

- (a) "Canadian firm" means Canadian institutions or firms or other non-Philippines firms or institutions engaged in any project established under a subsidiary arrangement;
- (b) "Canadian personnel" means Canadians or non-Philippines Citizens, who are working in the Philippines on any project established under a subsidiary arrangement; and
- (c) "dependant" means
  - (i) the spouse of a member of the Canadian personnel, including a person of the opposite sex with whom the member of the Canadian personnel has lived and publicly represented as his or her spouse for a period of not less than one year before the commencement of his or her period of service in the Philippines;
  - (ii) a child of the member of the Canadian personnel or his or her spouse who is:
    - (A) under twenty-one years of age and dependent on the member of the Canadian personnel or his or her spouse for support, or
    - (B) twenty-one years of age or older and dependent on the member of the Canadian personnel or his or her spouse for support by reason of a mental or physical incapacity.

#### ARTICLE VII

The Government of the Republic of the Philippines shall indemnify and save harmless the Government of Canada, Canadian firms and Canadian personnel from civil liability for acts or omissions occurring in the course of the performance of their duties in the execution of any specific project established under any subsidiary arrangement except for acts arising from gross negligence or wilful misconduct of Canadian firms or Canadian personnel.

#### ARTICLE VIII

The Government of the Republic of the Philippines shall exempt Canadian firms and Canadian personnel and their dependants from taxes imposed on income, provided such income arises from sources outside of the Philippines or from Canadian aid funds as provided for in any subsidiary arrangement. In addition, the Government of the Republic of the Philippines shall exempt Canadian firms and Canadian personnel, including their dependants, from any obligations to present written declarations in relation to these exemptions.

#### ARTICLE IX

The Government of the Republic of the Philippines shall exempt Canadian personnel from the payment of customs duties, excise duties and sales taxes in respect of bona fide personal effects and essential basic household equipment including especially prescribed medicine and special health foods brought into, or purchased, in the Philippines for their own use or the use of their dependants. Canadian personnel may purchase duty free locally manufactured/assembled items