

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article when they are:
- (a) introduced into the territory of one Contracting Party by or on behalf of a designated airline of the other Contracting Party;
  - (b) retained on board aircraft of a designated airline of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party;
  - (c) taken on board aircraft of a designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services;

whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of the said Contracting Party.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of a designated airline of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that territory. In such case, they may 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.

#### ARTICLE XIV

##### (Tariffs)

1. The tariffs to be charged on any agreed service for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of the service (such as standards of speed and accommodation) and, where appropriate, the tariffs charged by other airlines for any section of the specified route.

2. The tariffs mentioned in paragraph 1 of this Article shall be agreed upon between the designated airlines of the Contracting Parties; such agreement shall be reached, wherever possible, through an appropriate international tariff coordination mechanism. Each designated airline shall be accountable only to their respective aeronautical authorities for the justification and reasonableness of the tariffs so agreed upon, unless the tariffs are fixed otherwise in accordance with paragraph 4 of this Article.

3. The tariffs charged for carriage of traffic to or from the territory of each Contracting Party shall be submitted to the aeronautical authorities of the