

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article:

- a) introduced into the territory of one Contracting Party by or on behalf of the designated airline or airlines of the other Contracting Party;
- b) retained on board aircraft of the designated airline or airlines of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party;
- c) taken on board aircraft of the designated airline or airlines 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. This provision cannot be interpreted in such a way that a Contracting Party can be made subject to the obligation to refund customs duties which already have been levied on the materials referred to above.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of the designated airline or airlines 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

Each Contracting Party grants to the airline or airlines of the other Contracting Party the right of free transfer of funds obtained by each in the normal course of its operations. Such transfers shall be made on the basis of prevailing foreign exchange market rates for current payments and shall be subject only to the respective foreign currency regulations applicable to all countries in like circumstances. The transfer of funds shall not be subject to any charges except those normally collected by banks for such operations.

ARTICLE XV

Income or profits from the operation of aircraft in international traffic derived by a designated airline, which is resident for purposes of income taxation in the territory of one Contracting Party, shall be exempt from any income tax and all other taxes on profits imposed by the government of the other Contracting Party.

ARTICLE XVI

Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and, at its