

3. Paragraph 1 shall not be interpreted as granting a Contracting Party the right for its designated airlines to take up, in the territory of the other Contracting Party, passengers and cargo, including mail, carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

ARTICLE 3

Designation, Authorization and Revocation

1. Each Contracting Party shall have the right to designate an airline or airlines to operate the agreed services in this Agreement for that Contracting Party and to withdraw a designation or to substitute another airline for one previously designated. A Contracting Party shall notify the other Contracting Party of the designation, withdrawal or substitution in writing through diplomatic channels.

2. Following receipt of a notice of designation or of substitution pursuant to paragraph 1, a Contracting Party shall, consistent with its laws and regulations, issue without delay to the airline so designated the required authorizations to operate the agreed services for which that airline has been designated.

3. The Contracting Parties confirm that, upon receipt of such authorization, the designated airline may begin at any time to operate all or part of the agreed services, provided that the airline complies with the provisions of this Agreement.

4. Notwithstanding paragraph 2, the Contracting Parties confirm that their aeronautical authorities shall have the right to withhold the authorizations referred to in paragraph 2 from an airline designated by the other Contracting Party, or to revoke, suspend or impose conditions on those authorizations, temporarily or permanently in the following circumstances:

- (a) the airline fails to qualify under the laws and regulations normally applied by the aeronautical authorities of the Contracting Party issuing the authorizations;
- (b) the airline fails to comply with the laws and regulations of the Contracting Party issuing the authorizations;
- (c) 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) the airline fails to operate in a manner consistent with the conditions set out in this Agreement.