

**AIR SERVICES AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN
AND
THE GOVERNMENT OF HUNGARY**

The Government of the Republic of Uzbekistan and the Government of Hungary hereinafter referred to as "the Contracting Parties",

Being Parties to the Convention on International Civil Aviation and the International Air Services Transit Agreement both opened for signature at Chicago on the seventh day of December 1944;

Desiring to promote an international aviation system which offers fair and equal opportunities to their respective airlines for the operation of the services and which allows them to compete in accordance with the legislations of States of each Contracting Party;

Desiring to conclude an Agreement complementary to the said Convention for the purpose of establishing air services between and beyond their respective territories;

Desiring to facilitate the expansion of international air transport opportunities;

Desiring to ensure the highest degree of safety and security in international air transport and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property; and

Have agreed as follows:

**Article 1
Definitions**

1. For the purpose of the interpretation and application of this Agreement, except as otherwise provided herein:

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, any amendment of the Annexes or the Convention under Article 90 and 94 thereof so far as those Annexes and amendments have become effective for or have been ratified by both Contracting Parties;

b) the term “**Aeronautical Authorities**” means in the case of the Republic of Uzbekistan, the Ministry of Transport; and in the case of Hungary, the Director General of Civil Aviation or, in both cases, any person or body duly authorized to perform any function related to this Agreement exercised by the said Authorities;

c) the term “**designated airline**” means the airline providing international air services that each Contracting Party has designated to operate the agreed services on the specified routes as established in the Annex to this Agreement and in accordance with Article 3 of this Agreement;

d) the terms “**territory**”, “**international air service**”, and “**stop for non traffic purposes**” have the meanings specified in Articles 2 and 96 of the Convention;

e) the term “**Agreement**” means this Agreement, its Annex and any amendments thereto;

f) the term “**specified routes**” means the routes established or to be established in the Annex to this Agreement;

g) the term “**agreed services**” means the international air services which can be operated, according to the provisions of this Agreement;

h) the term “**tariff**” means the prices to be paid for the carriage of passengers, baggage and freight (except mail) including any significant additional benefit granted or provided together with the said transport as well as the commission to be paid in connection with the sale of tickets and with the corresponding transactions for the carriage of goods. It also includes the conditions for the application of the transport price and the payment of the appropriate commission;

i) the term “**nationals**”, in the case of the Republic of Uzbekistan, shall be understood as referring to nationals of the Republic of Uzbekistan and in the case of Hungary shall be understood as referring to nationals of European Union Member States;

j) the term “**EU Treaties**” shall be understood as referring to the Treaty on European Union and the Treaty on the functioning of the European Union.

k) the term “**user charges**” means a charge made to airlines by the relevant authorities for the use of an airport or of air navigation facilities for aircraft, their crews, passengers and cargo; and

l) references in this Agreement to **airlines of Hungary** shall be understood as referring to airlines designated by Hungary;

2. The Annex forms an integral part of this Agreement. All references to the Agreement shall include the Annex unless explicitly agreed otherwise.

Article 2

Grant of rights

1. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement, for the purpose of establishing scheduled international air services on the routes specified in the Annex hereto.

2. The airlines designated by each Contracting Party, shall enjoy, while operating an agreed service on a specified route, the following rights:

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

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

c) to make stops in the territory of the other Contracting Party at points specified in the Route Schedule in the Annex to this Agreement for the purpose of taking on or putting down international traffic of passengers, cargo and mail, jointly or separately, in accordance with the provisions of the Annex to this Agreement.

3. Airlines of either Contracting Party other than the designated airlines shall be ensured the rights specified in paragraphs a) and b) above.

4. Nothing in this Agreement shall be deemed to confer on the airline of one Contracting Party the right to take on board, in the territory of the State of the other Contracting Party, passengers, their baggage, and cargo including mail, carried for hire or remuneration for discharge at another point within the territory of the State of that other Contracting Party.

Article 3

Designation of airlines and operating authorization

1. Each Contracting Party shall have the right to designate by written notification through diplomatic channels to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes and to substitute another airline for an airline previously designated.

2. On receipt of such designation, and on application from the designated airline, in the form and manner prescribed, the other Contracting Party shall grant with minimum procedural delay the appropriate operating authorizations and permissions, subject to the provisions of paragraphs 3) and 4) of this Article.

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

4. The granting of the operating authorizations referred to in paragraph 2 of this Article shall require:

(a) in the case of an airline designated by Hungary:

i) it is established in the territory of Hungary under the EU Treaties and has a valid Operating Licence in accordance with European Union law; and

ii) effective regulatory control of the airline is exercised and maintained by the European Union Member State responsible for issuing its Air Operator Certificate and the relevant Aeronautical Authority is clearly identified in the designation;

(b) in the case of an airline designated by the Republic of Uzbekistan:

i) it is established in the territory of the Republic of Uzbekistan and has a valid Air Operator's Certificate issued by the aeronautical authorities of the Republic of Uzbekistan; and

ii) effective regulatory control of the airline is exercised and maintained by the Republic of Uzbekistan.

5. The designated airline is qualified to meet the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air transportation by the Contracting Party considering the application or applications in conformity with the provisions of the Convention; and

6. The standards set forth in Articles 9 and 10 are being maintained and administered;

7. When an airline has been so designated and authorized, it may begin at any time to operate the agreed services in accordance with the provisions established in this Agreement.

Article 4

Withdrawal or suspension of an operating authorization

1. Each Contracting Party shall have the right to revoke an operating authorization or technical permissions or to suspend the exercise of the rights granted in this Agreement given to the airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary for the exercise of these rights where:

(a) in the case of an airline designated by Hungary:

i) it is not established in the territory of Hungary under the EU Treaties or does not have a valid Operating License in accordance with European Union law; or

ii) effective regulatory control of the airline is not exercised or not maintained by the European Union Member State responsible for issuing its Air Operator's Certificate or the relevant Aeronautical Authority is not clearly identified in the designation; or

iii) the airline is already authorized to operate under a bilateral Agreement between the Republic of Uzbekistan and another European Union Member State and the Republic of Uzbekistan demonstrates that, by exercising traffic rights under this Agreement on a route that includes a point in that other European Union Member State, it would be circumventing restrictions on traffic rights imposed by that other agreement; or

iv) the airline holds an Air Operator's Certificate issued by the European Union Member State and there is no bilateral Air Services Agreement between the Republic of Uzbekistan and that European Union Member State, and traffic rights to that European Union Member State have been denied to the airline designated by the Republic of Uzbekistan.

In exercising its right under this paragraph, the Republic of Uzbekistan shall not discriminate European Union air carriers on the ground of nationality.

(b) in the case of an airline designated by the Republic of Uzbekistan:

i) it is not established in the territory of the Republic of Uzbekistan or does not have a valid Air Operator Certificate issued by the aeronautical authorities of the Republic of Uzbekistan; or

ii) effective regulatory control of the airline is not exercised or not maintained by the Republic of Uzbekistan; or

(c) in the case of failure by that airline to comply with the legislation of State of the Contracting Party granting those rights;

(d) in any case in which that airline otherwise fails to operate the agreed services in accordance with the conditions prescribed under this Agreement;

(e) in the case of failure by the other Contracting Party to comply with or apply the Safety and Security standards in accordance with Articles 9 and 10 of this Agreement.

2. Without prejudice to the provisions under Articles 9 and 10 and unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article are essential to prevent further infringement of the legislations of States of the Contracting Parties, such a right shall be exercised only after consultations with the other Contracting Party. Such consultations shall take place prior to the expiry of thirty (30) days following the request by one Contracting Party, unless both Contracting Parties otherwise agree.

Article 5

Principles governing the operation of agreed services

1. Each Contracting Party shall ensure for the designated airlines of both Contracting Parties fair and equal opportunities to compete in the operation of the agreed services governed by this Agreement. Each Contracting Party shall make sure that its designated airline or airlines operate(s) in conditions permitting the respect of this principle and shall, when appropriate, take steps to ensure such respect.

2. The agreed services to be operated by the designated airlines of the Contracting Parties between their respective territories on the specified routes shall bear close relationship to the requirements of the public for transportation and shall have as their primary objective the provision, at a reasonable load factor compatible with tariffs in compliance with the provisions of Article 14 of this Agreement, of appropriate capacity to meet the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail in order to encourage orderly development of air services between the territories of the State of the Contracting Parties.

Article 6

Fair competition

1. The Contracting Parties acknowledge that it is their joint objective to have a fair and competitive environment and fair and equal opportunity for the airlines of both Contracting Parties to compete in operating the agreed services on the specified routes. Therefore, the Contracting Parties shall take all appropriate measures to ensure the full enforcement of this objective.

2. The Contracting Parties assert that free, fair and undistorted competition is important to promote the objectives of this Agreement and note that the existence of comprehensive competition laws and of an independent competition authority as well as the sound and effective enforcement of their respective competition laws are important for the efficient provision of air transport services. The competition laws of each Contracting Party addressing the issues covered by this Article, as amended from time to time, shall apply to the operation of the air carriers within the jurisdiction of the respective Contracting Party. The Contracting Parties share the objectives of compatibility and convergence of Competition law and of its effective application.

They will cooperate as appropriate and where relevant on the effective application of competition law, including by allowing the disclosure, in accordance with their respective rules and jurisprudence, by their respective airline(s) or other nationals of information pertinent to a competition law action by the competition authorities of each other.

3. Nothing in this Agreement shall affect, limit or jeopardise in any way the authority and powers of the relevant competition authorities and courts of either Contracting Party (and of the European Commission), and all matters relating to the enforcement of competition law shall continue to fall under the exclusive competence of those authorities and courts. Therefore, any action taken pursuant to this Article by a Contracting Party shall be without prejudice to any possible actions taken by those authorities and courts.

4. Any action taken pursuant to this Article shall fall under the exclusive responsibility of the Contracting Parties and shall be exclusively directed towards the other Contracting Party and/or to airline(s) providing air transport services to/from the Contracting Parties. Such action shall not be subject to the dispute settlement procedure foreseen in Article 19 of this Agreement.

Unfair competition

5. Each Contracting Party shall eliminate all forms of discrimination or unfair practices which would adversely affect the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing air transport services.

Public subsidies and support

6. Neither Contracting Party shall provide or permit public subsidies or support to their respective airlines if these subsidies or support would significantly and adversely affect, in an unjustified way, the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing air transport services. Such public subsidies or support may include, but are not limited to: cross-subsidisation; the setting-off of operational losses; the provision of capital; grants; guarantees; loans or insurance on privileged terms; protection from bankruptcy; foregoing the recovery of amounts due; foregoing a normal return on public funds invested; tax relief or tax exemptions; compensation for financial burdens imposed by public authorities; and access on a discriminatory or non-commercial basis to air navigation or airport facilities and services, fuel, ground handling, security, computer reservation systems, slot allocation or other related facilities and services necessary for the operation of air services.

7. When a Contracting Party provides public subsidies or support in the sense of paragraph 6 above to an airline, it shall ensure the transparency of such measure through any appropriate means, which may include requiring that the airline identifies the subsidy or support clearly and separately in its accounts.

8. Each Contracting Party shall, at the request of the other Contracting Party, provide to the other Contracting Party within a reasonable time financial reports relating to the entities under the jurisdiction of the first Contracting Party, and any other such information that may be reasonably requested by the other Contracting Party to ensure that the provisions of this Article are being complied with. This may include detailed information relating to subsidies or support in the sense of paragraph 6 above. The submission of such information may be subject to its confidential treatment by the Contracting Party requesting access to the information.

9. Without prejudice to any action undertaken by the relevant competition authority and/or court for the enforcement of the rules referred to in paragraphs 5 and 6:

(a) if one Contracting Party finds that an airline is being subject to discrimination or unfair practices in the sense of paragraphs 5 or 6 above and that this can be substantiated, it may submit observations in writing to the other Contracting Party. After informing the other Contracting Party, a Contracting Party may also approach responsible government entities in the territory of State of the other Contracting Party, including entities at the

central, regional, provincial or local level to discuss matters relating to this Article. Moreover, a Contracting Party may request consultations on this matter with the other Contracting Party with a view to solving the problem. Such consultations shall start within a period of thirty (30) days of the receipt of the request. In the meantime, the Contracting Parties shall exchange sufficient information to enable a full examination of the concern expressed by one of the Contracting Parties.

(b) if the Contracting Parties fail to reach a resolution of the matter through consultations within thirty (30) days from the start of consultations or consultations do not start within a period of thirty (30) days of the receipt of the request concerning an alleged violation of paragraphs 5 or 6 above, the Contracting Party which requested the consultation shall have the right to suspend the exercise of the rights specified in this Agreement by the airline(s) of the other Contracting Party by refusing, withholding, revoking or suspending the operating authorisation, or to impose such conditions as it may deem necessary on the exercise of such rights, or impose duties or take other actions. Any action taken pursuant to this paragraph shall be appropriate, proportionate and restricted with regard to scope and duration to what is strictly necessary.

Antitrust

10. Each Contracting Party shall effectively apply antitrust laws in accordance with paragraph 2, and shall prohibit airline(s):

(a) in conjunction with any other airline(s) to enter into agreements, take decisions or engage in concerted practices which may affect air transport services to/from that Contracting Party and which have as their object or effect the prevention, restriction or distortion of competition. This prohibition may be declared inapplicable where such agreements, decisions or practices contribute to improving the production or distribution of services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and do not: (a) impose on the airlines concerned restrictions which are not indispensable to the attainment of these objectives; (b) afford such airlines the possibility of eliminating competition in respect of a substantial part of the services in question, and

(b) to abuse a dominant position in a way which may affect air transport services to/from that Contracting Party.

11. Each Contracting Party shall entrust the enforcement of the antitrust rules referred to in paragraph 10 above exclusively to its relevant and independent competition authority and/or court.

12. Without prejudice to any action undertaken by the relevant competition authority and/or court for the enforcement of the rules referred to in paragraph 10, if one Contracting Party finds that an airline suffers from an alleged violation of paragraph 10 above and that this can be substantiated, it may submit observations in writing to the other Contracting Party. After informing the other Contracting Party, a Contracting Party may also approach responsible government entities in the territory of the other Contracting Party, including entities at the central, regional, provincial or local level to discuss matters relating to this Article. Moreover, a Contracting Party may request consultations on this matter with the other Contracting Party with a view to solving the problem. Such consultations shall start within a period of thirty (30) days of the receipt of the request. In the meantime, the Contracting Parties shall exchange sufficient information to enable a full examination of the concern expressed by one of the Contracting Parties.

13. If the Contracting Parties fail to reach a resolution of the matter through consultations within thirty (30) days from the start of consultations or consultations do not start within a period of thirty (30) days of the receipt of the request concerning an alleged violation of paragraph 10, and provided the relevant competent competition authority or court has found an antitrust violation, the Contracting Party which requested the consultation shall have the right to suspend the exercise of the rights specified in this Agreement by the airline(s) of the other Contracting Party by refusing, withholding, revoking or suspending the operating authorisation, or to impose such conditions as it may deem necessary on the exercise of such rights, or impose duties or take other actions. Any action taken pursuant to this paragraph shall be appropriate, proportionate and restricted with regard to scope and duration to what is strictly necessary.

Article 7

Application of laws and regulations

1. Legislation of State of each Contracting Party as to the admission to, sojourn in, or departure from its State territory of aircraft engaged in international air services or related to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the designated airlines of the other Contracting Party without distinction as to nationality as they are applied to its own and shall be complied with by such aircraft upon entry into, departure from and while within the Territory of that Contracting Party.

2. The legislation controlling over the entry, movement, stay and departure of passengers, crew, baggage, mail and cargo, over the territory of State of each Contracting Party, and also the regulations related to the requirements of entry and departure from the country, clearance, aviation security, immigration, customs passports, currency, and health, quarantine and sanitary measures, shall be applied in such territory to the operations of the designated airlines of the other Contracting Party.

3. Neither Contracting Party may grant any preference to its own or any other airlines over the Designated Airlines of the other Contracting Party in the application of the laws and regulations provided for in this Article.

Article 8

Recognition of certificates and licences

1. Certificates of airworthiness, certificates of competency and licences issued or rendered valid in accordance with the legislation of State of one Contracting Party, including, in the case of Hungary, European Union law, 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 in the Annex to this Agreement, provided that the requirements under which such certificates and licences were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention.

2. Each Contracting Party reserves the right, however, of refusing to recognize the validity of the certificates of competency and the licences granted to its own nationals by the other Contracting Party, for the purpose of overflying and/or landing in its own territory.

Article 9

Aviation safety

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

2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting 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 this Agreement.

3. Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated or leased by the airline or airlines of one Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorised representatives of the other Contracting 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 (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:

a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention, or

b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

the Contracting 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 certificate 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 Contracting Party in accordance with paragraph 3 above is denied by the representative of that airline or airlines, the other Contracting 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 Contracting Party reserves the right to suspend or vary the operating authorisation of an airline or airlines of the other Contracting Party immediately in the event the first Contracting Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultation or other form of dialogue that immediate action is essential to the safety of an airline or airlines operation.

7. Any action by one Contracting Party in accordance with paragraphs 2 or 6 above shall be discontinued once the basis for the taking of that action ceases to exist.

8. When Hungary has designated an airline whose regulatory control is exercised and maintained by another European Union Member State, the rights of the other Contracting Party under this Article shall apply equally in respect of the adoption, exercise or maintenance of safety standards by that other European Union Member State and in respect of the operating authorization of that airline.

Article 10

Aviation security

1. Consistent with their rights and obligations 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.

2. The assurance of safety for civil aircraft, their passengers and crew being a fundamental pre-condition for the operation of international air services, the Contracting Parties reaffirm that their obligations to each other to provide for the security of civil aviation against acts of unlawful interference (and in particular their obligations under the Chicago Convention and its Annexes, 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, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971 and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988) form an integral part of this Agreement.

3. They shall require that operators of aircraft of their registry or operators of aircraft which have their principal place of business or permanent residence in the Territory of the Contracting Parties or, in the case of Hungary operators of aircraft which are established in its Territory under the EU Treaties and have valid Operating Licences in accordance with the law of the European Union, and the operators of airports in their Territory act in conformity with such aviation security provisions.

4. 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 relevant threat to the security of civil aviation.

5. In addition, the Contracting 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 with such aviation security provisions as are applicable to the Contracting Parties.

6. Each Contracting Party agrees that its operators of aircraft shall be required to observe, for departure from or while within the Territory of the other Contracting Party, aviation security provisions in conformity with the law in force in that country, including, in the case of Hungary, European Union law.

7. Each Contracting Party shall ensure that measures are effectively applied within its Territory to protect the aircraft and to security screen their passengers, crew and carry on items and to carry out appropriate security checks on baggage, cargo and aircraft stores prior to boarding or loading. Each Contracting Party also agrees to give positive consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

8. 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 and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate such incident or threat as rapidly as possible commensurate with minimum risk to life from such incident or threat.

9. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its Territory is detained thereon unless its departure is necessitated by the overriding duty to protect the lives of its passengers and crew.

10. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the Aeronautical Authority of the first Contracting Party may request immediate consultations with the Aeronautical Authority of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds for the application of paragraph (1) of Article 4 of this Agreement. When required by an emergency, a Contracting Party may take interim action under paragraph (1) of Article 4 prior to the expiry of fifteen (15) days. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Contracting Party with the security provisions of this Article .

Article 11

User charges

1. User charges that may be imposed by the relevant Authorities or bodies from one Contracting Party on the designated airline or airlines of the other Contracting Party for the use of airport facilities and services, safety, security, air navigation and other facilities under their control shall be just, reasonable, non-discriminatory and equitably apportioned among categories of users. They shall not be higher than those imposed for the use of such services and facilities by any other airline operating the same or similar international services.

2. These charges may reflect, but shall not exceed, an equitable proportion of the total cost incurred for the provision of airport facilities and services as well as the safety, security and air navigation services and facilities. The services and facilities for which charges are made, shall be provided on an economic and efficient basis. The Authorities or relevant bodies of each Contracting Party shall notify the designated airline or airlines of the other Contracting Party of any proposed significant change concerning these charges; such notification shall take place within a reasonable period of time before the change enters into force. In case of an increase of charges, each Contracting Party shall encourage consultations

between the Authorities or relevant bodies in its territory and the airlines using the services and facilities.

Article 12

Customs duties and taxes

1. Aircraft operated on agreed services by the designated airlines of either Contracting Party, as well as their regular equipment (the equipment necessary to be used during the operation of the aircraft), supplies of fuels and lubricants, and aircraft stores (including food, beverages and tobacco) which are on board such aircraft shall be exempt, on a reciprocal basis and in accordance with the applicable legislation, from all limitations on imports, taxes on property, customs duties, special taxes and fees or similar charges and other duties or taxes levied in the territory of the State of the other Contracting Party, provided that such equipment and supplies remain on board the aircraft up to such time as they are re-exported.

2. There shall also be an exemption 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 State of either Contracting Party, within the limits fixed by the Authorities of the said Contracting Party, and for use on board the aircraft operated on agreed services by the designated airlines of the other Contracting Party;

b) spare parts, brought into the territory of State of either Contracting Party for the maintenance or repair of aircraft operated on agreed services by the designated airlines of the other Contracting Party;

c) fuels and lubricants destined to supply aircraft operated in international air services by the designated airlines of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of State of the Contracting 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 Contracting Party may be unloaded in the territory of State of the other Contracting 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 national customs legislation of the Contracting Parties.

4. The exemptions provided for by this Article shall also be available in situations where the designated airlines of either Contracting Party have entered into arrangements with other airlines, for the loan or transfer in the territory of State of the other Contracting 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 Contracting Party.

5. Passengers in transit across the territory of State of either Contracting Party as well as their baggage shall be subject to the controls established under the national customs legislation of the Contracting Parties. Baggage and cargo in direct transit shall be exempted from customs duties and other taxes.

6. The exemptions provided for in this Article shall be granted in accordance with the procedures established in the national customs legislation of the Contracting Parties.

7. In conformity with European Union legislation, nothing in this Agreement shall prevent Hungary from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated airline of the Republic of Uzbekistan that operates between a point in the territory of Hungary and another point in the territory of Hungary or of another European Union Member State.

8. Nothing in this Agreement shall prevent the Republic of Uzbekistan from imposing, on a non-discriminatory basis, taxes, levies, duties, fees or charges on fuel supplied in its territory for use in an aircraft of a designated airline of Hungary that operates between a point in the territory of the Republic of Uzbekistan and another point in the territory of the Republic of Uzbekistan.

9. In the event that there exists an applicable special agreement between the Contracting Parties for the avoidance of double taxation such agreement shall prevail.

Article 13

Capacity

1. There shall be a fair and equal opportunity for the designated airlines of the Contracting Parties to operate the agreed services on the routes specified in this Agreement.

2. The frequencies, capacity and traffic rights to be provided by the designated airlines of each Contracting Party shall be agreed through discussions between the Aeronautical Authorities of both Contracting Parties.

3. Airlines designated by a Contracting Party shall submit their schedules for approval to the Aeronautical Authorities of the other Contracting Party at least thirty (30) days prior to the beginning of the operation. For the approval of the schedules, airlines shall submit their operations that shall include in particular the timetables, the frequency of the services, the types of aircraft, the configurations and the numbers of seats to be made available to the public.

4. Any alteration made in an approved schedule at a later date shall also be submitted for approval.

5. In instances where any of the Contracting Parties considers that the services provided by one or more airlines of the other Contracting Party do not comply with the requirements and principles provided by this Article, it may ask for consultations in accordance with Article 18 of this Agreement in order to examine the operations in question and determine on a mutual basis any action which may be deemed necessary.

Article 14

Tariffs

1. The tariffs to be charged by the designated airlines of each Contracting Party for the international carriage in the services provided under this Agreement shall be freely established at reasonable levels, due regard being paid to all relevant factors, including the cost of operation, the characteristics of the service, the interests of users, a reasonable profit and other market considerations. Neither Contracting Party shall require their airlines to consult other airlines about the tariffs they charge or propose to charge for services covered by this Agreement.

2. Without prejudice of the applicable competition and consumer protection laws prevailing in each Contracting Party, neither Contracting Party shall take unilateral action to prevent the inauguration or continuation of an effective tariff proposed to be charged or charged by a designated airline of the other Contracting Party for international air transportation in the services provided under this Agreement. Intervention by the Contracting Parties shall be limited to:

- a) prevention of unreasonably discriminatory prices or practices;
- b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position;
- c) protection of airlines from prices that are artificially low due to direct or indirect subsidy or support;

d) protection of airlines from prices that are artificially low, where evidence exists as to an intent to eliminate competition.

3. Where the Aeronautical Authorities find that a certain tariff falls within the categories set forth in paragraph 2.a, 2.b, 2.c and 2.d of this Article they shall send reasoned notification of its dissatisfaction to the Aeronautical Authorities of the other Contracting Party and to the airline involved as soon as possible; and it may request consultations in accordance with the procedures established under paragraph 4 of this Article.

4. The Aeronautical Authorities of each Contracting Party may request the Aeronautical Authorities of the other Contracting Party consultations on any tariff charged by an airline of the other Contracting Party for the International carriage to or from the territory of State of the first Contracting Party, including those tariffs for which a notice of dissatisfaction has been given. These consultations shall be held not later than thirty (30) days after receipt of the request. The Contracting Parties shall cooperate in securing the necessary information for a reasoned resolution of the issue. If an agreement is reached with respect to a tariff for which a notice of dissatisfaction has been given, the Aeronautical Authorities of each Contracting Party shall use their best efforts to put that agreement into effect. If such mutual agreement is not reached, the tariff shall go into effect or continue in effect.

Article 15

Commercial opportunities

1. The designated airlines of each Contracting Party shall be allowed, on the basis of reciprocity, to maintain in the territory of State of the other Contracting 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 Contracting 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 State of the other Contracting Party, and authorized to perform such services in the territory of State of that Contracting Party.

3. Each Contracting Party shall grant the necessary staff of the designated airline or airlines of the other Contracting Party, on the basis of reciprocity, authorized access in its territory to the airport and the areas concerned by the aircraft operations, crew, passengers and cargo of a designated airline of the other Contracting Party.

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

5. Subject to the laws and regulations of each Contracting Party, including, in the case of Hungary, European Union law, each airline shall have in the territory of the other Contracting Party the right to perform its own ground handling ("self-handling") or, at its option, the right to select among competing suppliers that provide ground handling services in whole or in part. Where or as long as the laws and regulations applicable to ground-handling in the territory of State of one Contracting 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.

6. 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 legislation in force in each Contracting Party.

7. 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.

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

9. The airlines designated by the Contracting Parties shall be permitted to make such remittances on the due dates in foreign currency at the official rate of exchange in force at the time of the request.

10. The designated airlines of each Contracting Party shall be permitted to employ, in connection with international air transport, any surface transport to or from any points in the State territories of the Contracting Parties or third countries. Airlines may elect to perform their own surface transport or to provide it through arrangements, including code share, with other surface carriers. Such intermodal services may be offered

as a through service and at a single price for the air and surface transport combined, provided that passengers and shippers are informed as to the providers of the transport involved.

Article 16

Cooperative marketing arrangements

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 Contracting Party may enter into co-operative marketing arrangements such as blocked space or code sharing with airlines of any one of the two Contracting Parties or with third country airlines holding the appropriate route and traffic rights. In the event of third country airlines, should such a third Party not authorise or allow comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such third country, the aeronautical authorities of the concerned Contracting Party have the right not to accept such arrangements.

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 Contracting 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 Contracting 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 Contracting 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 Contracting Parties, such as protection of and information to passengers, security, liability and any other requirements generally applied to other airlines operating international traffic. In respect of each ticket sold, the purchaser must be informed at the point of sale which airline will operate each sector of the service.

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

Article 17

Statistics

The Aeronautical Authorities of either Contracting Party shall supply to the Aeronautical Authorities of the other Contracting Party, at their request, the information and statistics related to the traffic carried by the airlines designated by one Contracting Party on the agreed services to or from the territory of State of the other Contracting Party in the same form as they have been prepared and submitted by the designated airlines to their national Aeronautical Authorities. Any additional statistical data related to traffic which the Aeronautical Authorities of one Contracting Party may request from the Aeronautical Authorities of the other Contracting Party shall be subject to discussions between the Aeronautical Authorities of both Contracting parties, at the request of either Contracting Party.

Article 18

Consultations and modifications

1. In a spirit of close cooperation, the Aeronautical Authorities of the Contracting 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 Agreement. Such consultations shall begin within a period of sixty (60) days of the date of receipt of a request for consultations by a Contracting Party.

2. If either Contracting Party considers it desirable to modify any of the provisions of this Agreement, it may request consultation with the other Contracting Party. Such consultation may be conducted by discussion or correspondence and shall begin within a period of sixty (60) days from the date of the request. Any modifications so agreed shall come into force in accordance with Article 23.

3. The amendments or modifications to this Agreement agreed upon according to the provisions of paragraph 2 of this Article shall, where appropriate, come into effect after confirmation, through diplomatic channels, that the internal procedures required in each Contracting Party have been completed.

Article 19

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, endeavour to settle it by direct negotiation. The Aeronautical Authorities can be involved in such negotiations in accordance with the provisions of Article 18 paragraph 1 of this Agreement.

2. If the Contracting Parties fail to reach an agreement, the dispute shall be settled through diplomatic consultations. Such consultations shall begin within a period of no more than sixty (60) days following the date of receipt of a request for consultations by one Contracting Party.

3. If the Contracting Parties fail to reach a settlement by negotiation in accordance with paragraphs 1 and 2 of this Article, the dispute may, 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 a third to be appointed by the two so nominated. Each Contracting Party 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 on the dispute. The third arbitrator shall be appointed within a further period of sixty (60) days as from the designation of the second arbitrator. This third arbitrator shall be a national of another State, shall act as the President of the Tribunal and shall determine the venue where the Arbitration shall be held. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators, as the case requires. In such a case, the third arbitrator shall be a national of a third State and shall act as the President of the Tribunal.

4. The arbitral tribunal shall freely determine its procedures. The expenses of the national arbitrators shall be borne by the Contracting Party that nominated him. All other expenses of the arbitral tribunal shall be shared equally between the Contracting Parties.

5. The Contracting Parties shall comply with any decisions under paragraph 3 of this Article.

6. In any case where one of the Contracting Parties does not comply with a decision under paragraph 3 of this Article and for as long as it so does, the other Contracting Party may limit, refuse or revoke any right or privilege granted under this Agreement.

Article 20

Registration with ICAO

The Agreement, including any amendments thereto, shall be registered with the International Civil Aviation Organization.

Article 21

Multilateral conventions

In the event of the conclusion by both Contracting Parties of a Multilateral Convention or Agreement concerning matters regulated by this Agreement after the latter has come into force, the said Contracting Parties shall hold consultations in accordance with Article 18 of this Agreement in order to determine the advisability of revising the Agreement to conform to the provisions of such Multilateral Convention or Agreement.

Article 22

Termination

Either Contracting Party may at any time through diplomatic channels notify to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such cases, the Agreement shall terminate twelve (12) months after the date when the notice has been received 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, the notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article 23

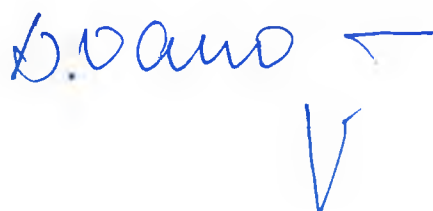
Entry into force

The present Agreement shall enter into force on the first day of the second month following the date of receipt through diplomatic channels of the last written notification that the Contracting Parties has finished internal state procedures necessary for the entry into force of the Agreement.

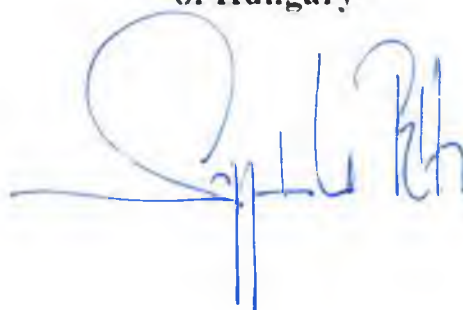
In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Budapest on "19" August 2023, in two original copies, in the Uzbek, Hungarian and English languages, all texts being equally authentic. In the event of any divergence of interpretation, the English text shall prevail.

**For the Government
of the Republic of Uzbekistan**

Handwritten signature in blue ink, appearing to read "D. Vano", followed by a horizontal line and a large "V" below it.

**For the Government
of Hungary**

Handwritten signature in blue ink, consisting of a large loop followed by several vertical strokes.

ANNEX I

To the Air Services Agreement between the Government of the Republic of Uzbekistan and the Government of Hungary

ROUTE SCHEDULE

Section I

The airlines designated by the Aeronautical Authorities of the Republic of Uzbekistan are entitled to operate air services on the specified routes:

Points in the Republic of Uzbekistan	Intermediate points	Points in Hungary	Points beyond
any point or points	any point or points	any point or points	any point or points

Section II

The airlines designated by the Aeronautical Authorities of Hungary are entitled to operate air services on the specified routes:

Points in Hungary	Intermediate points	Points in the Republic of Uzbekistan	Points beyond
any point or points	any point or points	any point or points	any point or points

Notes:

1. The designated airlines may change the order or omit one or more points on the routes indicated in sections I and II of this Annex, in whole or part of its services, provided that the departure point on the route is located in the territory of State of the Contracting Party which has designated such airlines.

2. The designated airlines of each Contracting Party may, at their convenience, serve in co-terminalisation points of the specified routes in sections I and II in the territory of State of the other Contracting Party.

3. The points in the territory of the Republic of Uzbekistan and the points in the territory of Hungary indicated in sections I and II and intermediate points and points beyond established on both routes to be operated without fifth freedom traffic rights, shall be freely selected by the designated airlines of each Contracting Party and agreed by the Aeronautical Authorities of each Contracting Party (30) days before the commencement of the services. The points initially selected may be replaced likewise.

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