

## CONFIDENTIAL MEMORANDUM OF UNDERSTANDING

The Delegations representing the Ministry of Transport of the Russian Federation (hereinafter referred to as the Russian Delegation) and the Republic of the Philippines (hereinafter referred to as the Philippine Delegation) met in Moscow on July 22<sup>nd</sup> – 23<sup>rd</sup>, 2015, to discuss matters relating to the further development of aviation relations between the two countries.

The lists of the Delegations are attached hereto as Appendix 1.

The discussions were held in a friendly and cordial atmosphere and the two Delegations reached the following understanding.

### 1. Route Schedule

1.1. The two delegations agreed to amend paragraph a) and paragraph b) of the Annex to the bilateral Air Services Agreement (ASA) signed on December 1<sup>st</sup>, 2009 as follows:

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

#### **Route 1.**

<b>Points of origin</b>	<b>Intermediate points</b>	<b>Points of destination</b>	<b>Points Beyond</b>
Any Points in the Russian Federation	Points in third countries	Manila, Cebu, and 1 point to be freely selected later	Points in third countries

#### **Route 2.**

London – Moscow – Manila.

#### **Route 3.**

Two Points in Europe freely selected in writing from the following cities: Paris, Rome, Frankfurt, Amsterdam and Madrid – Moscow – Manila.

b) The designated airlines of the Republic of Philippines shall be entitled to operate international scheduled air services in both directions on the routes specified hereunder:

**Route 1.**

<b>Points of origin</b>	<b>Intermediate points</b>	<b>Points of destination</b>	<b>Points Beyond</b>
Any Points in the Philippines	Points in third countries	Moscow and 2 points to be freely selected later	Points in third countries

**Route 2.**

Manila – Moscow (with or without landing) – London.

**Route 3.**

Manila – Moscow (with or without landing) – Two Points in Europe freely selected in writing from the following cities: Paris, Rome, Frankfurt, Amsterdam and Madrid.

**2. Capacity**

Designated carriers of the Russian Federation and the Republic of Philippines shall operate along **Route 1** up to seven (7) weekly round trip frequencies with any type of subsonic aircraft between any city pairs.



#### 4. Code-share Arrangements

4.1. Both Parties agreed on the following principles regarding code-sharing operations:

In operating or holding out the air services on the specified routes, the designated airline(s) may enter into commercial and/or co-operative marketing arrangements on operations between the two Parties including, but not limited to code-sharing and blocked-space arrangements, with any other airline, including up to four (4) third country airlines, without 5<sup>th</sup> freedom traffic and route rights, provided:

- that the operating carrier in such arrangements holds the appropriate operating authorization;
- that the operating carrier hold the appropriate traffic rights, and the marketing carrier hold the appropriate route rights;
- that tickets 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. The code-sharing services of the marketing carrier(s) will not be counted as a frequency;
- the activities mentioned shall be carried out in accordance with the laws and regulations of the other side.

4.2. Both Sides agreed to expand the rights for Russian and Philippine air carriers by signing code-share and block-space agreements with any air carriers (including the air carriers of third countries) on any routes (including to / from third countries) without procedures of designation for the marketing air carrier. These code-share agreements are subject to approval of the Aeronautical Authorities.



## 5. All Cargo Services

5.1. Both sides agreed that designated airlines of the Russian Federation and Republic of Philippines, in accordance with the Route Schedule and the terms of their designation, may operate all-cargo scheduled services without any limitations on number of frequencies and aircraft type and capacity under **Route 1**, as follows: Points of origin—Any Intermediate Points (to be freely selected) - Points of Destination – Any Points Beyond (to be freely selected).

5.2. Each designated all-cargo airline may, on any or all flights and its option,

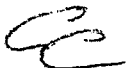
- operate flights in either or both directions;
- combine different flight numbers within one aircraft operation;
- serve points on the routes in any combination and in any order, which may include serving intermediate points as beyond points and beyond points as intermediate points;
- omit stops at any point or points.

5.3. Both sides also agreed that designated all-cargo airlines of the Russian Federation may exercise 5<sup>th</sup> freedom traffic rights between points in the Philippines and Singapore up to 14 flights per week.

## 6. Miscellaneous

6.1. The Russian delegation informed that the Aeronautical Authorities of Russia are ready to issue permission to any Philippine air carriers for passenger and/or all-cargo operations to Kaliningrad and Sochi within the three IATA consequent periods, starting from Summer 2015, and Vladivostok for unlimited period with 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> freedom traffic rights, without any limitations, provided that these operations do not utilize Trans-Siberian route network.

6.2. Both Delegations mentioned a great advance in mutual beneficial co-operation in the field of civil aviation and expressed their wish to strengthen friendly relations between the two respective States. In this regard, they agreed to hold another round of consultations in the Republic of the Philippines as soon as applicable for further development of air services between the two countries, specifically, cooperation on the Trans-Siberian route network for the Republic of the Philippines, third country code sharing, and 5<sup>th</sup> freedom traffic rights, among others.

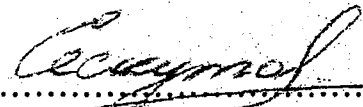


**7. Entry into Force**

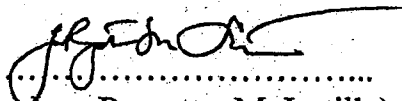
The Philippine Delegation will notify the Russian Delegation through diplomatic channels that its internal requirements in order to give effect to this Memorandum have been complied with. Pending such notification, this Memorandum of Understanding will have provisional effect as of the date of its signature. The Russian Delegation confirmed that no further ratification is required on their part and that this Memorandum of Understanding takes effect upon signature.

Done in Moscow on July 23, 2015 in two original copies in the English language.

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

  
.....  
(Mr. Sergey A. Seskutov)

**For the  
Republic of the Philippines:**

  
.....  
(Mr. Jose Perpetuo M. Lotilla)

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