

## REGULATION

On application of Discount coefficients to the Airport charges to be collected at  
Boryspil International Airport when operating charter flights

Effective from 01.12.2018

Version 01

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Annex 1 Request form for application of Discount coefficients to the Airport charges to be collected at Boryspil International Airport when operating charter flights

## 1 Purpose

This Regulation has been developed to reach the following goals:

- Increasing competitiveness of Boryspil International Airport;
- Increasing traffic at Boryspil International Airport;
- Increasing revenues of Boryspil International Airport;
- Developing charter air routes network to/from Boryspil International Airport;
- Motivating airlines as commercial partners of the Airport.

## 2 Principles of Discount coefficients application

Boryspil International Airport applies Discount coefficients under the terms provided for by this Regulation, which is based on the following principles recommended by ICAO:

- Transparency means open publication of this Regulation to ensure clear and transparent criteria for the application of discount coefficients;
- Non-discrimination means equal procedure of this Regulation provisions application for all categories of users providing equal or similar air traffic at Boryspil International Airport and avoidance of deterioration by the Airport of conditions that are provided for by this Regulation for any Air Carrier;
- Non-cross-subsidization is ensured by excess of revenues received from each Air Carrier taking into consideration the norms of this Regulation over the cost price of the services rendered;
- Limitation of this Regulation validity period;
- Airport cost-effectiveness means ensuring the Airport cost-effectiveness and sharing the economic difficulties faced by the Airport and Airlines when developing air traffic;
- Consultation with Air Carriers on a regular basis.

## 3 Definitions and Abbreviations

- *An Air Carrier (or an Airline)* is an organization transporting passengers, baggage, cargo and mail by an aircraft.
- Airport charges include:
  - *Passenger charge* means a charge for passenger handling in the airport terminal collected by the Airport from Air Carriers according to *the Airport Charges for Handling of Aircraft and Passengers at Boryspil International Airport State Enterprise* approved by Order of the Ministry of Transport and Communications of Ukraine No.337 dated 26 March 2008 (hereinafter «the Order 337»).
  - *Landing charge* means a charge for landing/take-off of aircraft collected by the Airport from Air Carriers according to Para. 2.1.2 of the Order 337.

- *The Airport* means Boryspil International Airport State Enterprise, Boryspil International Airport, Boryspil airport.
- *The Agreement* means an agreement (contract) or an additional agreement hereto according to which the Airport services are rendered and the Airport charges are collected and which is concluded between Boryspil International Airport State Enterprise and an Air Carrier on the terms and conditions of this Regulation. This Agreement shall be executed under the written request of an Air Carrier (Appendix 1) that contains obligations of an Air Carrier set out in the Order 337. Conclusion of an Agreement with an Air Carrier on the terms of this Regulation shall be possible only under the condition of making amendments to the existing agreements, which concern termination of application of any other Discount coefficients to the Airport charges when operating charter flights, which were effective on the date of this Regulation approval.
- *Discount coefficient to the Airport charges* means reduction of the amount of Passenger charge and Landing charge by Boryspil International Airport when selling the relevant services to an Air Carrier. Application of Discount coefficients shall be carried out on the basis of the Agreement signed, by multiplying the amount of Discount coefficients by the amount of the Airport charge. The Discount coefficients to be calculated (applied) from the date specified in Air Carrier's Request, but not earlier than from the first day of the month in which such Request was received by the Airport.
- *Rules of air transportation and handling of passengers and baggage* mean Rules of air transportation and handling of passengers and baggage approved by the Order of State Aviation Service of Ukraine No. 1239 from 26.11.2018.

#### **4 Application of Discount coefficients to the Airport charges**

Discount coefficients in accordance with Item 4.1 and 4.2 of the Regulation are applied only under the condition of achieving the increase of passenger flow on charter flights at Boryspil International Airport, i.e. the total amount of passengers departed from the Airport by international charter flights by all Air Carriers during the current calendar month must exceed the total amount of passengers departed from the Airport by international charter flights by all Air Carriers during the relevant calendar month of the previous year.

##### **4.1 Providing significant volume of traffic on charter flights**

A Discount coefficient, which depends on the number of passengers departed by an Air Carrier by international charter flights within the current calendar month, will be applied to the Passenger charge on international charter flights in the current month:

The total amount of passengers departed by an Air Carrier by international charter flights per calendar month	The amount of the Discount coefficient applied to the Passenger charge
up to 9 999 passengers	1,00
from 10 000 to 19 999 passengers	0,95
from 20 000 to 29 999 passengers	0,90
from 30 000 to 39 999 passengers	0,85
from 40 000 to 49 999 passengers	0,80
from 50 000 to 59 999 passengers	0,75
above 60 000 passengers	0,70

Discount coefficients according to Item 4.1 will be applied to the total amount of passengers departed by an Air Carrier on international charter flights within a calendar month.

#### 4.2 Operating significant number of charter flights

A Discount coefficient, which depends on the number of international charter flights departed by an Air Carrier within the current calendar month, will be applied to the Landing charge in the current month:

The total number of international charter flights departed by an Air Carrier per calendar month	The amount of the Discount coefficient applied to the Landing charge
up to 49 flights	1,00
from 50 to 99 flights	0,95
from 100 to 149 flights	0,90
from 150 to 199 flights	0,85
from 200 to 249 flights	0,80
from 250 to 299 flights	0,75
above 300 flights	0,70

Discount coefficients according to Item 4.2 will be applied to the total number of international charter flights departed by an Air Carrier within a calendar month.

#### 4.3 Discount coefficient determination in case of breach of Rules of air transportation and handling of passengers and baggage

In case the State Aviation Service of Ukraine detects the fact of breach of Rules of air transportation and handling of passengers and baggage by the Air Carrier on any international charter flight operated by an Air Carrier, this flight (and its passengers) are not accountable in the calculation and application of Discount coefficients according to the Item 4.1 and 4.2.

In case of systematic (2 or more times during 1 quarter) detection by the State Aviation Service of Ukraine of the facts of breaching the rules of air transportation and handling of passengers and baggage by an Air Carrier on any international charter flights operated by an Air Carrier, 10 consecutive international charter flights operated by this

Air Carrier (and its passengers) that follow every such breach of Rules of air transportation and handling of passengers and baggage (starting from the second flight of a current quarter during which the breach was detected by the State Aviation Service of Ukraine) become also unaccountable in the calculation and application of Discount coefficients according to Item 4.1 and 4.2.

## **5 Final provisions**

5.1 This Regulation becomes effective by the Order of the Director General of Boryspil International Airport after consultation with the Air Carriers. The Airport annually analyses the effectiveness of the incentive scheme implemented under this Regulation and consults with the Air Carriers. At the same time, the Regulation may be amended by the Airport only upon the approval by Air Carriers that provided not less than 70% of charter passenger volume of Boryspil International Airport during the previous quarter.

5.2 This Regulation is effective from 01.12.2018 till 31.12.2020.

5.3 Based on economic efficiency, the Airport shall have the right to apply additional discount coefficients on the basis of additional criteria, making the appropriate amendments to this Regulation and complying with the legislation on Protection of economic competition.

## **6 Reference**

6.1 Order of the Ministry of Transport and Communications of Ukraine No. 337 from 26.03.2008 about the implementation of Airport Charges for the aircraft and passenger handling services at Boryspil International Airport State Enterprise (with amendments).

6.2 Order of State Aviation Service of Ukraine No. 1239 from 26.11.2018 about the approval of Rules of air transportation and handling of passengers and baggage.