

**AIR SERVICES AGREEMENT
BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF MOLDOVA AND THE GOVERNMENT OF THE
REPUBLIC OF CYPRUS**

The Government of the Republic of Moldova and the Government of the Republic of Cyprus (hereinafter referred to in this Agreement as the Contracting Parties)

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944;

Desiring to conclude the Air Services Agreement between the Government of the Republic of Moldova and the Government of the Republic of Cyprus (hereinafter referred to as the " Agreement")

For the purpose of establishing air services between and beyond their respective territories;

Have agreed as follows:

ARTICLE 1 - DEFINITIONS

1. For the purpose of this Agreement, unless the context otherwise requires:

(a) the term "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 Annexes or Convention under Articles 90 and 94 thereof so far as those Annexes and amendments have become effective for or been ratified by both Contracting Parties;

(b) the term "aeronautical authorities" means in the case of the Government of the Republic of Moldova the State Administration of Civil Aviation and in the case of the Government of the Republic of Cyprus the Minister of Communications and Works or, in both cases, any other person or body authorized to perform any functions presently exercised by the said aeronautical authorities;

(c) the term "designated airline" means an airline which has been designated and authorized in accordance with Article 4 of this Agreement;

(d) the term "tariff" means the prices to be paid for the carriage of passengers and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail;

(e) the term "territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention;

(f) the terms "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.

(g) The term "Agreement" means this Agreement, its Annexes and any amendments thereto.

2. It is understood that the titles given to the Articles of this Agreement do in no way restrict or extend the meaning of any of the provisions of this Agreement.

ARTICLE 2 - APPLICABILITY OF CHICAGO CONVENTION

The provisions of this Agreement shall be subject to the provisions of the Convention insofar as those provisions are applicable to international air services.

ARTICLE 3 - GRANTING OF RIGHTS

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

2. An airline designated by each Contracting Party shall enjoy, whilst operating an agreed service on a specified route, the following rights:

(a) to fly, without landing, across the territory of the other Contracting Party;

(b) to make stops in the said territory for non-traffic purposes; and

(c) to make stops in the said territory at the points specified for that route in the Route Schedule annexed to this Agreement, for the purpose of putting down and taking on international traffic of passengers, cargo and mail.

3. Nothing in paragraphs 1 and 2 of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking on, in the territory of the other Contracting Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

ARTICLE 4 - DESIGNATION OF AIRLINES

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes.

2. On receipt of such designation the aeronautical authorities of the other Contracting Party shall, subject to the provisions of paragraph 3 of this Article and paragraph 1 of Article 5, without delay, grant to the airline so designated the appropriate operating authorizations.

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

4. When an airline has been so designated and authorized it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of Article 16 of this Agreement is in force in respect of that service.

ARTICLE 5 - REFUSAL, REVOCATION OR SUSPENSION OF OPERATING AUTHORIZATION

1. Each Contracting Party shall have the right to refuse to grant or to revoke an operating authorization or to suspend the exercise of the rights specified in paragraph 2 of Article 3 of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of those rights:

(a) in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in the nationals of such Contracting Party; or

(b) in case of failure by that airline to comply with the laws and/or regulations of the Contracting party granting the rights; or

(c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under this 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 laws and/or regulations, such right shall be exercised only after consultation with the other Contracting Party.

3. In the event of action by one Contracting Party under this Article, the rights of the other Contracting Party under Article 19 shall not be prejudiced.

ARTICLE 6 - CHARGES

The charges to be levied by either Contracting Party for the use of airports and other aviation facilities by the aircraft of the designated airline of the other Contracting Party shall not be higher than those paid by its national aircraft engaged in similar international services.

ARTICLE 7 - EXEMPTION FROM CUSTOMS AND OTHER DUTIES

1. Aircraft of the designated airline of one Contracting Party operating international services as well as supplies of fuel, lubricating oils, other consumable technical supplies, spare parts, regular equipment and stores including food, beverages and tobacco shall, upon arriving in or leaving the territory of the other Contracting Party, be exempt on the basis of reciprocity from customs duties and taxes, inspection fees and other similar duties or charges, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported or are used or consumed by such aircraft on flights over that territory.

2. There shall also be exempt from all import duties and taxes, on reciprocal basis, air tickets, shipping documents and labels for luggage, all printed with the name or the emblem of the airline, imported into the territory of either Contracting Party by the designated airline of the other

Contracting Party or its agents, for the exclusive use for the servicing of its own aircraft and passengers

3. Regular airborne equipment, as well as materials and supplies on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of such other Party.

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

(a) aircraft stores taken on board in the territory of a Contracting Party, within limits fixed by the authorities of the said Contracting Party, and for use on board outbound aircraft engaged in an international air service of the other Contracting Party;

(b) spare parts entered into the territory of either Contracting Party for the maintenance or repair of aircraft used on international air services by the designated airline of the other Contracting Party.

5. Materials referred to in paragraphs 2, 3 and 4 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.

ARTICLE 8 – PRINCIPLES GOVERNING OPERATION OF THE AGREED SERVICES

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

2. In operating the agreed services, the designated airline of each Contracting Party shall take into account the interests of the airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same routes.

3. The agreed services provided by the designated airlines of the Contracting Parties 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 territory of the Contracting Party designating the airline and the territory of the other Contracting Party. 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 states other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:

(a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;

(b) traffic requirements of the area through which the agreed service passes, after taking account of other transport services established by airlines of the states comprising the area;

(c) the requirements of through airline operation.

4. In order that the designated airlines may be afforded fair and equal treatment, the frequency of the services and their capacity, as well as the flight schedules shall be subject to approval by the aeronautical authorities of the two Contracting Parties. This requirement should also be met in case of any change concerning the agreed services.

5. The aeronautical authorities of the two Contracting Parties should, if necessary, endeavor to reach a satisfactory arrangement regarding flight schedules, capacity and frequencies.

ARTICLE 9 - APPROVAL OF TIME-TABLES

The designated airline of either Contracting party shall, not later than sixty (60) days prior to the date of operation of any agreed service(s), submit its proposed time-tables to the aeronautical authorities of the other Contracting Party for approval. Such time-tables shall include the type of service and aircraft to be used, the flight schedule and any other relevant information. This shall, likewise, apply to any subsequent changes. In special cases this limit may be reduced subject to the approval of the said authorities.

ARTICLE 10 - SUPPLY OF STATISTICS

The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting 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 other Contracting 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 Contracting Party may desire from the aeronautical authorities of the other Contracting Party shall, upon request, be a subject of mutual discussion and agreement between the two Contracting Parties.

ARTICLE 11 - APPLICABILITY OF LAWS AND REGULATIONS

1. The laws and regulations of one Contracting Party shall apply to the navigation and operation of the aircraft of the airline designated by the other Contracting Party during entry into, stay in and departure from the territory of the other Contracting Party.
2. The laws and regulations of one Contracting Party governing entry into, stay in and departure from its territory of passengers, crew, cargo or mail such as formalities regarding entry, exit, 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 Contracting Party while they are within the said territory.

ARTICLE 12 - TRANSFER OF EARNINGS

1. Each Contracting party grants to the designated airline of the other Contracting Party the right of free transfer, in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued, of the excess of receipt over expenditure earned by that airline in the territory of the other Contracting party in connection with the carriage of passengers, mail and cargo.
2. If a Contracting Party imposes restrictions on the transfer of excess of receipts over expenditure by the designated airline of the other Contracting Party, the latter shall have the right to impose reciprocal restrictions on the designated airline of that Contracting Party.

ARTICLE 13 - RECOGNITION OF CERTIFICATES AND LICENCES

Certificates of airworthiness, certificates of competency and licenses, issued or rendered valid by one Contracting party and still in force, shall be recognized as valid by the other Contracting 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 with the standards established under the Convention. Each Contracting Party, however, reserves the right to refuse to recognize, for flights above its own territory, certificates of competency and licenses granted to its own nationals by the other Contracting Party.

ARTICLE 14 - AIRLINE COMMERCIAL REPRESENTATION

1. The designated airline of one Contracting Party shall be entitled, in accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, to bring in and maintain in the territory of the other Contracting Party those of its own managerial, technical, operational and other specialist staff who are required for the provision of air services.
2. The ground handling operations of either designated airline shall be undertaken in accordance with the laws and regulations of the other Contracting Party.
3. Each Contracting Party shall grant the designated airline of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at the airline's discretion, through agents.

ARTICLE 15 - AVIATION SECURITY

1. Consistent with their right and obligation under international law, the Contracting 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 this Agreement. Without limiting the generality of their rights and obligations under international law the Contracting 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 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft signed at the Hague on 16 December 1970 and 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, signed at Montreal on 24 February, 1988.
2. The Contracting 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 on International Civil Aviation 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.

4. Each Contracting party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within the territory of that other Contracting Party. Each Contracting 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 Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

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, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

ARTICLE 16 - TARIFFS

1. The tariffs to be charged by the airlines of the Contracting Parties for the agreed services shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service and the tariffs of other airlines operating scheduled services over the whole or part of the same routes.

2. The tariffs referred to in paragraph 1 of this Article shall, if possible, be agreed by the designated airlines of both Contracting Parties, after consultation with the other airlines operating over the whole or part of the route and such agreement shall, wherever possible, be reached by the use of

the procedures of the International Air Transport Association for the working out of tariffs.

3. The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least sixty (60) days prior to the proposed date of their introduction. In special cases this time limit may be reduced subject to the agreement of the said authorities.

4. Approval may be given expressly. If neither of the aeronautical authorities has expressed disapproval within thirty (30) days from the date of submission in accordance with paragraph 3 of this Article, these tariffs shall be considered as approved. In the event of the period for submission being reduced, as provided for in paragraph 3, the aeronautical authorities may agree that the period within which disapproval must be notified shall be less than thirty (30) days.

5. If a tariff cannot be agreed in accordance with paragraph 2 of this Article or if, during the period applicable in accordance with paragraph 4 of this Article, one aeronautical authority gives the other aeronautical authority notice of its disapproval of a tariff agreed in accordance with the provisions of paragraph 2 of this Article, the aeronautical authorities of the two Contracting Parties shall, after consultation with the aeronautical authorities of any other state or with any authority whose advice they may consider useful, endeavor to determine the tariff by mutual agreement.

6. If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph 3 of this Article, or on the determination of any tariff under paragraph 5 of this Article, the dispute shall be settled in accordance with the provisions of Article 20 of this Agreement.

7. A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established.

ARTICLE 17 - CONSULTATION AND AMENDMENT

1. In a spirit of close co-operation the two Contracting Parties or their aeronautical authorities shall consult each other from time to time with a view to ensuring the implementation of and satisfactory compliance with the provisions of this Agreement and the Annexes thereto.

2. If either Contracting Party considers it desirable to amend any of the provisions of this Agreement, it may request consultation with the other Contracting Party. Such consultation shall begin within a period of sixty

(60) days from the date of the request. Any amendments so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes following completion of the constitutional or otherwise required procedures.

3. Amendments relating only to the provisions of the Agreement other than those of the annexed Schedules shall be approved by each Contracting Party in accordance with its constitutional procedures.

4. Amendments relating only to the provisions of the annexed Schedules may be agreed upon between the aeronautical authorities of both Contracting Parties. Such amendments will become effective as soon as they are approved by both aeronautical authorities.

ARTICLE 18 - CONFORMITY WITH MULTILATERAL CONVENTIONS

This Agreement and its Annexes will be amended so as to confirm with any multilateral convention which may become binding upon the Contracting Parties.

ARTICLE 19 - TERMINATION

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

2. 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 receipt of the notice by the International Civil Aviation Organization.

ARTICLE 20 - SETTLEMENT OF DISPUTES

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall, in the first place, endeavor to settle it by negotiation.
2. If the Contracting parties fail to reach settlement by negotiation, they may agree to refer the dispute for decision to some person or body; if they do not so agree, the dispute shall, at the request of either Contracting Party, be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal, and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation organization may at the request of either Contracting Party appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall be a national of a third state and shall act as President of the arbitral tribunal.
3. The Contracting Parties shall comply with any decision given under paragraph 2 of this Article.
4. The expenses of the arbitration shall be equally shared between the Contracting Parties.

ARTICLE 21 - REGISTRATION WITH ICAO

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

ARTICLE 22-ANNEX

Annex to this Agreement shall be deemed to be part of the Agreement and all references to them shall include reference to the Annexes, except where otherwise expressly provided.

ARTICLE 23 - ENTRY INTO FORCE

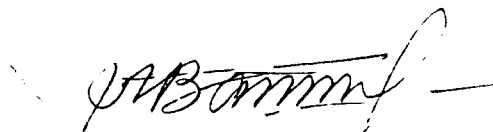
1. The validity of this Agreement is for an unlimited period.

2. This Agreement shall enter into force on the 30th day after the Contracting parties have notified each other through diplomatic notes that the required constitutional formalities have been fulfilled.

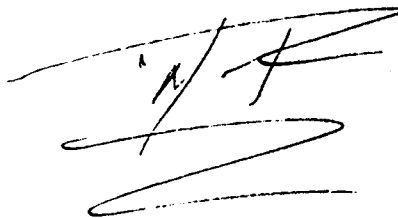
In Witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

Done in Chisinau on this 15th day of July the year 2002 two originals in Moldovan, Greek, and English language, all originals being equally authentic. In case of divergence of interpretation the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF MOLDOVA



FOR THE GOVERNMENT OF
THE REPUBLIC OF CYPRUS



ANNEX
ROUTE SCHEDULE

1. SCHEDULE 1

Routes to be operated by the designated airline of the Republic of Moldova:

<u>From</u> <u>Beyond</u>	<u>To</u>	<u>Intermediate Points</u>	<u>Points</u>
Chisinau and/or Balti	Larnaka and/or Pafos	To be agreed	To be agreed

2. SCHEDULE 2

Routes to be operated by the designated airline of the Republic of Cyprus:

<u>From</u> <u>Beyond</u>	<u>To</u>	<u>Intermediate Points</u>	<u>Points</u>
Larnaka And/or Pafos	Chisinau and/or Balti	To be agreed	To be agreed

3. No fifth freedom traffic rights shall be exercised between intermediate points or points beyond and the territory of the other Contracting Party unless an agreement to that effect is made between the aeronautical authorities of the two Contracting Parties.