

- (b) that State or a political subdivision or local authority thereof or any agency or instrumentality of any government of such State, subdivision or authority.”

2. Paragraph 3 of Article IV of the Agreement shall be deleted and replaced by the following:

“3. Where a company is a national of a Contracting State and by reason of paragraph 1 a resident of both Contracting States then that company shall be deemed to be a resident only of the first-mentioned State.

4. Where by reason of the provisions of paragraph 1 a person other than an individual or a company described in paragraph 3 is a resident of both Contracting States, the competent authorities of the Contracting States shall by mutual agreement endeavour to settle the question and to determine the mode of application of this Agreement to such person. In the absence of such agreement, such person shall not be entitled to claim any relief or exemption from tax provided by this Agreement.”

## ARTICLE 2

1. Paragraph 3 of Article XIV of the Agreement shall be deleted and replaced by the following:

“3. Income or gains derived by a resident of a Contracting State from the alienation of:

- (a) shares, the value of which is derived principally from immovable property situated in the other State; or
- (b) an interest in a partnership, trust or other entity, the value of which is derived principally from immovable property situated in that other State,

may be taxed in that other State.”