

## ARTICLE II

Article IV of the Agreement shall be deleted and replaced by the following:

## "ARTICLE IV

1. Identified material shall not be used for the manufacture of any nuclear weapons, the furtherance of any other military purpose or the manufacture of any other nuclear explosive device.

2. The undertaking under paragraph 1 of this Article shall be verified within Canada by the International Atomic Energy Agency (hereinafter referred to as "the Agency") pursuant to an agreement between the Government of Canada and the Agency and within Japan by the Government of Japan and the Agency pursuant to an agreement between the Government of Japan and the Agency. If at any time such verification procedures are not in effect, there shall be agreement between the Contracting Parties for the application of a safeguards system which conforms with safeguards principles and procedures of the Agency."

## ARTICLE III

After Article IV of the Agreement, the following new Article shall be inserted:

## "ARTICLE IV A

Equipment, facilities, materials, source material, special nuclear material, fuel and sensitive information transferred between Japan and Canada after the entry into force of the Protocol concerning this Agreement signed on August 22, 1978, at Tokyo, shall be subject to this Agreement, only if the supplying Contracting Party has so notified the recipient Contracting Party in writing prior to the transfer."

## ARTICLE IV

1. Paragraph (a) of Article VII of the Agreement shall be deleted and replaced by the following:

"(a) "Equipment" means any apparatus, device or machine of particular utility in research, development, use, processing or storage relating to atomic energy activities which is specified or which may in future be specified in Annex B to this Agreement, it being understood that the following is deemed equipment obtained pursuant to this Agreement:

- (i) Equipment which the recipient Contracting Party, or the supplying Contracting Party after consultation with the recipient Contracting Party, has designated as that designed, constructed or operated with the use of sensitive information obtained pursuant to this Agreement;