ARTICLE 5

The charges which either of the Contracting Parties may impose, or permit to be imposed, on the designated airlines of the other Contracting Party for the use of airports and other facilities under its control shall be just and reasonable and not higher than would be paid for the use of such airports and facilities by the airlines of the most favoured nation or by any airline of the former Contracting Party engaged in international air services.

ARTICLE 6

1. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board aircraft engaged in the agreed services operated by the designated airlines of either Contracting Party shall be exempt from customs duties, excise taxes, inspection fees and other similar duties, taxes or charges in the territory of the other Contracting Party, even when they are consumed or used on the part of the journey performed over that territory.

2. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores taken on board aircraft of the designated airlines of either Contracting Party in the territory of the other Contracting Party and used in the agreed services shall, subject to the regulations of the latter Contracting Party, be exempt from customs duties, excise taxes, inspection fees and other similar duties, taxes or charges.

3. Fuel, lubricating oils, spare parts, regular equipment and aircraft stores introduced for the account of the designated airlines of either Contracting Party and stored in the territory of the other Contracting Party under customs supervisions for the purpose of supplying aircraft of those designated airlines, shall, subject to the regulations of the latter Contracting Party, be exempt from customs duties, excise taxes, inspection fees and other similar duties, taxes or charges.

4. Nothing in this Article shall prevent either Contracting Party from imposing, on a non-discriminatory basis, taxes or other similar charges on fuel supplied in its territory for use by aircraft engaged in the agreed services operated by the designated airlines of the other Contracting Party for the journey performed:

(a) in the case of the designated airlines of Japan, between points in the territory of the Republic of Croatia or between a point in the territory of the Republic of Croatia and a point in the territory of another Member State; and

(b) in the case of the designated airlines of the Republic of Croatia, between points in the territory of Japan.

ARTICLE 7

1. (a) Each Contracting Party reserves the right to withhold or revoke the privileges specified in paragraphs 1 and 2 of Article 4 of this Agreement in respect of an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise by the airline of those privileges, in any case where one of the following conditions is satisfied:

(i) in the case of an airline designated by the Republic of Croatia:

(A) the airline is not established in the territory of the Republic of Croatia or does not have a valid operating licence issued by a Member State in accordance with the law of the European Union;

(B) effective regulatory control of the airline is not exercised or not maintained by the Member State responsible for issuing its air operator’s certificate, or the relevant aeronautical authority is not clearly identified in the designation;

(C) majority ownership and effective control of the airline are not vested in Member States or States listed in Annex II, or in nationals of such States;

(D) the airline does not have its principal place of business in the territory of the Member State from which it has received its operating licence;

(E) the airline has been given operating permission under an agreement between Japan and another Member State for air services, and Japan can demonstrate that it would be circumventing restrictions on routes and capacity under that agreement by operating agreed services under this Agreement on a route which includes a point in that other Member State; or