

MEMORANDUM OF UNDERSTANDING

(1) Delegations representing the Aeronautical Authorities of the Russian Federation and the Kingdom of Saudi Arabia met in Colombo on 6 December 2017 for the purpose to conclude the operational framework and to modernize the provisions of the previous MOU signed on 20 November 2005.

(2) The negotiations were conducted in a friendly and cordial atmosphere and covered the following aspects:

2.1 *Air Services Agreement (ASA)*

The text of Air Services Agreement was signed in Riyadh on 11.02.2007.

2.2 *The Operational Framework*

Both Parties have agreed to conduct air services in conformity to the following framework:

2.2.1 *Designation of Airlines*

(a) Both delegations agreed on multi-designation principle in accordance with Article 3 of the ASA.

(b) The proper economic licensing or relevant permission for operation will be issued by the Aeronautical Authorities, once the designated airline of each Contracting Party fulfils the operational and safety requirements in conformity to the provisions of the Bilateral Air Services Agreement.

2.2.2 *Traffic Rights Provisions*

In operating the air services on their respective routes, the designated airline(s) of the two Contracting Parties shall enjoy full rights in 3rd and 4th freedom traffic. With regard to 5th freedom traffic rights, and agreement has to be reached between the Aeronautical Authorities of two Contracting Parties.

(a) *Passenger Scheduled flights Entitlement*

The designated airline(s) of each Contracting Party shall be entitled to operate fourteen (14) round trip weekly flights with any type of aircraft, on the specified routes:

(b) *All Cargo Scheduled Flights Entitlement*

The designated airline(s) of each Contracting Party shall be entitled to operate seven (7) round trip weekly flights with any type of aircraft, on the specified routes:

(c) Extra Flight Entitlement

The need for extra flight is determined on an ad-hoc basis between the designated airlines of each Contracting Party and flight details are filed to the Aeronautical Authorities of each Contracting Party for appropriate authorization;

(d) Co-terminalization Right

The exercise of co-terminalization right between two points by the designated airlines in the territory of both Contracting Parties shall be subject to the approval of the Aeronautical Authorities.

2.2.3 Marketing Alliances and Code Sharing Arrangement

For better utilization of market access and serving the market demand between the two countries, both Parties agreed to encourage the designated airlines of each Contracting Party to enter into marketing alliances arrangements as of code-sharing arrangements in passengers' avenues. Code sharing operation by the designated airlines of both Contracting Parties is conducted in conformity to the following provisions:

In operating or holding out the authorized services on the agreed routes, an airline of one Contracting Party may enter into bilateral code-sharing arrangements with:

- an airline or airlines of one Contracting Party and
- an airline or airlines of the other Contracting Party, and
- an airline or airlines of a third country, provided that such third country authorized or allows comparable arrangements between the airlines of the other Party and other airlines on services to, from and via such third country.

Provided that all airlines in such arrangements

- Hold the appropriate authority to operate on the routes and segments concerned, and
- In respect of any ticket sold by It, make it clear to the purchaser at the point of sale which airline will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship;

All arrangements concerning marketing alliances and the code sharing are subject for approval by the Aeronautical Authorities of both Contracting Parties.

2.2.4 Route Schedule

(a) The designated airlines of the Russian Federation shall be entitled to operate international scheduled air services in both direction on the routes specified hereunder:

Points of origin	Intermediate points	Points of destination	Points beyond
Points in the Russian Federation	Points in the third countries*	Riyadh, Jeddah and Dammam	Hong Kong and other Points in the third countries*

(b) The designated airlines of the Kingdom of Saudi Arabia shall be entitled to operate international scheduled air services in both direction on the routes specified hereunder:

Point of origin	Intermediate points	Points of destination	Points Beyond
Points in the Kingdom of Saudi Arabia	Points in the third countries**	Moscow and Saint Petersburg and one point to be specified later*	Points in the third countries*

* other Points shall be subject to an arrangement between the aeronautical authorities of the Contracting Parties.

Notes:

1. Intermediate points and points beyond on any of specified routes may, at the option of the designated airlines, be omitted on any or all flight, provided that any service either begins or terminates in the territory of the country designating the airline.
2. The right of the designated airlines of one Contracting Party to transport passengers, cargo and mail between points in the territory of the state of other Contracting Party and points in the territory of the third countries (exercise of fifth freedom traffic right shall be subject to the agreement between the aeronautical authorities of the Contracting Parties.
3. Any operation along Transsiberian, Transpolar and Transasian Route network in the airspace of the Russian Federation shall be subject to the separate agreement between the aeronautical authorities of the Contracting Parties.

(3) Entry into Force

The provisions of this memorandum shall come into force with immediate effect from the date of signature and supersede the previous MOU signed on 29 November 2005.

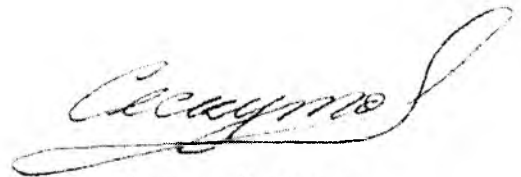
Done in Colombo, on December 6, 2017 in two original copies both in English language.

For the delegation of
the Kingdom of Saudi Arabia



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For the delegation of
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DELEGATION OF THE RUSSIAN FEDERATION

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