

immovable property, taxes on the total amount of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Convention shall apply are, in particular:

- (a) in the case of Canada: the income taxes imposed by the Government of Canada, (hereinafter referred to as "Canadian tax");
- (b) in the case of Indonesia: the income tax imposed under the Undang-undang Pajak Penghasilan 1984 (Law number 7 of 1983 as amended); (hereinafter referred to as "Indonesian tax").

4. The Convention shall also apply to any identical or substantially similar taxes on income which are imposed by either Contracting State after the date of signature of this Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any substantial change which have been made to their respective taxation laws."

Article III

1. Subparagraph 1 (a) of Article 3 (General Definitions) of the Convention shall be deleted and replaced by the following:

- "(a) (i) the term "Canada", used in a geographical sense, means the territory of Canada, including:
 - (A) any area beyond the territorial seas of Canada which, in accordance with international law and the laws of Canada is an area within which Canada may exercise rights with respect to the seabed and subsoil and their natural resources;
 - (B) the seas and airspace above any area referred to in subparagraph (A) in respect of any activity carried on in connection with the exploration for or the exploitation of the natural resources referred to therein;
- (ii) the term "Indonesia" comprises the territory of the Republic of Indonesia as defined in its laws and the adjacent areas over which the Republic of Indonesia has sovereign rights or jurisdiction in accordance with international law;"