

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE AERONAUTICAL AUTHORITIES OF
THE PEOPLE'S REPUBLIC OF CHINA
AND
THE REPUBLIC OF BULGARIA**

The Aeronautical Authorities of the People's Republic of China and of the Republic of Bulgaria (hereinafter referred to as the "Parties") with a view to further developing the bilateral aviation relations between the two countries in accordance with the *Air Transport Agreement between the Government of the Republic of Bulgaria and the Government of the People's Republic of China* signed in Beijing on 21 June 1993 (hereinafter referred to as the "ATA"), reached the following common understandings:

I. Implementation of Horizontal Agreement

1. Both Parties took note of the successful signing of the *Agreement between the European Union and the Government of the People's Republic of China on certain aspects of air services* (hereinafter referred as "Horizontal Agreement") on 20 May 2019 which brings the bilateral air services agreements between Member States of the European Union (EU) and the Government of the People's Republic of China in line with the EU law and provides a sound legal basis for the air services between Bulgaria and China.
2. Both Parties acknowledged the entry into force of the Horizontal Agreement on 27 March 2020, agreed to act in accordance with its provisions and to duly implement the EU carrier clauses of its article 2. These include the principle of EU designation, allowing all EU airlines established in the territory of the designating EU Member State to fly to China from any designating EU Member State (i.e. Bulgaria) having a bilateral air services agreement with China under which unused traffic rights are available.
3. Accordingly, from here on all references inside ATA to nationals of the Republic of Bulgaria shall be understood as referring to nationals of Member States of the European Union or of the European Free Trade Association, and all references to airline or airlines of the Republic of Bulgaria shall be understood as referring to airlines designated by the Republic of Bulgaria.
4. Nevertheless, the granting of traffic rights will continue to be carried out through bilateral arrangements between the People's Republic of China and the Republic of Bulgaria.

II. New Air Transport Agreement

1. Both Parties agreed that the current bilateral aviation framework based on the ATA is not sufficient to meet the further development of mutual relations in the field of civil aviation and needs to be modernized. Both Parties agreed to explore the possibility of concluding new Air Transport Agreement (hereinafter referred to as the "new ATA"), which will replace the existing ATA.
2. Both Parties agreed to continue their discussion on this subject during future consultations.
3. Pending the conclusion of new ATA, both Parties agreed to expand the bilateral traffic rights arrangements on the basis of the current ATA.

III. Number of Designations

Notwithstanding Paragraph (1) of Article 3 (Designation and Authorization) of the ATA, both Parties agreed that each Party shall have the right to designate in writing to the other Party up to four (4) airlines to operate the agreed services on the specified routes.

IV. Route Schedule

Both Parties agreed to modify the current Route Schedule annexed to the ATA as follows:

- (1) The route of the agreed services operated by the airlines designated by the People's Republic of China shall be as follows in both directions:

Points of Origin	Intermediate Points	Points of Destinations	Beyond Points
Points in China	Any points	Sofia, and three points to be nominated at the discretion of China	Any points

- (2) The route of the agreed services operated by the airlines designated by the Republic of Bulgaria shall be as follows in both directions:

Points of Origin	Intermediate Points	Points of Destinations	Beyond Points
Points in Bulgaria	Any points	Beijing, Shanghai and two points to be nominated at the discretion of Bulgaria	Any points

Notes:

- (1) The designated airline of either Contracting Party may omit, at its own discretion, any point on the specified route on any or all flights, provided that the agreed services begin or terminate in the territory of the Contracting Party designating the airline(s).
- (2) Each designated airline(s) may serve intermediate points and points beyond specified in the Route Schedule on condition that no fifth freedom traffic rights shall be exercised between such points and the territory of the other Contracting Party.
- (3) No cabotage rights are allowed.
- (4) Unless otherwise agreed, points specified in the above Route Schedule shall not include Hong Kong Special Administrative Region, Macau Special Administrative Region or points in Taiwan Province of the People's Republic of China.

V. Capacity for passenger/combination flights

The designated airline(s) of each Party shall be entitled to operate up to seven (7) frequencies per week by exercising 3rd and 4th traffic rights for scheduled passenger/combination services with no seating capacity limitations on the routes specified in the Route Schedule.

VI. Capacity for all-cargo flights

The designated airline(s) of each Party shall be entitled to operate up to seven (7) frequencies per week by exercising 3rd and 4th traffic rights for scheduled all-cargo services on the routes specified in the Route Schedule.

VII. Code-sharing Arrangements

1. When holding out agreed services on the specified routes, designated airlines of either side will be entitled to enter into cooperative arrangements, such as but not limited to code sharing, with:

- (a) an airline or airlines from China;
- (b) an airline or airlines from Bulgaria; and/or
- (c) an airline or airlines from a third country, provided that such third country

authorises or allows comparable arrangements between the airlines of the other side and other airlines on services to, from or via such third country.

2. When a designated airline acts as a marketing airline under a cooperative arrangement, the total capacity offered by that airline under that arrangement will not be counted against the capacity entitlement of the side designating the airline.

3. Airlines operating the above services shall hold the appropriate authority to do so, including route rights and traffic rights. Marketing airlines shall hold the underlying route rights. Both operating and marketing airlines shall meet the requirements normally applied to such arrangements. No fifth freedom traffic rights shall be exercised by the airline acting as the marketing airline under a cooperative arrangement on services operated by third country airlines whether or not the marketing airline has the relevant fifth freedom traffic rights.

4. The designated airlines of both sides shall, when holding services out for sale, in terms of code share, blocked-space or other joint venture arrangements, make it clear to the purchaser at the point of sale which airline will be the operating airline on each sector of the service and with which airline(s) the purchaser is entering into a contractual relationship.

5. Subject to national laws and regulations, all code-share arrangements may be required for approval or filing by the Aeronautical Authorities of both Contracting Parties. The Aeronautical Authorities of each Contracting Party may also require the marketing airline(s) to file schedules for approval.

VIII. Relations to Earlier Memoranda

This Memorandum of Understanding shall supersede the Memorandum of Understanding signed between the parties on 21 June 1993.

IX. ENTRY INTO FORCE

This Memorandum of Understanding shall enter into force from the date of its last signature.

For Aeronautical Authority of China:

For Aeronautical Authority of Bulgaria:

Administrator
Civil Aviation Administration of China

Director General
Directorate General Civil Aviation
Administration of Bulgaria

Signed in Beijing....., on 8 Dec 2023

Signed in Sofia....., on 30.11.2023r.