

6. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.
7. Notwithstanding the preceding provisions of this Article, for the purposes of taxation with respect to the solidarity tax on net wealth referred to in subparagraph (b) of paragraph 3 of Article 2 of an individual who is a resident of France and who is a national of Canada but not a national of France, the assets situated outside of France that such person owns on the first of January of each of the five years following the calendar year in which he becomes a resident of France shall be excluded from the base of assessment of the taxes relating to each of those five years. If such an individual loses the status of resident of France for a period of at least three years and then again becomes a resident of France, the assets situated outside of France that such a person owns on the first of January of each of the five years following the calendar year in which again he becomes a resident of France shall be excluded from the base of assessment of the taxes relating to each of those five years."

ARTICLE 16

1. There shall be added to paragraph 1 of Article 23 of the Convention three new subparagraphs, written as follows:
 - "(c) In determining the amount of tax payable in Canada for a taxation year by an individual who died in that year and, at the time was a resident of Canada, the amount of any inheritance tax payable in France, after deduction of the credit provided for in paragraph 2 (c) (ii), in respect of property situated in France which form part of the estate of that person shall be allowed as a deduction from the amount of any tax otherwise payable in Canada, taking into account the deduction that is provided for under subparagraph (a) for tax payable in France, on income, profits or gains of the individual arising in France in that year.
 - (d) For the purposes of this paragraph, profits, income or gains of a resident of Canada which may be taxed in France in accordance with the Convention shall be deemed to arise from sources in France.
 - (e) Where in accordance with any provision of the Convention income derived or capital owned by a resident of Canada is exempt from tax in Canada, Canada may nevertheless, in calculating the amount of tax on other income or capital, take into account the exempted income or capital."
2. Paragraphs 2 and 3 of Article 23 of the Convention shall be deleted and replaced by the following:
 - "2. In the case of France, double taxation shall be avoided as follows:
 - (a) income arising in Canada and taxable or taxable only in Canada in accordance with the provisions of the Convention shall be taken into account in calculating the French tax when the recipient is a resident of France and the income is not exempt from the corporation tax under French law. In such case, the Canadian tax shall not be deductible from such income, but the recipient shall be entitled to a tax credit deductible from the French tax. This tax credit is equal: