

ARTICLE 3

Designation and Authorization

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party an airline or airlines for the operation of the agreed services on the specified routes and to withdraw the designation of any airline or to substitute another airline for one previously designated.
2. On receipt of such notification Aeronautical Authorities of the Contracting Party shall without delay, subject to the provisions of paragraphs 3 and 4 of this Article, grant to each designated airline the appropriate operating authorizations.
3. The Aeronautical Authorities of one Contracting Party prior to granting the operating authorization may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied by such authorities to the operation of international air services.
4. Each Contracting Party shall have the right directly, or through its Aeronautical Authorities, to refuse to grant the operating authorization referred to in paragraph 2 of this Article or to impose such conditions as may deem necessary on the exercise by a designated airline of the rights specified in Article 2 of this Agreement, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.
5. When an airline has been so designated and authorized, it may begin to operate the agreed services for which it is designated provided that it complies with the applicable provisions of this Agreement, in particular, that tariffs are established in accordance with the provisions of Article 12 of this Agreement.

ARTICLE 4

Revocation and Limitation of Authorization

1. Each Contracting Party acting directly or through the Aeronautical Authorities shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of this Agreement by an airline designated by the other Contracting party or to impose such conditions as it may deem necessary on the exercise of these rights:
 - (a) in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or its nationals;
 - (b) in case of failure by that airline to comply with the laws and regulations of the Contracting party granting the rights; or
 - (c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.