MEMORANDUM OF UNDERSTANDING ON AIR TRANSPORT BETWEEN THE AERONAUTICAL AUTHORITIES OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN AND THE GOVERNMENT OF THE RUSSIAN FEDERATION

PREAMBLE

In order to expand cooperation between the two countries in the field of civil aviation within the framework of the Air Transport Agreement between the two countries singed on August 19, 1999, (corresponding to 28,05,1378) the aeronautical authorities of the Government of the Islamic Republic of Iran and the Government of the Russian Federation hereinafter referred to as the "Parties" have agreed as follows:

I. DESIGNATION OF AIRLINES

Each Party will have the right to designate and notify in writing the other Party thereof as many airlines as it wishes for operation of the agreed services on the specified routes. In accordance with Article 3 of the Air Transport Agreement between the Government of the Islamic Republic of Iran and the Government of the Russian Federation, the notification about designated airlines and specified routes will be forwarded in writing via diplomatic channels.

2. CAPACITY AND FREQUENCY

2.1 SCHEDULE FLIGHTS

The designated airline(s) of each Party will be entitled to operate a maximum of 28 frequencies per week in total sum with any type of aircraft for carriage of passengers in accordance with the Route Schedule annexed to this MOU. Any increase in frequencies will be subject to an agreement between the two Parties based on the justification of traffic requirements. In this regard, both Parties emphasized on providing just and equal opportunities.

2.2. NON-SCHEDULE FLIGHTS

- a) The designated airlines of each Party may operate non-scheduled (charter, extra, etc.) transport services only after receiving the authorization of the relevant aeronautical authorities. Such flights will be considered on an ad-hoc basis by the aeronautical authorities of each Party as per the market demand; and
- b) Such flights between the territories of the Parties will be conducted in accordance with laws and regulations of each Party and no individual ticket sale will be permitted.
- c) Request of the designated airlines for such flights will be submitted to the relevant aeronautical authorities at least five working days before the commencement of the flights.

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2.3. ALL CARGO FLIGHTS

The designated airlines of each Party will be entitled to operate all cargo flights without limitation between the territories of the two countries using any type of aircraft.

3. ROUTE SCHEDULE

The designated airlines of the Parties will be entitled to operate the specified routes in the Route Schedule annexed to this MOU.

4. CODE SHARING

In operating the agreed services on the specified routes, any designated airline of either Party may enter into commercial and/or co-operative marketing arrangements, including but not limited to blocked-space code sharing, with either designated airline(s) of the same Party; or designated airline(s) of the other Party; or airline(s) of a third country; provided that:

- a) the operating airline in such arrangements holds the appropriate operating authorization and traffic rights;
- b) both the operating and the marketing airline hold the appropriate route rights;
- c) no service will be operated by an airline of one Party for the carriage of passengers between a point in the territory of the other Party and a point in the territory of a third Party, or between two points in the territory of the ether Party, unless that operating airline has traffic rights between those two points;
- d) in respect of each ticket sold, the passenger is informed at the point of sale which airline will operate each flight forming part of the service;
- e) the activities mentioned are carried out in accordance with the laws and regulations applicable in each country, including those governing competition;
- f) the operating airline has secured any necessary approvals from the relevant aeronautical authorities, for the purposes of ensuring that the code sharing arrangement is consistent with bilateral arrangements with any relevant third country; and
- g) code sharing arrangements will be subject to approvals by the aeronautical authorities of both Parties.

5. EQUAL FACILITIES

Both Parties will provide equal facilities in their airports including fuel to be supplied to the designated airline(s) of the other Party.

6. ANNEX

Annexes to this MOU will be considered as its integral parts, unless the context otherwise requires. Any reference to the annexes will be construed as a reference to the MOU.

7. DISPUTE SETTLEMENT

Any divergence in interpretation or performance of this MOU will be settled through negotiations between the competent authorities of the Parties.

8. AMENDMENT

This MOU may be amended only by written request of either Party, and written mutual agreement of the Parties. The amendments will be made in writing and will enter into force on date of its signature by the Parties.

9. EFFECTIVE DATE

The provisions of this MOU will be implemented with immediate effect and will supersede the previous ones.

This MOU will remain valid, unless one of the Parties informs its termination in writing to the other Party. In this case, the MOU will be considered as terminated 6 months after the said notification.

This MOU comprising of a preamble and (9) Articles was made in duplicate in English language.

For the Islamic Republic of Iran

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For the Russian Federation-

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ATTACHMENT

1. Route schedule

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

Points of departure	Intermediate points	Points of destination	Points Beyond
Points in the Russian Federation	2 (two) points will be agreed later	Tehran, Isfahan, Mashhad, Rasht and 3 other points in Iran to be agreed later	Will be agreed later

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

Points of departure	Intermediate points	Points of destination	Points Beyond
Points in the Islamic Republic of Iran	Dubai and one other point will be agreed later	Moscow, St. Petersburg, Astrakhan Kazan Ufa Sochi and 1 other point in Russia to be agreed later	Will be agreed later

NOTES

- 1. Each designated airline may serve intermediate points and points beyond specified in the Annex to this MOU on condition that no fifth freedom traffic rights will be exercised between these points and the territory of the other Party, unless an agreement to that effect is made between the two Parties, based on the recommendations of the designated airlines.
- 2. Intermediate points and points beyond on any of the specified routes may, at the option of the designated airlines, be omitted on any or all flights.
- 3. The right of the designated airlines of either Party to transport passengers, cargo and mail between points in the territory of the other Party and points in the territory of a third country will be subject to agreement between the aeronautical authorities of the Parties.
- 4. Any operation along Trans-Siberian, Transpolar and Transasian air route networks in the airspace of the Russian Federation as defined in ICAO Doc 9750 will be subject to an agreement between the aeronautical authorities of the Parties in future.