

(2) At any time after the expiration of one year from the entry into force of an extension under paragraph (1) of this Article, either of the Contracting Governments may, by written notice of termination given to the other Contracting Government, terminate the application of the present Agreement to any territory to which it has been extended under paragraph (1), and in that event the present Agreement shall cease to apply, six months after the date of the notice, to the territory or territories named therein, but without affecting its continued application to Canada, the United Kingdom or to any other territory to which it has been extended under paragraph (1) hereof.

(3) In the application of the present Agreement in relation to any territory to which it is extended by notification by the United Kingdom or Canada, references to the "United Kingdom", or, as the case may be, "Canada" shall be construed as references to that territory.

(4) The termination in respect of Canada or the United Kingdom of the present Agreement under Article XVIII shall, unless otherwise expressly agreed by both Contracting Governments, terminate the application of the present Agreement to any territory to which the Agreement has been extended by Canada or the United Kingdom.

(5) The provisions of the preceding paragraphs of this Article shall apply to the Channel Islands and the Isle of Man as if they were colonies of the United Kingdom.

ARTICLE XVI

The present Agreement shall come into force on the date on which the last of all such things shall have been done in the United Kingdom and Canada as are necessary to give the Agreement the force of law in the United Kingdom and Canada respectively, and shall thereupon have effect—

(a) in Canada as respects income taxes, including sur-taxes, for the taxation year 1946 and subsequent years, and as respects excess profits tax for any fiscal period beginning on or after the first day of January, 1946, and for the unexpired portion of any fiscal period current at that date;

(b) in the United Kingdom, as respects income tax for the year of assessment beginning on the 6th day of April, 1946, and subsequent years, as respects sur-tax for the year of assessment beginning on the 6th day of April, 1945, and subsequent years; and as respects excess profits tax and national defence contribution for any chargeable accounting period beginning on or after the first day of January, 1946, and for the unexpired portion of any chargeable accounting period current at that date.

ARTICLE XVII

The present Agreement shall be deemed to have superseded the Agreements made on the 8th day of May, 1930, and the 3rd day of October, 1935, between the Government of the United Kingdom and the Government of Canada for reciprocal exemption from income tax in certain cases of profits accruing from the business of shipping and profits or gains accruing through an agency respectively, and those Agreements shall cease to have effect—

(a) in Canada, for the taxation year 1946 and subsequent years;

(b) in the United Kingdom, as respects income tax for the year of assessment beginning on the 6th day of April, 1946, and subsequent years, and as respects sur-tax for the year of assessment beginning on the 6th day of April, 1945, and subsequent years.