

ARTICLE II

Paragraph 1 of Article 4 (Resident) of the Convention shall be amended by adding the following sentence at the end of the paragraph:

“This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.”

The amended paragraph shall therefore read as follows:

“For the purposes of this Convention, the term “resident of a Contracting State” means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and in the case of Switzerland it includes a partnership created or organized under Swiss law. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.”

ARTICLE III

Paragraph 3 of Article 9 (Associated Enterprises) of the Convention shall be amended by deleting the word “five” and replacing it with the word “six”.

The amended paragraph shall therefore read as follows:

“A Contracting State shall not change the income of an enterprise in the circumstances referred to in paragraph 1 after the expiry of the time limits provided in its domestic law and, in any case, after six years from the end of the year in which the income which would be subject to such change would have accrued to that enterprise. This paragraph shall not apply in the case of fraud or wilful default.”

ARTICLE IV

1. Subparagraph (b) of paragraph 2 of Article 10 (Dividends) of the Convention shall be deleted and subparagraph (c) shall be renumbered as subparagraph (b).