traffic purposes.

5. Approval of time tables

The designated airline(s) of either Party shall, not later than forty-five (45) days prior to the date of the operation of any agreed service, submit the slots of its proposed timetables to the Aeronautical Authorities of the other Party for its approbation.

Any subsequent changes to the approved timetables of the designated airline(s) shall be submitted for approval to the Aeronautical Authorities of the other Party.

6. Change of gauge

Each designated airline may on any or all flights on the agreed services and at its option, change aircraft in the territory of the State of the other Party or at any point along the specified routes, provided that:

- a) aircraft used beyond the point of change of aircraft shall be scheduled in coincidence with the inbound or outbound aircraft, as the case may be; and

b) in the case of a change of aircraft in the territory of the other Party and where more than one aircraft is operated beyond the point of change, not more than one such aircraft may be of equal size and none may be larger than the aircraft used on the third and fourth freedom sector.

For the purpose of change of gauge operations, a designated airline may use its own equipment and, subject to national regulations, leased equipment, and may operate under commercial arrangements with another airline.

A designated airline may use different or identical flight numbers for the sectors of its change of aircraft operations.

7. Ground handling

Subject to applicable safety provisions, including ICAO Standards and Recommended Practices (SARPs) contained in Annex 6, the designated airline may choose from among competing providers of ground handling services.

8. Code-sharing

Any designated airline may enter into commercial and/or co-operative marketing arrangements including, but not limited to blocked-space or code-sharing arrangements, with any other airline, including an airline of a third country, provided that:

a) the operating airline in such arrangements holds the appropriate operating authorisation and traffic rights;

b) both, the operating and marketing airlines hold the appropriate route rights¹;

c) no service is operated by an airline of the State of one Party for the carriage of passengers between a point in the territory of the State of the other Party and a point in a third state, or between two points in the territory of the other State, and no such passengers are carried, unless that operating airline itself has traffic rights between those two points;

d) in respect of each ticket sold, the purchaser is informed at the point of sale which airline will operate each flight forming part of the service;

e) the activities mentioned are carried out in accordance with the laws and regulations applicable in each country, including those governing competition;

f) the relevant airline has secured any necessary approvals from its own authorities, for the purposes of ensuring that the code-sharing arrangement is consistent with bilateral arrangements with any relevant third country; and

g) code-sharing agreements between airlines will be subject to approval by aeronautical authorities of both Parties.

¹. Route rights do not require designation and/or traffic rights as per para 4 of the MOU for the marketing carrier.

9. Aircraft leasing

Either Side may prevent the use of leased aircraft for services under this agreement which does not comply with Articles 13 (Safety) and 14 (Aviation Security) of the draft ASA initialed on 18th March, 2011. The designated airlines of each Side may provide services under this agreement by:

- a) using aircraft dry-leased from any company including airlines;
- b) using aircraft wet-leased from other airlines of the same Party;
- c) using aircraft wet-leased from airlines of the other Party; and
- d) using aircraft wet-leased from airlines of third countries,

provided that all airlines participating in the arrangements listed in b), c) and d) above, hold the appropriate authorization and meet the requirements normally applied to those arrangements.

Notwithstanding paragraph d) above, the designated airlines of each Side may provide services under this agreement by using aircraft wet-leased on a short-term, ad hoc basis from airlines of third countries.

10. Principles of operations

In order that the designated airlines to be afforded fair and equal treatment, the frequency of the services and their capacity, as well as the flight schedules shall be subject to approval by the Aeronautical Authorities of the two Parties. This requirement should also be met in case of any change concerning the agreed services.

The Aeronautical Authorities of the two Parties should, if necessary, endeavor to reach a satisfactory arrangement regarding flight schedules, capacity and frequencies and consultations between the Parties shall be arranged whenever a Party requests that the capacity provided under the Agreement be reviewed to ensure the application of the principles in the Agreement governing the conduct of the services.

The present Memorandum of Understanding comes into force with immediate effect.

Done in Moscow on 18th of March 2011.

**For the Delegation of the Aeronautical
Authorities of the Russian Federation**



Oleg O. Demidov

**For the Government of the Islamic
Republic of Pakistan**



Major General Mir Haider Ali Khan (F

