

2. Paragraph 5 of Article XIII (Gains) of the Convention shall be deleted and replaced by the following:

5. The provisions of paragraph 4 shall not affect the right of a Contracting State to levy, according to its domestic law, a tax on gains from the alienation of any property derived by an individual who is a resident of the other Contracting State if:

(a) The individual was a resident of the first-mentioned State:

(i) For at least 120 months during any period of 20 consecutive years preceding the alienation of the property; and

(ii) At any time during the 10 years immediately preceding the alienation of the property; and

(b) The property (or property for which such property was substituted in an alienation the gain on which was not recognized for the purposes of taxation in the first-mentioned State):

(i) Was owned by the individual at the time the individual ceased to be a resident of the first-mentioned State; and

(ii) Was not a property that the individual was treated as having alienated by reason of ceasing to be a resident of the first-mentioned State and becoming a resident of the other Contracting State.

3. Paragraph 7 of Article XIII (Gains) of the Convention shall be deleted and replaced by the following:

7. Where at any time an individual is treated for the purposes of taxation by a Contracting State as having alienated a property and is taxed in that State by reason thereof, the individual may elect to be treated for the purposes of taxation in the other Contracting State, in the year that includes that time and all subsequent years, as if the individual had, immediately before that time, sold and repurchased the property for an amount equal to its fair market value at that time.