

transportation from Canada to Ceylon, will be met by releases of foreign exchange for the replacement of such goods from Canada.

- (c) the Government of Ceylon shall indemnify Canadian firms and their officers and employees as well as Canadian teachers, advisers and other technical assistance personnel engaged in the provision of Canadian development assistance under an agreed programme or project against civil liability for acts performed in the execution of such programme or project other than such acts as are criminal or fraudulent,
- (d) the Government of Ceylon shall exempt Canadian firms and their officers and employees as well as Canadian teachers, advisers and other technical assistance personnel and their dependants engaged in the provision of Canadian development assistance under an agreed programme or project from resident and local taxes, income tax, other taxes, as well as the necessity for filing income tax returns, on payments from the proceeds of Canadian Government grants or loans and on income earned outside Ceylon,
- (e) the Government of Ceylon shall exempt Canadian firms and their officers and employees as well as Canadian teachers, advisers and other technical assistance personnel and their dependants engaged in the provision of Canadian development assistance under an agreed programme or project from import, customs and other duties and taxes on necessary professional and technical equipment and reasonable quantities of personal and household effects within the limits prescribed for experts provided under C. Plan and by the U.N., provided that such taxes shall be paid according to applicable Ceylon laws and regulations in respect of any such equipment or effects sold in Ceylon to anyone not entitled to equivalent exemptions.

5. Subsidiary arrangements concluded in accordance with paragraph 3 of this Statement shall, unless the text thereof expressly states the contrary, be considered to be administrative arrangements only and not formal agreements binding in international or domestic law. Difference or disputes arising in the implementation of such arrangements or the interpretation of provisions of the memoranda embodying them shall be settled by negotiation between the two Governments or in such other manner as may be agreed upon from time to time by the Governments.