

## ARTICLE VIII

Paragraph 1 of Article 18 (Pensions and Annuities) of the Convention shall be deleted and replaced by the following:

- “1. Pensions and annuities arising in a Contracting State and paid to a resident of the other Contracting State, including payments under the social security legislation in a Contracting State, may be taxed in the State in which they arise, and according to the law of that State. However, in the case of periodic pension or annuity payments (except lump-sum payments arising under the surrender, cancellation, redemption, sale or other alienation of an annuity, and payments of any kind under an annuity contract the cost of which was deductible, in whole or in part, in computing the income of any person who acquired the contract), the tax so charged shall not exceed 15 per cent of the gross amount of the payment.”

## ARTICLE IX

Subparagraph (c) of paragraph 1 of Article 22 (Elimination of Double Taxation) of the Convention shall be deleted and subparagraph (d) shall be renumbered as subparagraph (c).