

2. The following new paragraph 3 shall be added to Article 10 of the Convention:

“3. Notwithstanding paragraph 2, dividends paid by a company which is a resident of a Contracting State shall be exempt from tax in that State if the dividends are paid to:

- (a) the Bank of Canada or the Swiss National Bank; or
- (b) a resident of the other Contracting State:
 - (i) that was constituted and is operated exclusively to administer or provide benefits under one or more pension or retirement plans; or
 - (ii) that is operated exclusively to earn income for the benefit of one or more residents of that other Contracting State each of which satisfy clause (i),

provided that:

- (iii) each pension or retirement plan provides benefits primarily to individuals who are residents of that other Contracting State;
- (iv) the dividends are not derived from carrying on a trade or a business or from a related person; and
- (v) the competent authorities of the Contracting States agree that each pension or retirement plan generally corresponds to a pension or retirement plan recognized for tax purposes in the first-mentioned State.”