

- (a) gains derived by a company which is a resident of one of the States from the alienation of shares in a company which is not a resident of that State shall be deemed to be income received or receivable by the former company as, or in lieu of the payment of, dividends by the latter company, and
- (b) a reference to “company” in this paragraph and in paragraph 3 of Article VII shall be taken to include a reference to a successor company thereof resulting from a merger.

However, this paragraph shall not apply in any event to a dividend paid after December 31, 1988.

5. Where any greater relief from tax would have been afforded by any provision of the existing Convention to a resident of the Netherlands in respect of interest (other than debenture interest) from any mortgage of immovable property situated in Canada and where the mortgage secured an obligation in existence on the date of signature of this Convention, that provision shall continue to apply for such interest received in the year of signature of this Convention and in the 18 calendar months following that year. However, this paragraph shall not apply in any event with respect to interest received after June 30, 1987 or interest received before that date that relates to a period after that date.

6. Where any greater relief from tax would have been afforded by any provision of the existing Convention to a resident of one of the States in respect of payments of any kind received as consideration for the use of, or right to use, industrial, commercial or scientific equipment, made pursuant to an agreement in existence on the date of signature of this Convention, that provision shall continue to apply with respect to any such payment made in the year of signature of this Convention and in the three following calendar years. However, this paragraph shall not apply in any event with respect to any such payment made after December 31, 1988 or any payment made before that date for the use of, or the right to use, equipment after that date.

7. The existing Convention shall terminate on the last date on which it has effect in accordance with the foregoing provisions of this Article.

8. The termination of the existing Convention as provided in paragraph 7 shall not revive the Agreement between the Government of Canada and the Government of the Kingdom of the Netherlands constituted by an exchange of notes, dated 23rd September, 1929, for reciprocal exemption from income tax of income arising from the operation of ships. Upon the entry into force of this Convention that Agreement shall terminate.

9. In this Convention the term “the existing Convention” means the Convention between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed at Ottawa on April 2, 1957, as modified by the Supplementary Convention signed at Ottawa on October 28, 1959 and as further modified by the Supplementary Convention signed at Ottawa on February 3, 1965.