MEMORANDUM OF UNDERSTANDING

Delegations representing the Aeronautical Authorities of the United Mexican States and the Russian Federation hereinafter referred to as "The Delegations" met in Mexico City July 6-7, 2011, for the purpose of negotiating and agreeing on a draft of an Air Services Agreement in respect of operations of air services between their respective territories.

Discussions were held in a friendly and cordial atmosphere.

The composition of the two Delegations is a attached as "Attachment A".

The following understanding was reached between the Delegations:

1. AIR SERVICES AGREEMENT

The Delegations negotiated, agreed upon and initialed the text of the Air Services Agreement and its Annexes in the English language attached as "Attachment B". Both sides will prepare their respective versions in Russian and Spanish languages.

The Delegations agreed to recommend to their respective Governments the formal signing and adoption of the Air Services Agreement pending the completion of the internal requirements necessary for the entry into force of this Agreement.

Both Delegations agreed to authorize the air operations convened in this document from the date herein, subject to the laws and regulations of each State.

2. CAPACITY AND FREQUENCY

Passenger:

The Delegations agreed that the designated airline(s) of each Party will be allowed to operate schedule passenger services without any capacity and frequency restrictions using any type of aircraft between the points specified in the "Route Schedule" of the draft Agreement.

Notwithstanding Article 3 (Designation of Airlines and Operating Authorization), no more than two (2) designated airlines of each Party shall be allowed to operate passenger, cargo and mail scheduled air services on any given city pair between the Russian Federation and the United Mexican States.

The designated airlines performing schedule passenger operations are allowed to carry cargo in their belly compartments.

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Cargo:

The Delegations agreed that any number of designated airline (s) of each Party will be allowed to operate all-cargo scheduled services, without any capacity and frequency restrictions, between the points specified in the "Route Schedule" of the draft Agreement.

The designated airline(s) performing schedule cargo operations may operate fifth freedom traffic rights upon the previous authorization of the Aeronautical Authorities of both Parties.

3. COTERMINAL

The designated airline(s) of both Parties are entitled to operate air services between two points in the territory of the other Party without traffic rights. Nevertheless, such designated airline(s) may operate stop-over rights between those points.

4. CODE SHARE PROVISIONS

In operating or offering the agreed services on the specified routes, the designated airlines of both Parties, whether acting as operating airlines or as marketing airlines, may enter into code-share agreements with:

- a) an airline or airlines of the same Party; or
- b) one or more airlines of the other Party; or
- c) one or more airlines of a third country.

In the case of paragraph 1(c) above, neither of the Parties shall, require code share provisions in the bilateral agreement between the other Party and the third country, and

Code share services shall be subject to the following conditions:

All the airlines participating in code-share agreements shall have the respective rights to use the particular route or leg of the route;

The airlines participating in code-share agreements shall comply with the requirements regularly applied to these agreements and services, particularly those related to passenger information and protection, as well as aviation safety;

The marketing airlines offering services on a code-share basis, shall ensure that passengers are informed of the airlines that shall operate each leg of the route, at the point of sale.

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The designated airlines offering services on a code-share basis as marketing air carriers, may exercise 3rd. and 4th. freedom traffic rights. These airlines shall under no circumstance exercise 5th. freedom traffic rights nor stop-over rights, if otherwise agreed between the Parties.

The designated airline of one of the Parties acting as an operating partner and entering into code-share agreements shall submit the schedules and timetables corresponding to such services for the consideration of, and, if applicable, the approval of the Aeronautical Authorities of the other Party, at least twenty (20) days before the proposed effective date of operations;

5. ENVIRONMENTAL PROTECTION

Both Delegations share the same concerns regarding the application of unilateral measures for emissions trading. In this regard, their reaffirmed the commitment of the United Mexican States and the Russian Federation to promote the sustainable development of aviation by applying the ICAO standards, practices, provisions, policies and guidance.

ENTRY INTO FORCE

This Memorandum of Understanding will enter into force for the United Mexican States from the date of its signature and for the Russian Federation upon notification of the Russian Aeronautical Authorities to the Mexican Aeronautical Authorities of the fulfillment of its legal requirements.

Done in Mexico City on the 7th day of July, 2011.

For the Aeronautical Authorities of the United Mexican States

Salvador Retand Rozano
Deputy General Director for Transport
and Aeronautical Control
Directorate General Of Civil Aviation

For the Aeronautical Authorities of Russian Federation

Oleg Demidov

Deputy Director of the Department of State Policy in Civil Aviation Ministry of Transport of the Russian Federation

MEXICAN DELEGATION

SALVADOR RETANA ROZANO

DEPUTY GENERAL DIRECTOR FOR TRANSPORT AND AERONAUTICAL CONTROL HEAD OF THE DELEGATION

RAFAEL GARCÍA GIJÓN

MANAGER OF INTERNATIONAL AGREEMENTS D.G.C.A

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RICARDO ANAYA CORTES

UNDERSECRETARY OF TURISTIC PLANNING MINISTRY OF TURISM

VANESSA VAZQUEZ MESEGUER

DIRECTOR GENERAL OF STRATEGIC PLANNING MINISTRY OF TURISM

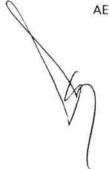
VERÓNICA JUÁREZ CASIMIRO

DIRECTOR OF TREATIES II
MINISTRY OF FOREIGN AFFAIRS

OBSERVERS

ADA LORENA CABRERA BUSTOS

V.P. LEGAL AEROVÍAS DE MÉXICO, S.A. DE C.V.



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RUSSIAN DELEGATION

OLEG DEMIDOV

DEPUTY DIRECTOR OF THE DEPARTMENT OF STATE POLICY IN CIVIL AVIATION MINISTRY OF TRANSPORT OF THE RUSSIAN FEDERATION HEAD OF THE DELEGATION

NIKOLAY SCHKOLIAR

COUNSELOR FOR ECONOMIC AFFAIRS RUSSIAN EMBASSY IN MEXICO

VLADIMIR BURDAKOV

FIRST SECRETARY FOR ECONOMIC AFFAIRS RUSSIAN EMBASSY IN MEXICO

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ALEXEY LEONOV

MANAGER OF INTERNATIONAL AFFAIRS DEPARTMENT VOLGA DNEPR GROUP MOW

DENIS SAVCHENKO

HEAD OF GOVERNMENTAL AFFAIRS OJSC TRANSAERO AIRLINES MOW

FERNANDO SALCEDO

LEGAL ADVISOR OJSC TRANSAERO AIRLINES MEX

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AIR SERVICES AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE UNITED MEXICAN STATES

The Government of the Russian Federation and the Government of the United Mexican States hereinafter called as the Parties;

Taking into consideration the fact of the Russian Federation and the United Mexican States being Parties to the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December, 1944, and

Desiring to conclude an Agreement for the purpose of developing scheduled air services between their respective territories,

Have agreed as follows:

ARTICLE 1 DEFINITIONS

The terms used in the present Agreement means the following:

1. "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago, on the seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annex or Convention under Articles 90 and 94 hereof insofar as those amendments and Annexes have become effective for the Russian Federation and the United Mexican States;

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in case of the Government of the United Mexican States – the Secretariat of Communications and Transport, through the General Directorate of Civil Aeronautics or person or body authorized to perform functions at present exercised by the said those authorities;

- 3. "Territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention:
- 4. "Designated Airline" means an airline which has been designated and authorized in accordance with Article 3 of the present Agreement;

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- 5. "Air Service", "International Air Service", "Airline" and "Stop for non-traffic purposes" have the meaning respectively assigned to them in Article 96 of the Convention;
- 6. "Tariffs" means the prices to be paid for the carriage of passengers, baggage and freight and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail;
 - 7. "Capacity" in relation to:
 - "an aircraft" the payload of that aircraft available on a route or section of a route;
 - "an agreed service" the capacity of the aircraft used on such service, multiplied by the frequency operated by such aircraft over a given period and a route or section of a route;
- 8. "Facilities and airport charges" means charges made to airlines for the provision of aircraft, their crews and passengers of airport and air navigation facilities, including related services and facilities.

ARTICLE 2 TRAFFIC RIGHTS

- 1. Each Party grants to the other Party the rights specified in the present Agreement for the purpose of establishing international schedule air services on the routes specified in the Route Schedule of the Annex thereto, (hereinafter called "the agreed services" and "the specified routes" respectively).
 - 2. The designated airlines of each Party while operating international air service on a specified route shall enjoy the following privileges:
 - a) to fly without landing across the territory of the State of the other Party;
 - b) to make stops in the said territory of the State of the other Party for non-traffic purposes; and
 - c) in addition to rights mentioned in this Article to make stops in the said territory at points specified in the Route Schedule of the Annex to this Agreement for the purpose of taking on or putting down, on international traffic, passengers, cargo and mail, separately or in combination.



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- 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 this Article shall be deemed to confer on the designated airlines of one Party the privilege of taking up in the territory of the State of the other Party, passengers, cargo or mail carried with or without remuneration or hire and destined for another point in the territory of the State of the Party.
- 5. Notwithstanding the provisions of paragraphs (1) and (2) of this Article, the operation of the agreed services in areas of hostilities or military occupation, or in areas affected thereby, shall, in accordance with Article 9 of the Convention, be subject to the approval of the competent military authorities.

ARTICLE 3 DESIGNATION OF AIRLINES AND OPERATING AUTHORIZATIONS

- 1. Each Party shall have the right to designate in writing to other Party one or more airlines for the purpose of operating the agreed service on the specified routes.
- 2. On receipt of such designation, the other Party shall, subject to the provision of paragraph (4) and (5) of this Article, without delay grant to the designated airlines the authorization to operate the agreed services (hereinafter called operating authorizations).
- 3. Prior to grant the operating authorization the Aeronautical Authorities of each Party may require the designated airline(s) to satisfy them that they are qualified to fulfil the conditions prescribed under the legislation normally and reasonably applied by such authorities to the operation of international air services.
- 4. Each Party shall have the right to refuse to grant the operating authorization, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in Article 2 of the present Agreement, in any case were the said Party is not satisfied that substantial ownership and effective control of that airlines are vested in the Party designating the airline or in the citizens of its State.
- 5. When a designated airline has been so authorized, it may begin to operate the agreed services provided that schedules, agreed between the designated airlines, are approved by the Aeronautical Authorities of the State of the Parties and tariffs established in accordance with the provisions of Article 10 of the present Agreement is in force in respect of that service.

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ARTICLE 4 REVOCATION OR SUSPENSION OF OPERATING AUTHORIZATION

- 1. Each Party shall have the right to refuse or revoke the operating authorization or to suspend the exercise of the right specified in Article 2 of the present Agreement by the airline(s) designated by the other Party, or to impose such conditions as it may deem necessary on the exercise of these rights;
 - in any case where it is not satisfied that substantial ownership and effective control of that designated airlines are vested in the Party designating the airlines or citizens of the State of such Party, or
 - b) in the case of failure by that designated airlines to comply with the legislation of the State of the Party granting these rights, or
 - in case the designated airlines otherwise fails to operate the agreed services in accordance with the conditions prescribed under the present Agreement.
- 2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringements of the legislation, such right shall be exercised only after consultation with the Aeronautical Authorities of the State of the other Party. Such consultations shall begin within a period of sixty (60) days from the date of request made by either Party for consultations, unless otherwise mutually agreed.
 - 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.

ARTICLE 5 PRINCIPLES GOVERNING OPERATION OF THE AGREED SERVICES

- 1. The designated airlines of the States of each Party shall, in all respect, enjoy fair and equal opportunity while operating agreed services on the specified routes.
 - 2. In operating the agreed services, the designated airlines of each Party shall take into account the interest of the designated airlines of the other Party so as not to affect unduly the services which the latter provides on the whole or part of the same route.
 - 3. The agreed services provided by the designated airlines of the State of the Parties shall be related to the requirements of the public for transportation on the specified routes, and each designated airline shall have as their primary objective the provision, at a reasonable load factor of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territories of States of Parties.

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- 4. Provision for the carriage of passengers and cargo including mail both taken on board and discharged at points on the specified routes in the territories of the States other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:
 - 1. Traffic requirements between the countries of origin and destination;
 - 1.a Traffic requirements of the area through which the agreed service passes;
 - 1.b The requirements of through airline operation.

ARTICLE 6 AVIATION SECURITY

- 1. Consistent with their rights and obligations under international law, the Parties affirm 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 with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft signed at Tokyo on the fourteenth day of September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on the sixteenth day of December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on the twenty third day of September 1971, the Protocol for Suppressions of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on the twenty fourth day of February 1988, the Convention on the Marking of Plastic Explosives for the Purposes of Detection signed at Montreal on the first day of March 1991 and any other multilateral agreement governing civil aviation security binding upon the Russian Federation and the United Mexican States.
- 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 with the aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention to the extent that such security provisions are applicable to the Parties. They 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 with such aviation security provisions as are applicable to the Parties. Accordingly each Party shall advise the other Party of any difference between its national regulations and practices and the aviation security standards of the Annexes referred to above. Either Party may request immediate consultations with the other Party at any time to discuss any such differences which will be held in accordance with paragraph 2 of Article 16 of the present Agreement.

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- 4. Each Party agrees that its operators of aircraft may be required to observe the aviation security provisions referred to in the paragraph (3) above applied by the other Party to enter into, departure from or while within the territory of the State of that other Party. Each Party shall ensure that adequate measures are effectively applied within the territory of its State to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding and loading. Each Party shall give positive consideration to any request from the other Party for reasonable special security measures in the territory of the State to meet a particular threat to civil aviation.
- 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, crew, airports and air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures to terminate such incident or threat as rapidly and safely to the extent practicable under the circumstances.

ARTICLE 7 AVIATION SAFETY

- 1. Certificates of airworthiness, certificates of competency and licenses, issued or rendered valid by one Party are still in force, shall be recognized as valid by the other Party for the purpose of operating the agreed services on the specified routes provided that such certificates or licenses were issued or rendered valid in conformity to the standards established under the Convention. Each Party, however, reserves the right to refuse to recognize for flights above the territory of its State certificates of competency and licenses granted to its own citizen by the other Party.
- 2. Each Party may request consultations concerning the safety standards maintained by the other Party relating to aeronautical facilities, aircrew, aircraft, and operation of the designated airlines. Such consultations shall take place within thirty (30) days of that request.
 - 3. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards and requirements in these areas that at least equal the minimum standards which may be established pursuant to the Convention, the other Party shall be notified of such findings and the steps considered necessary to conform to these minimum standards, and the other Party shall take appropriate corrective action.
 - 4. Pursuant to Article 16 of the Convention, it is further agreed that any aircraft operated by, or on behalf of an airline of one Party, may while being within the territory of the other Party be the subject of a search by the authorized representatives of that Party.

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- 5. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition provided this does not cause unreasonable delay in the operation of the aircraft.
- 6. When an urgent action is essential to ensure the safety of an airline operation, each Party reserves the right to immediately suspend the operating authorization of an airline or airlines of the other Party.

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

ARTICLE 8 EXEMPTION FROM CUSTOM DUTIES

- 1. Aircraft operated on international services by the airlines designated of each Party, as well as their regular equipment, spare parts including engines, supplies of fuel and lubricants, consumable technical supplies aircraft stores (including but no limited such items as food, beverages and tobacco) on board such aircraft shall be exempted by the other Party, on the basis of the reciprocity, from all custom duties, inspection fees and other duties or taxes on arriving in the territory of State of the other Party, provided such equipment and spare parts, supplies and stores shall remain on board the aircraft up to such time as they are re-exported or are used on board aircraft on the part of the journey to be performed over that territory.
- 2. The following equipment and items shall be exempted by the other Party, on the basis of reciprocity, from all customs duties inspection fees, and other duties or taxes not based on the cost of services provided on arrival, including:
 - aircraft stores (including, but no limited to such items as food, beverages and tobacco) taken on board in the territory of the State of one Party, within limits fixed by the authorities of the said Party, and for use on board the aircraft operated on the agreed services by the designated airline of the other Party;
 - b) regular equipment and spare parts including engines, introduced into the territory of the State of one Party for the technical maintenance or repair of aircraft used on a specified route by the designated airline of the other Party; and
 - c) fuel, lubricants and consumable technical supplies, destined to supply aircraft operated on a specified route by the designated airline of the other Party, even when these supplies are to be used on the part of the route performed over the territory of the State of the Party in which they are taken on board.



- 3. It is prohibited to use materials, supplies and spare parts as well as documents referred to in paragraph 2 of this Article above for other purposes than that directly specified in this paragraph. Materials referred to in a paragraph 2 above may be placed under the supervision or control of the Customs authorities up to such time as they may be re-exported or otherwise disposed of in accordance with customs regulations.
- 4. The regular aircraft equipment, as well as the materials, supplies and spare parts retained on board the aircraft operated by designated airlines of one Party on the agreed services, may be unloaded in the territory of the State of the other Party only with the approval of the Customs authorities of that Party. In such case they shall be placed under the customs control of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations of the State of that Party.
- 5. Baggage and cargo shall, up to such time that they are on direct transit, be exempted from customs duties, taxes and payments.
- 6. Charges corresponding to the services performed storage and customs clearance will be charged in accordance with the national legislation of the State of the Parties.

ARTICLE 9 DIRECT TRANSIT TRAFFIC

Passengers, baggage and cargo in direct transit across the territory of the State of one Party and not leaving the area of the airport reserved for such purpose, shall be only subjected to a simplified control except in respect of security measures against acts of unlawful interference, as well as transportation of narcotics and psychotropic substances.

ARTICLE 10 TARIFFS

1. The tariffs on any agreed service shall be established at reasonable levels due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of airline and the tariffs of other airlines for any part of the specified route, and other commercial considerations associated with market. These tariffs shall be fixed in accordance with the following provisions of this Article.

2. The designated airlines of Parties shall fix tariffs independently in accordance with the paragraph 1 of this Article. Tariffs on any agreed service operated pursuant to this Agreement may be required to be filed with the Aeronautical Authorities of either Party.

- 3. Where it is proposed that the Aeronautical Authorities of the State of one or either of the Parties proposed to intervene in a tariff that has been filed, the primary objectives of such intervention shall be:
 - a) preventing unreasonably discriminatory tariffs or practices;
 - protection of consumers from prices that are unreasonably high or restrictive because of the abuse of a dominant position;
 - protecting airlines from tariffs that are artificially low because of direct or indirect governmental subsidy or support.
 - d) protection of airlines from prices that are low, where evidence exist as to an intent of eliminating competition.
- 4. Tariffs established in accordance with provisions of this Article shall remain in force until the new tariffs has been established.
- 5. Neither Party shall allow its designated airline or airlines, in the establishment of tariffs, either in conjunction with any other airline or airlines or separately, to abuse market owner in a way which has or is likely or intended to have the effect of severely weakening a competitor, being a designated airline of the other Party, or excluding such a competitor form a route.
- 6. In the event that either aeronautical authority is dissatisfied with a tariff in effect for an airline of the other Party, the aeronautical authorities will endeavor to settle the matter through consultations if so requested by either authority. In any event, the aeronautical authority of a Party shall not take unilateral action to prevent the coming into effect or continuation of a tariff of an airline of the other Party.
- 7. Notwithstanding the foregoing, the designated airlines of one Party shall provide, on request, to the aeronautical authorities of the other Party the information relating to the establishment of the tariffs, in a manner and format as specified by such authorities.

ARTICLE 11 TRANSFER OF EARNINGS

1. Each Party shall on base of reciprocity, grant to the designated airlines of the other Party the right to transfer freely the revenues over expenditure earned by the said airlines in connection with the operation of the international air services. No charges other than normal bank charges shall be applicable to such transfers.

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- 2. The said transfer shall be made in any freely usable currency at the rate of exchange in effect at the time such revenues are presented for conversation and remittance and in accordance with the domestic law legislation of the State of the Party, from which territory the transfer is made.
- 3. The provisions of the present Article do not affect the issues of taxation that are the subject of the other agreement between the Parties.

ARTICLE 12 AIRLINE COMMERCIAL REPRESENTATION

- 1. The designated airlines of one Party shall be entitled, in accordance with the legislation relating to entry, residence and employment of the other Party, to bring in and maintain in the territory of the State of the other Party those of its own managerial, technical, operational and other specialist staff who are required for the provisions of the present air services.
- 2. The designated airline of one Party shall be granted the right of its own sale of transportation using their own transportation documents in the territory of the State of the other Party, and to advertise and to promote sales, in accordance with legislation of that State. Such sale, advertisement and promotion may be executed directly in the representations of the designated airlines or through of authorized agents which have an appropriate license to provide such attendance.

ARTICLE 13 FACILITIES AND AIRPORT CHARGES

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 Article 15 of the Convention.

ARTICLE 14 APPLICABILITY OF LEGISLATION

- 1. The legislation of the State of the one Party relating to the admission to, sojourn in or departure from the territory of its State aircraft engaged in international air services or to operation and navigation of such aircraft while within its territory shall be applied to aircraft of the airline designated by the other Party.
- 2. The legislation of the State of the one Party governing entry into, stay in and departure from the territory of its State passengers, crew, cargo or mail such as formalities regarding emigration, immigration, customs, currency, health and quarantine shall apply to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Party while they are within the said territory.

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3. Each Party shall, upon request, supply to the other Party copies of the relevant laws and regulations referred to in this Article.

ARTICLE 15 ENVIRONMENTAL PROTECTION

The Parties support the need to protect the environment by promoting the sustainable development of aviation. The Parties agree with regard to operations between their respective territories to comply with the ICAO Standards and Recommended Practices (SARPs) of Annex 16 of the Convention and the existing ICAO policy and guidance on environmental protection and refrain from unilateral actions when applying market based measures on carbon emissions reduction.

ARTICLE 16 CONSULTATIONS

- In a spirit of close and friendly co-operation, the Aeronautical Authorities of the Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of the present Agreement.
- 2. Such consultations shall begin within a period of sixty (60) days from the date of receipt of the request, unless otherwise agreed by the Aeronautical Authorities of the Parties.

ARTICLE 17 MODIFICATION OF AGREEMENT

- 1. If either of the Parties considers it desirable to modify the terms of the present Agreement and the Annex thereto it may request a consultation between the Aeronautical Authorities 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 Parties agree upon the prolongation of that period. The modifications of the present Agreement shall come into effect (30) days after the date of receipt via diplomatic channels of the last written notice that all national procedures concerning entry into force of that modification have been accomplished by both Parties.
- The modifications of Annex may be made by arrangements between the Aeronautical Authorities of the Parties.

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ARTICLE 18 CONFORMITY TO MULTILATERAL CONVENTIONS OR AGREEMENTS

In the event of the conclusion of any general multilateral convention or agreement concerning air transport by which both Parties become bound, the present Agreement shall be amended so as to conform with the provisions of such convention or agreement.

ARTICLE 19 SETTLEMENT OF DISPUTES

- 1. If any dispute arises between the Parties relating to the interpretation or application of the present Agreement and its Annex the Parties shall in the first place endeavor to settle it by negotiation between Aeronautical Authorities 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. 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 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. 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 International Civil Aviation Organization may be requested by either Contracting 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 Parties and shall be a national of a state having diplomatic relations with the State of both Parties at the time of the appointment.
- 4. In the case of the appointment of the umpire by the President of the Council of International Civil Aviation Organization, if the President of the Council of International Civil Aviation Organization is prevented from carrying out the said function or if he is a citizen of either Party, the appointment shall be made by the Vice-President.
- 5. The rules of procedures and the place of an Arbitration shall be determined by the Parties.
 - 6. The decisions of the arbitral tribunal shall be binding for the Parties.

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7. 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 the remaining cost shall be born in equal part by the Parties. Any expenses incurred by the Council of International Civil Aviation Organization 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.

ARTICLE 20 SUPPLY OF STATISTICS

The Aeronautical Authorities of one Party shall supply to the Aeronautical Authorities 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. Any additional statistical traffic data which the Aeronautical Authorities of the Party may desire from the Aeronautical Authorities of the other Party shall upon request be a subject of mutual discussion and agreement between the two Parties.

ARTICLE 21 REGISTRATION

This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organization.

ARTICLE 22 ENTRY INTO FORCE, DURATION AND TERMINATION

- 1. The present Agreement shall enter into force thirty (30) days after the date of the last notification through diplomatic notes by either Contracting Party to the other Party that it has fulfilled the necessary measures in accordance with its legislation for the entry into force of the present Agreement.
- 2. Upon entry into force of this Agreement, the Air Services Agreement between the Government of the Union of Soviet Socialist Republic and the Government of the United Mexican States signed on 02.08.1976 r. shall cease to be in force in regard to relations between the Russian Federation and the United Mexican States.
- 3. Each Contracting Party may at any time give notice in written to the other Contracting Party of its decision to terminate the present Agreement. Such notice shall simultaneously be communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting 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 Contracting Party, notice shall be deemed to have been received fourteen (14) days after the date of receipt of the notice by the International Civil Aviation Organization.

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

Done in _____on ___20__ in duplicate 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 applicable.

FOR THE GOVERNMENT
OF THE RUSSIAN FEDERATION

FOR THE GOVERNMENT
OF THE UNITED MEXICAN STATES

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ANNEX

TO THE AIR SERVICES AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE UNITED MEXICAN STATES

Route Schedule

Routes which may be operated by the designated airlines of the Russian Federation in both directions:

Points of origin	Intermediate points	Points of destination	Points beyond	-
Points in the Russian	Points in third	Points in the United	Points in third	
Federation	countries	Mexican States	countries	

Routes which may be operated by the designated airlines of the United Mexican States in both directions:

Points of origin	Intermediate points	Points of destination	Points beyond
Points in the United	Points in the third	Points in the Russian	Points in the third
Mexican States	countries	Federation	countries

Notes:

- 1. Intermediate points and points beyond may be omitted by the designated airlines of the Parties at their discretion, provided that the agreed services on this route start and terminate in the territory of the State of that Party.
- 2. The right of the designated airlines of one Party to transport passengers, cargo and mail between the points in the territory of the State of the other Party and points in the territory of the third countries (exercise of fifth freedom traffic right) shall be subject to the agreement and previous authorization between the Aeronautical Authorities of the Parties.
- 3. Notwithstanding Article 3 (Designation of Airlines and operating authorization), no more than two (2) designated airlines of each Party shall be allowed to operate passenger, cargo and mail scheduled air services on any given city pair between the Russian Federation and the United Mexican States.
- 4. The designated airlines of each Party may operate any number of frequencies with any kind of aircraft, according to the principles of Article 5 of the Agreement.
- 5. The flight schedules as well as operational changes for the services agreed upon, shall be submitted for approval to the Aeronautical Authorities in accordance with domestic legislation of each Party.

- 6. Any operation, along Transsiberian, Transpolar and Transasian Air Route networks in the airspace of the Russian Federation shall be subject to the separate agreement between the Aeronautical Authorities of the Parties.
- 7. Charter, additional and non-scheduled flights shall be carried out based on preliminary request of the designated as well as non-designated airlines, submitted to the Aeronautical Authorities in accordance with the legislation of both Parties.



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