

- (b) in the event of failure by such airline to comply with the laws and regulations of that Contracting Party;
- (c) in the event that they are not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or its nationals; and
- (d) in case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to above, the rights enumerated in paragraph 1 of this Article shall be exercised only after consultations with the other Contracting Party in conformity with Article XIV.

ARTICLE V

1. The designated airlines shall enjoy fair and equal opportunities to operate the agreed services between the territories of the Contracting Parties.

2. The designated airline of each Contracting Party shall take into consideration the interests of the designated airline of the other Contracting Party so as not to affect unduly the agreed services of the latter airline.

3. The main objective of the agreed services shall be to provide capacity corresponding to traffic demands between the territory of the Contracting Party which has designated the airline and the points served on the specified routes.

4. The right of each of the designated airlines to carry international traffic between the territory of the other Contracting Party and the territories of third countries, shall be exercised in conformity with the general principles of normal development to which both Contracting Parties subscribe and subject to the condition that the capacity shall be adapted:

- (a) to traffic demands from and to the territory of the Contracting Party which has designated the airline;
- (b) to traffic demands of the areas through which the service passes, local and regional services being taken into account;
- (c) to the requirements of through airline operations.

ARTICLE VI

1. The laws, regulations and procedures of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air navigation or to the operation and navigation of such aircraft shall be complied with by the designated airline of the other Contracting Party upon entrance into, departure from and while within the said territory.

2. The laws and regulations of one Contracting Party respecting entry, sojourn, exit clearance transit, emigration and immigration, passports, customs and quarantine shall be complied with by the designated airline of the other Contracting Party and its crews, passengers, cargo and mail upon transit of, admission to, departure from and while within the territory of such a Contracting Party.