(iii) 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;

(iv) 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;

(v) 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

(vi) the airline holds an air operator's certificate issued by a Member State and there is no agreement between Japan and that Member State for air services and that Member State has not consented to the operation of international air services by an airline of Japan between Japan and that Member State.

2. In exercising its right under paragraph 1 of this Article, and without prejudice to its rights under subparagraphs (b)(v) and (vi) of paragraph 1 of this Article, Japan shall not discriminate between airlines designated by the Czech Republic, of which majority ownership and effective control are vested in Member States or States listed in Annex II, or in nationals of such States, on the basis of their ownership and control.

3. Each Contracting Party reserves the right to suspend the exercise by a designated airline of the other Contracting Party of the privileges referred to in paragraphs 1 and 2 of Article 4, or to impose such conditions as it may deem necessary on the exercise by the airline of those privileges, in any case where such airline fails to comply with the laws and regulations of the Contracting Party granting those privileges or otherwise fails to operate in accordance with the conditions prescribed in this Agreement; provided that, unless immediate suspension or imposition of conditions is essential to prevent further infringements of such laws and regulations, or unless immediate action is required for reasons of aviation security or of the safety of aircraft operation in accordance with the provisions of paragraph 6 of Article 13 or paragraph 3 of Article 14 of this Agreement respectively, this right shall be exercised only after consultations with the other Contracting Party.

ARTICLE 6

Charges for the use of airports and other facilities

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 7

Exemption from customs duties and taxes

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.