



On approval of the Rules of subsidizing aviation fuel for priority international air routes

Unofficial translation

Order No. 675 of the Government of the Republic of Kazakhstan dated September 10, 2019.

Unofficial translation

In accordance with subparagraph 60-3) of Article 13 of the Law of the Republic of Kazakhstan “On Use of Air Space of the Republic of Kazakhstan and Aviation Activity”, the Government of the Republic of Kazakhstan **hereby RESOLVES:**

Footnote. The preamble as amended by the resolution of the Government of the Republic of Kazakhstan dated 22.12.2023 No. 1164 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

1. To approve the attached Rules of subsidizing aviation fuel for priority international air routes.

2. This resolution shall be enforced on January 1, 2020.

*Prime Minister
of the Republic of Kazakhstan*

A. Mamin

Approved by
Order No. 675 of the Government
of the Republic of Kazakhstan
dated September 10, 2019

Rules

of subsidizing aviation fuel for priority international air routes Chapter 1. General Provisions

1. These Rules of subsidizing aviation fuel for priority international air routes (hereinafter - the Rules) have been developed in accordance with subparagraph 60-3) of Article 13 of the Law of the Republic of Kazakhstan “On Use of Air Space of the Republic of Kazakhstan and Aviation Activity”, and establish the procedure for subsidizing aviation fuel (hereinafter - aviation fuel) for priority international air routes.

Footnote. Paragraph 1 as amended by the resolution of the Government of the Republic of Kazakhstan dated 22.12.2023 No. 1164 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

2. Priority international air routes carried out on the basis of resolutions of the Government of the Republic of Kazakhstan, which do not yield income sufficient for the air route efficacy, shall be subsidized from budgetary funds.

3. Jet fuel costs shall be subject to subsidization in the existence of a general negative difference between the income yielded from the carriage of passengers, goods, mail and baggage, and the operating expenses sum generated during the air carriage on new priority

international air routes in one year, within the annual amount of budget subsidies allocated on each air route not exceeding 10% of the cost of aviation fuel expenses.

Chapter 2. Order of subsidizing aviation fuel for priority international air routes

4. Priority international air routes, proposed for subsidies from the republican budget, in accordance with legal procedure, shall be integrated into budget application by the authorized body in the field of civil aviation, submitted to the authorized body for budget planning when formulating the republican budget for the relevant financial year.

5. Budget subsidies shall be provided to the extent determined by the law on the republican budget for the corresponding financial year.

6. To receive budget subsidies, the administrator of the respective budget programme and the air company holding a valid certificate for a subsidized air route, shall sign an agreement on budget subsidizing of the aviation fuel for priority international air routes (hereinafter the “agreement”) in accordance with the form of Appendix 1 to these Rules.

7. Upon signing of the Agreement, the air company shall monthly, by the 20th day of the month following the reporting one, submit to the authorized body the following documents certified by the chief executive, chief accountant:

- report on subsidized priority international air routes in accordance with Appendix 2 to these Rules;

- report on aviation fuel expenses on subsidized priority international air routes in accordance with Appendix 3 to these Rules.

8. Act on services rendered shall be drawn between the air company and the authorized body in civil aviation, after acceptance of the monthly report on subsidized priority international air routes in accordance with the form of Appendix 4 to these Rules.

9. Budget subsidies shall be paid monthly in the amount of allocated funds according to the financing plan of the approved budget programme.

Budget subsidies for the reporting month shall be paid no later than the 30th day of the month following the reporting month.

10. Budget subsidies for the last calendar month of the year shall be paid on the basis of preliminary act of services rendered on subsidized air routes presented no later than December 20, drawn up according to forecast data, with subsequent submission of the report drawn up on actual data no later than the 20th day of the next month.

At the end of the fiscal year, the air company and the authorized body in the civil aviation shall reconcile payments with the preparation of acts of reconciliation and work performed.

11. Subsidies shall not be paid to air companies that have not executed the agreement terms during the air route operation, also in the event of revocation of the certificate for the air route in accordance with the Rules for holding a competition for subsidized flights and

issuing of certificates for subsidized flights to provide services on transportation of passengers, baggage, cargo and mail, approved by the order of the Acting Minister of Transport of the Republic of Kazakhstan No. 95 dated November 24, 2023.

Footnote. Paragraph 11 as amended by the resolution of the Government of the Republic of Kazakhstan dated 22.12.2023 No. 1164 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Appendix 1
to the Rules of subsidizing
aviation fuel for priority
international air routes

**Agreement No. _____
on budget subsidizing of aviation fuel for priority
international air routes**

" ____ " _____ 20__ year

Location

_____ ,
referred to as (full name of the customer)

Further the customer, on behalf of

_____ ,
(full name of the authorized person)

On the one hand and

_____ ,
referred to as (full name of the contractor)

further the contractor, on behalf of

_____ ,
(position, full name of the authorized person),

acting on the basis of the

_____ ,
(charter, Provision, etc.)

further referred to as the "Parties", signed this agreement

(further – the agreement) as follows:

1. Subject of the Agreement

1. The Contractor shall perform regular air carriages on priority international air routes that do not yield the income sufficient for the international air route efficacy.

2. The customer shall subsidize jet fuel at the republican budget expense. Expenses on jet fuel generated during the air carriage shall be subject to subsidies within the annual amount of budget subsidies allocated for each international air route.

3. Priority international air routes connecting the capital, cities of republican status with cities of foreign states, determined by the resolution of the Government of the Republic of Kazakhstan, proposed for jet fuel subsidizing from the republican budget, are reflected in the supplement to this agreement.

2. Rights and obligations of the parties

4. The customer undertakes to provide budget subsidies for jet fuel on priority international air routes as required by law and the terms of this agreement.

5. The Contractor undertakes to timely and in good faith carry out international air transportation in accordance with the certificates for air routes, laws regulating the civil aviation activity.

2. Mutual settlement procedure

6. The contractor shall submit to the customer the following documents on a monthly basis by the 20th day of the month following the reporting month, certified by the chief executive, chief accountant:

- report on subsidized priority international air routes of the air company in accordance with Appendix 2 to these Rules;

- report on aviation fuel expenses on subsidized priority international air routes in accordance with Appendix 3 to these Rules.

7. After adoption of the monthly report on subsidized priority international air routes, an act of services rendered shall be drawn between the contractor and the customer in accordance with Appendix 4 to the Rules, and budget subsidies shall be paid monthly in the amount of funds allocated according to the financing plan of the approved budget programme.

Budget subsidies for the reporting month shall be paid no later than the 30th day of the month following the reporting month.

8. Budget subsidies for the last calendar month of the year shall be paid on the basis of a preliminary act of services rendered on the subsidized priority international air routes presented no later than December 20, drawn up according to forecast data, with subsequent submission of a report drawn up on actual data no later than the 20th day of the next month.

9. Upon the financial year results the air company and the authorized body shall reconcile settlements with the preparation of acts of reconciliation and work performed.

4. Responsibility of the Parties

10. The parties shall bear responsibility for non-performance or improper performance of obligations under this agreement in accordance with applicable law.

11. The party that breached its obligations under this agreement shall undertake to notify the other Party thereof within no more than three calendar days and do everything in its power to eliminate the breach.

5. Force majeure

12. In the event of force majeure circumstances, each Party shall within a period of not more than three calendar days immediately notify the other Party thereof.

13. "Force majeure" circumstances shall mean natural disasters, actions of state bodies that impede implementation of this agreement, military operations, declaration of a state of emergency, mobilization measures, weather and environmental conditions, and any other circumstances that, regardless of the Parties, prevent them from fulfilling their obligations under this agreement.

14. In the event that force majeure circumstances last and do not cease within thirty calendar days, the Parties shall agree in writing on their further actions under this agreement.

6. Duration, terms of amendment and termination of the agreement, dispute settlement procedure

15. This agreement shall take effect on _____ " ____ " _____ 20__ year and is valid until " ____ " _____ 20__ year.

16. The validity term of this agreement may be extended with the consent of both Parties for the period provided for by the certificate for the international air route, with the relevant additional agreement drawn.

17. This agreement may be terminated on the following grounds:

1) withdrawal of the certificate for the international air route (for the provision of passenger, baggage, cargo and mail carriage services);

2) by mutual consent of the Parties;

3) at the request of one of the Parties, in case of non-execution of obligations by the other Party.

18. Unilateral refusal to execute this agreement or unilateral termination of this agreement shall be carried out in accordance with the civil legislation of the Republic of Kazakhstan.

19. The parties shall settle arising disputes and disagreements through negotiations, in the event of failure of settlement through negotiations - in court in accordance with the legislation governing the civil aviation activity.

20. All changes and additions to this agreement shall be made in writing in _____ language (s) in two copies, one for each of the Parties with equal legal force, and signed by both Parties.

21. This agreement is concluded in the city _____ " ____ " _____ 20__ year in duplicate in the _____ language (s), in one copy for each of the Parties with equal legal force.

Date of the flight					hour of the aircraft	Airport services				Other expenses	Other costs	passengers carried)
1	2	3	4	5	6	7	8	9	10	11	12	13

Table continuation

Income	Amount to be subsidized
14	15

Chief executive _____

(signature, full name of the chief executive)

Chief accountant _____

(signature, full name of the chief accountant)

Appendix 3
to the Rules of subsidizing
aviation fuel for priority
international air routes

Report

on aviation fuel expenses on priority international air routes

_____ in _____ month _____ year

(name of the air company)

Frequency: monthly, measurement unit – KZT, with VAT

Date of the flight	Flight No.	Route	Flight time	Aircraft type	Cost of jet fuel	Cost of refueling services	Expenses of rail fare	Cargo dispatching and shunting expenses	Access roads, railway security	Transportation by tankers	Storage of jet fuel (storage terminal, airport)	Other expenses
1	2	3	4	5	6	7	8	9	10	11	12	13

Table continuation

Total expenses on jet fuel	Amount to be subsidized
14	15

Chief executive _____

(signature, full name of the chief executive)

Chief accountant _____

(signature, full name of the chief accountant)

Appendix 4
to the Rules of subsidizing
aviation fuel for priority
international air routes

Form

Act on services rendered

" ___ " _____ 20__ year

We, the undersigned

on the one hand and

on the other hand, have drawn this act of services rendered as of

" ___ " _____ 20__ г.

Name of the air route	Number of performed flights in a month	Passenger traffic (number of passengers carried)
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Resulting subsidy sum according to financing plan
amounts to _____

(sum in digits and in words in KZT)

Customer

Air company

(signature, full name of the chief executive or the
authorized person)

(signature, full name of the chief executive)