

**Notice by the Ministry of Finance and the Civil Aviation Administration of
China on Financial Support Policy for Civil Air Transport Enterprises
during the Prevention and Control Period of
the Novel Coronavirus Pneumonia Epidemic
(Abstract in relation to Foreign Airlines)**

To All Transport Airlines:

To actively mitigate the impact of the Novel Coronavirus Pneumonia epidemic on the civil aviation industry, encourage continuous operation on international routes, guide the restoration of the already suspended international flights, and support air carriers in their fight against the epidemic, the central treasury will arrange funds to support both Chinese and foreign air carriers during the prevention and control period of the Novel Coronavirus Pneumonia epidemic. It is hereby noticed as follows:

1. Airlines eligible for the financial support

During the prevention and control period of the epidemic, the central treasury will provide funds to Chinese and foreign airlines operating scheduled international passenger flights between points in China (excluding Hong Kong SAR, Macao SAR and Taiwan Province) and points beyond China. It is hereby noticed as follows:

2. Standards of the financial support

a) For scheduled international passenger flights:

1) Financial incentives will be given to operators whose international flights during the epidemic are not suspended or have been restored after suspension. More favorable considerations shall be given to flights operated by a sole operator.

2) There are two tiers of financial incentives:

- 0.0176 RMB per seat kilometer (ASK) for flights operated by multiple operators
- 0.0528 RMB per seat kilometer (ASK) for flights operated by a sole operator

3) The amount of financial incentives shall be calculated based on the ASK actually flown by the airlines concerned during the prevention and control period of the epidemic and the standards stipulated in this Notice.

4) In relation to flights involving co-terminalization between point within and/or beyond China or the fifth traffic rights, frequencies shall be calculated based on the number of international segments involving points in China.

5) In relation to segments operated by a sole operator, if a second air carrier launches (or restores) service, the standards for flights operated by multiple operators shall apply.

3. Application and review process

- a) Airlines intending to apply for the international-service financial incentives, shall file their applications to the Civil Aviation Administration of China (CAAC) and the Ministry of Finance (MOF) before the 7th of each month, and shall provide relevant materials such as routes operated, frequencies, aircraft type, ASK, lists of supplies and relevant data of cost and revenue, etc. Foreign airlines shall also provide detailed information on their bank account for receiving the funds.
- b) CAAC will review airlines' application documents and relevant materials based on relevant data, and then submit the review results to MOF.
- c) MOF will allocate funds to relevant enterprises and regions in accordance with CAAC's review outcomes and relevant standards. The funds for foreign airlines will be included in CAAC's budget and will be allocated by CAAC. Disbursement of funds shall be executed in accordance with the relevant provisions governing the centralized disbursement by the national treasury.
- d) All airlines shall be held responsible for the authenticity and accuracy of the materials they submitted, and none of the entities shall withhold or embezzle the funds. If a false statement or concealment of facts is found during the review process, the airline concerned will be disqualified for application. Entities and individuals violating national laws, administrative regulations and relevant provisions will be penalized in strict accordance with the *Budget Law of the People's Republic of China*, the *Regulation on the Punishments and Disciplinary Actions for Fiscal Violations*, etc.

4. Other issues

- a) Regional routes and flights to/from Hong Kong SAR, Macao SAR and Taiwan Province shall apply in reference to this Notice.
- b) Execution period of the policy shall be from January 23, 2020 to June 30, 2020.

MOF CAAC

March 4, 2020