

2. Each Party shall also exempt, to the fullest extent possible under national laws and regulations and on the basis of reciprocity, from the taxes, levies, duties, fees and charges referred to in paragraph 1 of this Article, with the exception of charges based on the cost of the service provided:

- (a) aircraft stores introduced into or supplied in the territory of a Party and taken on board, within reasonable limits, for use on outbound aircraft of an airline of the other Party engaged in international air transport, even when these stores are to be used on a part of the journey performed over the said territory;
- (b) ground equipment and spare parts (including engines) introduced into the territory of a Party for the servicing, maintenance, or repair of aircraft of an airline of the other Party used in international air transport as well as computer equipment and component parts for the handling of passengers or cargo, or security checks;
- (c) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of a Party for use in an aircraft of an airline of the other Party engaged in international air transport, even when these supplies are to be used on a part of the journey performed over the said territory; and
- (d) printed matter, including airline tickets, ticket covers, airway bills and other related advertising materials distributed without charge by the airline.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft used by an airline of a Party, may be unloaded in the territory of the other Party only with the approval of the Customs authorities of that territory. In such case, they may be required to be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with Customs regulations.

4. The exemptions provided by this Article shall also be available where the airlines of a Party have contracted with another airline, which similarly enjoys such exemptions from the other Party, for the loan or transfer in the territory of the other Party of the items specified in paragraphs 1 and 2 of this Article.

5. The provisions of the respective conventions in force between a Member State and Canada for the avoidance of double taxation on income and on capital are not altered by this Agreement.