

2. Any provision of the legislation of one Party which restricts entitlement to or payment of benefits solely because the person ordinarily resides outside or is absent from the territory of that Party shall not be applicable to persons who ordinarily reside in the territory of the other Party. However, the foregoing shall not affect:

- (a) the provisions of the legislation of Japan which require a person who is aged 60 or over but under 65 on the date of the first medical examination or of death to reside ordinarily in the territory of Japan for the acquisition of entitlement to the Disability Basic Pension or the Survivors' Basic Pension;
- (b) the provisions of the *Old Age Security Act* of Canada which require that a person have completed a prescribed minimum period of residence in Canada in order for that person to be entitled to the payment of a pension when he or she is outside the territory of Canada for an indefinite period.

Notwithstanding the foregoing provisions of this subparagraph, the requirement of that Act regarding a prescribed minimum period of residence in Canada for the purpose of the payment of a pension to a person who is outside the territory of Canada shall be fulfilled, when required, through the totalization of periods of residence in Canada and periods of coverage under the legislation of Japan in accordance with paragraph 3 and subparagraph 4(a) of Article 6; and

- (c) the provisions of the *Old Age Security Act* of Canada regarding the payment of an allowance and a guaranteed income supplement to a person who is outside the territory of Canada, and any other similar benefits, to be introduced after the entry into force of this Agreement, and as may be agreed upon between the two Parties.

3. A benefit under the legislation of one Party which is payable to a person who is or has been subject to the legislation of the other Party, as well as other persons who derive rights from such a person, shall be paid when that person or those persons ordinarily reside in the territory of a third State under the same conditions as it would to a national of the first Party who ordinarily resides in the territory of that third State.