

(2) Fares and rates to be charged by the designated airlines while operating the agreed services for the carriage of passengers and cargo over each route described in Sections 1 and 2 of this Annex, and each section thereof shall be agreed in the first instance between them. This agreement shall, where possible, be reached through the traffic conference machinery of the International Air Transport Association. Any tariff of fares and rates so agreed shall be subject to the approval of the aeronautical authority of each contracting party.

(3) If the designated airlines should fail to agree on the fares and rates, as provided in paragraph (2), the aeronautical authorities of the contracting parties shall endeavour to determine the fares and rates by agreement between themselves. If the aeronautical authorities of the contracting parties should fail to agree, the contracting parties shall endeavour to reach agreement between themselves, failing which the matter in dispute shall be referred to arbitration as provided for in Article X of this Agreement.

(4) The designated airline of either contracting party shall file with the aeronautical authority of each contracting party, in accordance with the respective regulations or directives of such authority, a tariff or tariffs containing fares and rates determined under paragraphs (2) and (3) of this Section, which it proposes to establish, at least 30 days before the date on which it proposes that the fares and rates shall come into effect: Provided that this period of 30 days may be reduced in particular cases if so agreed by the aeronautical authorities of both contracting parties.

(5) If the aeronautical authority of one of the contracting parties is dissatisfied with any fare or rate in a tariff filed in accordance with paragraph (4) of this Section, it shall so notify in writing the aeronautical authority of the other contracting party and the designated airline filing the tariff in dispute, within 15 days of the date of filing, or, in particular cases, within such other period as may be agreed between the aeronautical authorities of both parties.

(6) After notification under paragraph (5) of this Section, the aeronautical authorities of both contracting parties shall endeavour to secure agreement on the fares or rates to be established. If the aeronautical authorities of the contracting parties cannot secure agreement, the dispute shall be settled in accordance with the provisions of Article X of the present Agreement.

(7) If agreement has not been reached at the end of the 30-day period referred to in paragraph (4) above a disputed fare or rate on the agreed services shall remain in suspension until the dispute shall have been settled.

(8) If no notification is given under paragraph (5), a tariff filed under paragraph (4) shall come into effect after the expiry of the period specified in paragraph (4) and shall remain in effect until:

(a) The expiry of any period for which the aeronautical authority of either contracting party may have approved its effectiveness; or

(b) A new or amended tariff shall have been established in substitution therefor in accordance with the provisions of this Section, whichever is the earlier.