

**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

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2. ✓ 2

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