

## MEMORANDUM OF UNDERSTANDING (MOU)

Delegations of the Aeronautical Authorities of the Kingdom of Spain and the Russian Federation met in Madrid on 16 and 17 April 2012 to review the present regulatory bilateral framework and discuss matters concerning their air transport relations.

A list of the members of the Delegations is attached hereto as Appendix I.

The consultations were held in a cordial and friendly atmosphere in line with the relations between the two countries.

As a result of these consultations, the Delegations reached the following agreements and conclusions:

### 1. NEW AIR SERVICES AGREEMENT (ASA)

The text of the new Air Services Agreement (ASA) was agreed and initialled by the Heads of both Delegations and is attached hereto as Appendix IV.

Nevertheless, the Russian Delegation expressed the need to consult with the relevant Russian Competent Authorities on Article 13 (Exemptions), paragraph 5 of Article 14 (Commercial Opportunities) and Article 15 (Transfer of Earnings). The Spanish Delegation also confirmed the need to consult with the relevant Spanish Competent Authorities on paragraph 5 of Article 11 (Safety) and last paragraph of Article 22 (Entry into Force). Those points were left pending in square brackets until they are solved and agreed. Both Parties agreed to conclude the text of these Articles at the earliest possible time.

Both Delegations agreed to hold a new round of negotiations after completion of all the constitutional requirements for the signature of the ASA to conclude a new Annex to be attached to the ASA, in order to update the current Route Schedule, as well as to reach a new agreement on designation and capacity.

As from the date of signature of this Memorandum of Understanding and until such time as the ASA and its Annex shall come into force, the two Delegations agree to apply the principles included therein, on a provisional basis and within the scope of their administrative competencies.

Both Delegations undertook to advise their respective Authorities to begin the internal legal procedure conducive to an early signature, and completion of their respective constitutional requirements, for the entry into force of the ASA, as soon as the consultations on the pending Articles are concluded.

## 2. EMISSION TRADING SCHEME (ETS)

The Russian side expressed its concern with the implementation of EU ETS on aircraft operators of third countries. The Russian side believes that such unilateral actions contradict the ICAO Assembly Resolution which urges the Parties involved to engage in negotiations and consultations to reach an agreement on the implementation of market based measures. The Russian side considers unacceptable the implementation of the EU ETS on international aviation and reserves its right to impose adequate measures in case Russian carriers are included into the EU ETS.

## 3. DESIGNATION OF AIRLINES AND FREQUENCIES

Both Delegations agreed to establish a principle of multiple designation of air carriers performing flights between the territories of both countries.

Notwithstanding the above, the Delegations agreed that each Party has the right to designate the following number of airlines on the specific routes below and to substitute the airlines previously designated, in accordance with the terms of Article 3 of the ASA.

- On the specific routes from Madrid, and from Barcelona respectively to Moscow and v.v., as follows:

Madrid-Moscow and v.v.: 3 air carriers for each side;

Barcelona-Moscow and v.v.: 3 air carriers for each side.

- On the routes any point in Spain-Saint Petersburg and v.v.: 2 air carriers for each side.
- On any routes different from Madrid-Moscow and v.v., Barcelona-Moscow and v.v., and any point in Spain- Saint Petersburg and v.v.: an unlimited number of air carriers for each side.

In addition, both Delegations agreed that each Party may determine as many airlines as it wishes in order to operate as marketing carriers under code share arrangements.

The Delegations agreed that the designated airlines of each Party shall be allowed to operate the following passenger frequencies per week on the specified routes using any type of aircraft:

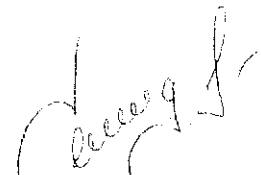
- On the specific routes from Madrid, and from Barcelona respectively to Moscow and v.v., as follows:

Madrid-Moscow and v.v.: 28 frequencies for each side;

Barcelona-Moscow and v.v.: 42 frequencies for each side;

Alicante-Moscow and v.v.: 14 frequencies for each side.

- On the routes any point in Spain- Saint Petersburg and v.v.: 14 frequencies for each side.



- In any routes different from Madrid-Moscow and v.v., Barcelona-Moscow and v.v., Alicante-Moscow and v.v., and any point in Spain- Saint Petersburg and v.v.: 7 frequencies on each city pair between any point in Spain and any point in Russia for each side.

#### **4. ROUTE SCHEDULE**

The Delegations agreed to maintain the Route Schedule (Annex I) already agreed and attached to the Confidential Memorandum of Understanding signed in Moscow on 2 June 2006, as modified by various exchanges of letters between the Parties. The Route Schedule (Annex I) is attached as Appendix II.

#### **5. CODE SHARE CLAUSE**

The Delegations agreed to maintain the Code Share Clause (Annex II) already agreed in the Confidential Memorandum of Understanding signed in Moscow on 2 June 2006. The Code Share Clause (Annex II) is attached hereto as Appendix III.

The Parties agreed to liberalize the routes that the airlines of both sides may offer when performing code-share operations.

#### **6. ALL CARGO SERVICES**

The Delegations confirmed that the designated airlines of both Parties shall have the right to operate all cargo services with third and fourth freedom traffic rights and without any restriction as to routes, frequencies, capacity offered, and/or type of aircraft.

Both Delegations agreed that, for the operations of all cargo services, the designated airlines shall be allowed to coterminalize any two points in the territory of the other Party without traffic rights.

#### **7. CHARTER SERVICES**

Non-scheduled air services between Russia and Spain are governed by the Memorandum of Understanding on Non-scheduled Air Services signed between the Aeronautical Authorities of the Parties in Moscow on 6 October 2000.

According to the agreements reached by the Parties, both Delegations agreed to modify point 1 of Article 2 of the aforementioned MOU in order to increase the number of airlines that each Party is permitted to designate to operate to/from Moscow up to fifteen (15) airlines.

The Parties agreed to further discuss this issue during the next round of consultations.

## 8. FINAL PROVISIONS

The provisions set forth in this Memorandum of Understanding shall enter into effect as from the date of its signature.

Both Delegations agreed to hold a new round of negotiations to conclude all the pending issues by the end of this year 2012.

All the previous arrangements set out before by the Parties and not covered under this MOU shall remain in force.

Signed in Madrid, on 17 April 2012.

For the Delegation

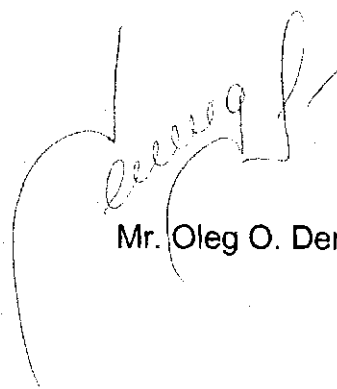
of the Kingdom of Spain



Mr. Raúl Medina Caballero

For the Delegation

of the Russian Federation



Mr. Oleg O. Demidov

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## ANNEX I

## ROUTE SCHEDULE

Routes to be operated by the designated airline(s) of the Russian Federation in both directions:

Points of origin	Intermediate points	Points of destination	Points beyond
Any points in the Russian Federation	Any points	Madrid, Barcelona, Alicante, Malaga, Gerona, Reus, Tenerife, Vitoria, Palma de Mallorca, Valencia, Zaragoza, Ibiza, other points *	Any points

Routes to be operated by the designated airline(s) of the Kingdom of Spain in both directions:

Points of origin	Intermediate points	Points of destination	Points beyond
Any points in the Kingdom of Spain	Any points	Moscow, St. Petersburg, Novosibirsk, Rostov, Kazan, Samara, Krasnodar, Perm, Kaliningrad, three (3) additional points nominated by the Spanish Side, other points *	Any points

\* that shall be subject to an agreement between the Aeronautical Authorities of both Parties.

## Notes:

- a) The intermediate points and points beyond shall be subject to an agreement between the Aeronautical Authorities of the Parties. Such points may be omitted by the designated airlines of the Parties;
- b) The frequencies and types of aircraft of the designated airline or airlines shall be mutually determined by the Aeronautical Authorities of both Parties;
- c) The right of the designated airline of one Party to transport passengers, cargo and mail between the points in the territory of the other Party and the points in the territory of the third countries shall be subject to an agreement between the Aeronautical Authorities of both Parties;
- d) Any flights on the Transsiberian, Transeast and Transpolar routes shall be subject to an agreement between the Aeronautical Authorities of both Parties.

ANNEX II

CODE-SHARE CLAUSE

1. In operating or holding out the agreed services on the specified routes, or on any sector of the routes, the designated airlines of each Party may enter into co-operative marketing arrangements such as blocked space or code sharing with airlines of any one of the two Parties or with third country airlines holding the appropriate rights. In the event of third country airlines, the concerned third country shall authorize or allow comparable arrangements between the airlines of the other Party and other airlines on services to, from and via such a third country.

2. Where a designated airline operates services under code-share arrangements, as the operating airline, the operated capacity shall be counted against the capacity entitlements of the Party designating the said airline.

3. Capacity offered by a designated airline acting as the marketing airline on the services operated by other airlines shall not be counted against the capacity entitlements of the Party designating the said airline.

4. No fifth freedom traffic rights shall be exercised by the marketing airlines on the services provided under code-share arrangements.

5. The designated airlines of any one of the Parties may transfer traffic between the aircraft involved in code share operations, without restrictions on the number, size or type of aircraft, provided that the service is scheduled as a direct connection flight.

6. Code-share services shall meet the regulatory requirements normally applied to such operations by the Parties, such as the protection of and information to passengers, security, liability and any other requirements generally applied to other airlines operating international traffic.

7. The designated airlines of either Party shall submit the programs and schedules of the services concerned for consideration and, where appropriate, approval by the Aeronautical Authorities of the other Party, at least thirty (30) days before the date proposed for the start of the operations.

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**AIR SERVICES AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE RUSSIAN FEDERATION AND  
THE KINGDOM OF SPAIN**

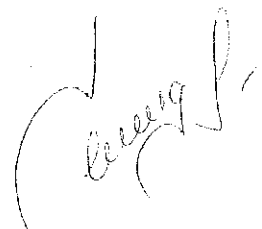
The Government of the Russian Federation and the Kingdom of Spain (hereinafter referred to in this Agreement as the Parties),

Taking into consideration the fact that the Russian Federation and Kingdom of Spain are the Parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944,

Desiring to conclude an Agreement for the purpose of developing air services between and beyond the territories of their States,

Desiring to ensure the highest degree of safety and security in the field of international civil aviation, and reaffirming their profound concern about acts and threats against the safety of aircrafts, which jeopardize the safety of persons or property, injure the operation of air transportation, and undermine public confidence in the security of civil aviation,

Have agreed as follows:



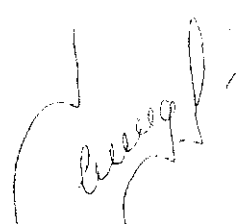


route or section of a route;

j) "**Facilities and airport charges**" – charges made to airlines for the provision of facilities to aircraft, their crews and passengers of airport and air navigation facilities, including related services and facilities;

k) "**ICAO**" – the International Civil Aviation Organization;

l) "**Air Operator Certificate**" has the meaning assigned to it in Annex 6 "Operation of Aircraft" to the Convention.



## ARTICLE 2 GRANTING OF RIGHTS

1. Each Party grants to the other Party the rights specified in the present Agreement for the purpose of establishing and operating scheduled international air services on the routes specified in the Schedule of the routes annexed to the present Agreement. Such services and routes are hereinafter referred to as "the agreed services" and "the specified routes" respectively.

2. An airline designated by the State of each Party shall enjoy exercising, while operating agreed service on a specified route, the following rights:

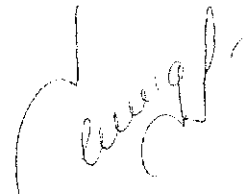
a) to fly across the territory of the State of the other Party without landing;

b) to make stops in the territory of the State of the other Party for non-traffic purposes; and

c) to make stops in the said territory at the points specified for that route in the Annex to this Agreement for the purpose of putting down and taking on international traffic passengers, cargo and mail separately or in combination.

3. The airlines of each Party, other than those designated under Article 3 of this Agreement, shall also enjoy the rights specified in paragraphs 2 a) and b) of this Article.

4. Nothing in paragraphs 1 and 2 of this Article shall be deemed to confer on the designated airline(s) of the State of one Party the right of taking on, in the territory of the State of the other Party passengers, cargo and mail carried for remuneration or hire and destined for another point in the territory of the State of that other Party.



**ARTICLE 3**  
**DESIGNATION AND AUTHORIZATION OF AIRLINES**

1. 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.

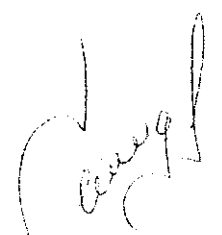
2. On receipt of notification that the Party has designated the airlines, the other Party shall without delay, grant to each designated airline the appropriate operating authorization subject to the provisions of paragraphs 3) and 4) of this Article.

3. The Aeronautical Authorities of one Party may require any airline designated by the other Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.

4. Each Party shall designate such airlines for the purposes of operating agreed services on the specified routes which are established on the territory of the State of either Party.

Each Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article or to impose such conditions as it may deem necessary on the exercise by the designated airline of the rights specified in Article 2 of the Agreement, in any case where the said Party is not satisfied that the designated airline of the other Party is established in the territory of the State of that other Party, has a valid Operating Licence and Air Operator Certificate in accordance with the applicable legislation of the State of the designating Party and effective regulatory control of the airline is exercised and maintained by the State responsible for issuing its Air Operator Certificate and the relevant aeronautical authority is clearly identified in the designation.

5. When a designated airline has been so authorized, it may begin to operate the agreed services in accordance with the provisions established under the present Agreement.



**ARTICLE 4**  
**REVOCATION OR SUSPENSION OF OPERATING**  
**AUTHORIZATION**

1. Each Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of the Agreement by an airline designated by the other Party or to impose such conditions as it may deem necessary on the exercise of these rights:

a) in any case where it is not satisfied that the airline fulfills the conditions set in Article 3 paragraph 4 of the Agreement; or

b) in case of a failure by that airline to comply with the legislation of the Party granting these rights; or

c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under the Agreement; or

d) in the case of failure by the other Party to comply with or apply the Safety and Security standards in accordance with Articles 11 and 12 of this Agreement; or

e) in case effective regulatory control over the airline designated by one Party is exercised by a State with which the other Party does not have a bilateral air services agreement and that State has denied traffic rights to the airline designated by that other Party.

2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringements of legislation, such rights shall be exercised only after consultation with the Aeronautical Authorities of the State of the other Party. Such consultations will start in thirty (30) days period from the date of request made by either Party for consultations.

3. In the event of action by one Party under the provisions of this Article, the rights of the other Party shall not be prejudiced.

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**ARTICLE 5**  
**PRINCIPLES GOVERNING OPERATION OF THE AGREED**  
**SERVICES**

1. The designated airlines of the States of both Parties shall be afforded fair and equal opportunity in the operation of the agreed services on the specified routes.

2. The frequencies, capacity and traffic rights to be provided by the designated airlines of each Party shall be established by mutual agreement between the respective Aeronautical Authorities.

3. The time schedules established for the operation of the agreed services shall be notified to the Aeronautical Authorities of the other Party at least forty five (45) days prior to the start of the operation or such shorter period as the Aeronautical Authorities of the other Party may agree.

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## ARTICLE 6 RECOGNITION OF CERTIFICATES AND LICENSES

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Party and still in force shall be recognized as valid by the other Party for the purpose of operating the agreed services provided that such certificates or licenses were issued or rendered valid in conformity to the standards established under the Convention.

2. If the privileges or conditions of the licences or certificates referred to in paragraph 1 above, issued by the Aeronautical Authorities of the State of one Party to any person or designated airline or in respect of an aircraft used in the operation of the agreed services, should permit a difference from the minimum standards established under the Convention, and such difference has been filed with the ICAO, the other Party may request consultations between the Aeronautical Authorities with a view to clarifying the practice in question. Such consultations will be held in accordance with Article 16 of the present Agreement.

3. Each Party reserves the right, however, to refuse to recognise certificates of competency and licenses granted to its State nationals by the other Party.

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**ARTICLE 7**  
**LAWS AND REGULATIONS**

1. The laws and regulations governing the admission to or departure from its own territory of aircraft engaged in international air services or related to the operation of aircraft while within its territory, shall be applied to the aircraft of the designated airlines of the other Contracting Party.

2. The laws and regulations governing over the entry, movement, stay and departure of passengers, crew, baggage, mail and cargo, over the territory of each Contracting Party, and also the regulations related to the requirements of entry and departure from the country, immigration, customs and sanitary rules, shall be applied in such territory to the operations of the designated airlines of the other Contracting Party.

3. Neither Party shall give preference to any airline over a designated airline of the State of the other Party engaged in similar international air transportation in the application of its immigration, customs, quarantine and similar regulations.



**ARTICLE 8**  
**FACILITIES AND AIRPORT CHARGES**

1. Neither Party shall impose or permit to be imposed on the designated airlines of the State of the other Party facilities and airport charges higher than those imposed on airlines designated by other Party operating similar international services.

2. Fees and other charges for the use of airport including its installations, technical and other facilities and services as well as any charges for the use of air navigation facilities, communication facilities and services shall be collected in accordance with the rates and tariffs established by each Party on the territory of its State, in accordance with Convention.

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## ARTICLE 9 TARIFFS

1. The tariffs applicable between the territories of the two Parties shall be established at reasonable levels, due regard being paid to all relevant factors including the cost of operation, the interest of user, reasonable commercial benefits, reasonable profit, class of service and when it is deemed suitable, the tariffs of other airlines operating over whole or part of the schedule of the routes.

2. The tariffs referred to in this Article shall be established independently by the Designated airlines.

3. The Aeronautical Authorities of either Party may request to intervene in a tariff, in case of:

(a) prevention of unreasonably discriminatory tariffs;

(b) protection of consumers from prices that are unreasonably high or restrictive because of the abuse of a dominant position;

(c) protection of airlines from prices to the extent that they are artificially low because of direct or indirect government subsidy; and

(d) protection of airlines from prices that are low due to unfair competition, where evidence exist.

4. Notwithstanding paragraph 1 and 2 above, the designated airlines of one Party shall provide, on request, to the aeronautical authorities of the other Contracting Party information relating to the tariffs, in a manner and format as specified by such authorities.



## **ARTICLE 10 STATISTICS**

1. The Aeronautical Authorities of the State of one Party shall supply to the Aeronautical Authorities of the State of the other Party, at their request, such information and statistics relating to the traffic carried on the agreed services by their designated airlines to and from the territory of the State of the other Party as may normally be prepared and submitted by the designated airline to its national Aeronautical Authorities. Such data shall include details on volume, distribution, origin and destination of the traffic.

2. Any additional statistical traffic data which the Aeronautical Authorities of the State of one Party may require from the Aeronautical Authorities of the State of the other Party shall, upon request, be subject of mutual discussion and agreement between the Aeronautical Authorities of the States of the two Parties.



## ARTICLE 11 AVIATION SAFETY

1. Each Party may request consultations at any time concerning safety standards in any area relating to crew, aircraft or their operation adopted by the other Party. Such consultations shall take place within thirty (30) days of that request.

2. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in any area referred to in paragraph 1 of this Article that are at least equal to the minimum standards established pursuant to the Convention, the other Party is notified of those findings and of the steps considered necessary to conform with those minimum standards, and that other Party shall take appropriate corrective action. Failure by the other Party to take appropriate action within fifteen (15) days or such longer period as may be agreed shall be grounds for the application of Article 4 of the Agreement.

3. Notwithstanding the obligations mentioned in Article 33 of the Convention it is agreed that any aircraft operated by the designated airlines of one Party on services to or from the territory of the other Party may, while within the territory of the other Party, be made the subject of an examination by the authorized representatives of the other Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment for its conformity with the standards of International Civil Aviation Organization (in this Article called "ramp inspection"), provided this does not lead to unreasonable delay.


4. If any such ramp inspection or series of ramp inspections gives rise to serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established pursuant to the Convention, or there is a lack of effective maintenance and administration of safety standards established pursuant to the Convention, the Party carrying out the inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificates or licences in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that the requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Convention.

[5. *In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the airline or airlines of one Party in accordance with paragraph 3 above is denied by the representative of that airline or airlines, the other Party shall be free to infer that serious concerns of the type referred to in*

*paragraph 4 above arise and draw the conclusions referred in that paragraph.]*

6. Each Party reserves the right to suspend or vary the operating authorization of an airline or airlines designated by the other Party if a result of a ramp inspection or a series of ramp inspections, a denial of access for ramp inspection, consultations referred to in paragraph 1 of this Article or other factors reveal threats to the safety of the airline operation.

7. Any action by one Party in accordance with paragraphs (2) or (5) above shall be discontinued once the basis for the taking of that action ceases to exist.



## ARTICLE 12 AVIATION SECURITY

1. Consistent with their rights and obligations under international law the Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of the present Agreement. Without limiting the generality of their rights and obligations under international law the Parties shall, in particular, act in conformity to the provisions of the Convention of Offences and Certain Other Acts Committed on Board Aircraft signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation signed at Montreal on 23 September 1971 and Protocol for the suppression of unlawful acts of violence at airports serving international civil aviation, supplementary to the Convention for the suppression of unlawful acts against safety of civil aviation, done at Montreal on 23 September 1971, signed at Montreal on 24 February 1988 which is supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23rd September 1971, and the Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1<sup>st</sup> March 1991.

2. The Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

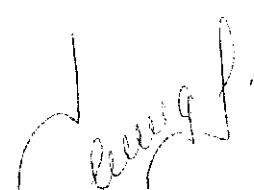
3. The Parties shall, in their mutual relations, act in conformity to the aviation security provisions established in the Annexes to the Convention to the extent that such security provisions are applicable to the Parties. The Parties shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity to such aviation security provisions.

4. Each Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above. For entry into, departure from, or while within the territory of the other Party, operators of aircraft shall be required to observe aviation security provisions in conformity with the law in force in that other country. Each Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Party shall also give sympathetic consideration to any request from the other Party for reasonable special security measures to meet a particular threat.

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5. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airport or air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

6. When a Party has reasonable grounds to believe that the other Party has departed from the provisions of this Article, the first Party may request consultations. Such consultations shall start within thirty (30) days of receipt of such a request from either Party. Failure to reach a satisfactory agreement within thirty (30) days from the start of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the authorizations of the airline or airlines designated by the other Party. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, the first Party may take interim action prior to the expiry of fifteen (15) days.



**[ARTICLE 13  
EXEMPTIONS**

1. *Aircraft operated in international air services by the designated airlines of either Party, as well as their regular equipment, supplies of fuels and lubricants, and aircraft stores (including food, beverages and tobacco) which are on board such aircraft shall be exempt from all customs duties and other duties or taxes in the territory of the other Party, provided that such equipment and supplies remain on board the aircraft up to such time as they are reexported.*

2. *There shall also be exempt from the same duties and taxes, with the exception of payments corresponding to the service performed:*

a) *aircraft stores taken on board in the territory of either Party, within the limits fixed by the Authorities of the said Party, and for use on board the aircraft engaged in international air services of the other Party;*

b) *spare parts, brought into the territory of either Party for the maintenance or repair of aircraft used on international air services by the designated airlines of the other Contracting Party; and*

c) *fuels and lubricants destined to supply aircraft operated on international air services by the designated airlines of the other Party, even when these supplies are to be used on the part of the journey performed over the territory of the Party in which they are taken on board.*

d) *printed tickets, airway bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed without charge by the designated airlines.*

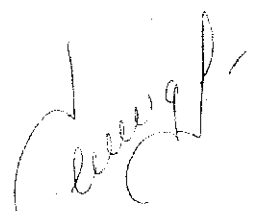
3. *Regular airborne equipment, as well as materials and supplies on board the aircraft of either Party may be unloaded in the territory of the other Party only with the approval of the Customs Authorities of such territory. In such case, they may be placed under the supervision of the said Authorities up to such time as they are re-exported or otherwise disposed of in accordance with the Customs regulations.*

4. *The exemptions provided for by this Article shall also be available in situations where the designated airlines of either Party have entered into arrangements with other airlines, for the loan or transfer in the territory of the other Party, of the regular equipment and the other items referred to in this Article provided that the other airline or airlines enjoy the same exemptions from that other Party.*

5. *Passengers in transit across the territory of either Party as well as*

*their baggage shall be subject to the controls established under the applicable Customs regulations. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes levied on imports.*

6. *The exemptions provided for in this Article shall be granted in accordance with the procedures established in the Customs regulations.]*





**ARTÍCULO 14**  
**COMMERCIAL OPPORTUNITIES**

1. The designated airlines of each Party shall be allowed, on the basis of reciprocity, to maintain in the territory of the other Party, their offices and representatives, as well as their commercial, operational and technical staff as required in connection with the operation of the agreed services.

2. The request for staff may, at the option of the designated airlines of each Party, be satisfied either by their own personnel or by using the services of any other organization, company or airlines operating in the territory of the other Party, and authorized to perform such services in the territory of that Party.

3. The representatives and staff shall be subject to the laws and regulations in force of the other Party, and, according to such laws and regulations, each Party shall process, on the basis of reciprocity and with the minimum delay, the residency and employment authorizations, visas, where applicable, or other similar documents to the representatives and staff referred to in paragraph 1) of this Article.

4. Should special circumstances require the entry or permanence of staff on an emergency and temporary basis, the permits, visas and any other documents required by the laws and regulations of each Party shall be process promptly so as not to delay the entry of such personnel into the state concerned.

[ 5. *Each designated airline shall have the right to provide their own ground-handling services in the territory of the other Party or otherwise to contract these services out, in full or in part, at its option, with any of the suppliers authorized for the provision of such services. Where or as long as the laws and regulations applicable to ground handling in the territory of one Party prevent or limit either the freedom to contract these services out or self-handling, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground handling services provided by a supplier or suppliers.*]

*A*

*[Handwritten signature]*

**[ARTICLE 15  
TRANSFER OF EARNINGS**

1. *On a reciprocal and non discriminatory basis with respect to any other airline operating in international traffic, the airlines designated by the Contracting Parties shall be free to sell air transport services in the territories of both Contracting Parties, either directly or through an agent, and in any currency in accordance with the laws in force in each Contracting Party.*

2. *The airlines of each Contracting Party shall be free to transfer from the territory of sale to their home territory the excess, in the territory of sale, of receipts over expenditure. Included in such net transfer shall be revenues from sales, made directly or through an agent of air transport services, and ancillary or supplementary services, and normal commercial interest earned on such revenues while on deposit awaiting transfer.*

3. *Such remittances shall be made without prejudice to any fiscal obligations in force in the territory of either Contracting Party.*

4. *The airlines designated by the Contracting Parties shall be granted the appropriate authorization to make such remittances on the due dates in freely convertible currency at the official rate of exchange in force at the time of the request.*

5. *The provisions of the present Article do not affect the issues of taxation that are the subject of the other agreement between the Parties.]*

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**ARTICLE 16**  
**CONSULTATIONS**

1. In a spirit of close co-operation the Aeronautical Authorities of the States of the Parties shall consult from time to time with a view to ensuring the implementation of, interpretation, application or amendment of the provisions of this Agreement.

2. Either of the Aeronautical Authorities of the States of the Parties may request consultations which may be through discussions or by correspondence. These discussions shall begin within a period of sixty (60) days from the date the other Party receives a written request unless both Parties agree to an extension of this period.



**ARTICLE 17**  
**MODIFICATION OF THE AGREEMENT**

1. If either of the Parties considers it desirable to modify the terms of the present Agreement it may request a consultation between the Aeronautical Authorities of the States of both Parties in relation to the proposed modification. Consultations shall begin within a period of sixty (60) days from the date of the request unless the Aeronautical Authorities of the States of the Parties agree upon the prolongation of that period. Any modifications so agreed shall come into force in accordance with Article 22.

2. The modifications of the Annex may be made by arrangements between the Aeronautical Authorities of the States of the Parties and confirmed by exchange of diplomatic notes. Consultations to this effect may be conducted by discussion or correspondence and shall begin within a period of sixty (60) days from the date of the request.

*N*

*Accepted*

**ARTICLE 18**  
**CONFORMITY TO MULTILATERAL CONVENTIONS OR**  
**AGREEMENTS**

In the event both Parties become parties to a Multilateral Agreement concerning matters regulated by this Agreement, the said Parties shall hold consultations in order to determine the advisability of revising the Agreement to conform to the provisions of such Multilateral Agreement.



**ARTICLE 19**  
**SETTLEMENT OF DISPUTES**

1. If any dispute arises between the Parties relating to the interpretation or application of the present Agreement the Parties shall in the first place endeavour to settle it by negotiation between Aeronautical Authorities of the State of both Parties.

2. If the said Aeronautical Authorities fail to reach a settlement by negotiation, the dispute shall be settled through diplomatic channels.

3. If the Parties fail to reach a settlement pursuant to paragraphs 1 and 2 above, either Party may refer the dispute to an arbitral tribunal of three arbitrators, two of whom to be nominated by the Parties and one umpire nominated by the two so nominated.

4. In case the dispute is referred to arbitration, each of the Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt of a notice in respect of reference of the dispute to arbitration and the umpire shall be appointed within a further period of sixty (60) days from the last appointment by the two so nominated. The umpire shall act as President of the Tribunal and shall determine the venue where the arbitration shall be held.

5. If either Party fails to nominate its arbitrator within the specified period, or nominated arbitrators fail to agree on the umpire within the said period, the President of the Council of the ICAO may be requested by either Party to appoint the arbitrator of failing party or the umpire as the case may require. However, the umpire shall not be a national of the State of either Party and shall be a national of a State having diplomatic relations with the State of both Parties at time of the appointment.

6. In case the President of the Council of the ICAO is also national of the State of one Party, the appointment of an arbitrator or an umpire shall be made by the Vice President of the Council of ICAO who is not a citizen of the State of the Parties.

In case the Vice-president of the Council of the ICAO is also a citizen of the State of one of the Parties, the appointment shall be made by senior member of the Council of ICAO who is not a citizen of State of either Party.

7. The arbitral tribunal shall determine its procedure and the place of arbitration.

8. The decisions of the arbitral tribunal shall be binding on the Parties.



9. Each Party shall bear the cost of its own member of the tribunal and its representation in the arbitral proceeding. The cost of the umpire and other mutual expenses shall be borne in equal part by the Parties.

Any expenses incurred by the Council in connection with the appointment of the umpire and/or the arbitrator of the failing party as referred to in paragraph 3 of this Article shall be considered to be part of the expenses of the arbitral tribunal.

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*[Handwritten signature]*

## ARTICLE 20 TERMINATION

1. Either Party may, at any time, give notice in writing to the other Party of its decision to terminate this Agreement. Such notice shall simultaneously be communicated to ICAO.

2. In such case this Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Party, unless the notice to terminate is withdrawn by mutual agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the ICAO.

*R*

*[Handwritten signature]*



**ARTICLE 21**  
**REGISTRATION WITH ICAO**

Present Agreement and any amendments thereto shall be registered upon its signature with the ICAO.

*R*

*1.01*

**ARTICLE 22**  
**ENTRY INTO FORCE**

The present Agreement shall enter into force thirty (30) days after the date of the last notification through diplomatic notes by either Party to the other Party that it has fulfilled the intergovernmental procedures necessary for the entry into force of the present Agreement.

From the date the present Agreement comes into force, the Air Services Agreement between the Government of the Union of the Soviet Socialist Republics and the Government of the Kingdom of Spain, signed on May, 12, 1976, with all supplements annexes and amendments to those Agreements are terminated in regard to relations between the Russian Federation and the Kingdom of Spain.

IN WITNESS WHEREOF, the undersigned being duly authorized thereto by their Government, have signed the present Agreement.

Done in \_\_\_\_\_ on \_\_\_\_\_ in three originals each in Russian, Spanish and English languages, all texts being equally authentic.

*[In case of divergence for the purpose of interpretation the English text shall be used.]*

**For the Government  
of the Russian Federation**

**For the Kingdom of Spain**

