

provisions of the law of Canada regarding the computation of the allowance in respect of investment in property in Canada, and any subsequent modification of those provisions which shall not affect the general principle hereof; and

(d) five hundred thousand Canadian dollars (\$500,000) or its equivalent in Swedish currency, less any amount deducted:

(i) by the company, or

(ii) by another company related thereto from the same or a similar business as that carried on by the company

under this subparagraph (d); for the purposes of this subparagraph (d) a company is related to another company if one company directly or indirectly controls the other, or both companies are directly or indirectly controlled by the same person or persons, or if the two companies deal with each other not at arm's length.

7. The provisions of paragraph 6 shall also apply with respect to earnings derived from the alienation of immovable property in a Contracting State by a company carrying on a trade in immovable property, whether or not it has a permanent establishment in that State, but only insofar as these earnings may be taxed in that State under the provisions of Article 6 or paragraph 1 of Article 13.

8. Notwithstanding the provisions of paragraph 2, dividends arising in a Contracting State and paid to an organisation that was constituted and is operated in the other Contracting State exclusively to administer or provide benefits under one or more pension, retirement or other employee benefits plans shall be exempt from tax in the first-mentioned State provided that:

(a) the organisation is the beneficial owner of the shares on which the dividends are paid, holds those shares as an investment and is generally exempt from tax in the other State;

(b) the organisation does not own directly or indirectly more than 5 per cent of the capital or 5 per cent of the voting stock of the company paying the dividends; and

(c) the class of shares of the company on which the dividends are paid is regularly traded on an approved stock exchange.

9. For the purposes of paragraph 8, the term "approved stock exchange" means:

(a) in the case of dividends arising in Canada, a Canadian stock exchange prescribed for the purposes of the *Income Tax Act*;

(b) in the case of dividends arising in Sweden, a Swedish stock exchange or other market place authorized under Swedish law; and

(c) any other stock exchange agreed in letters exchanged between the competent authorities of the Contracting States.