

ARTICLE VI

The Government of the Republic of Indonesia 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 project established under any subsidiary arrangement except for acts arising from reckless and wanton conduct or wilful misconduct of Canadian firms or Canadian personnel.

ARTICLE VII

The income tax of Canadian firms and Canadian personnel directly engaged in any project established under a subsidiary arrangement and financed by the Government of Canada shall be borne by the Government of the Republic of Indonesia in accordance with its regulations.

ARTICLE VIII

The Government of the Republic of Indonesia shall, in accordance with its regulations:

- (a) exempt Canadian firms and Canadian personnel from, or bear the costs of, import duties, Value Added Tax on goods and services, and sales tax on Luxury Goods imposed by the Government of the Republic of Indonesia on taxable goods and services or import of taxable goods for, or related to the execution of projects established under any subsidiary arrangement.
- (b) exempt Canadian personnel from the payment of customs duties, excise duties and Value Added Tax on goods and services and sales tax on Luxury Goods in respect of bona fide personal effects and essential basic household equipment brought into the Republic of Indonesia within six months of his/her first arrival in the Republic of Indonesia for their own use or the use of their dependants. In the event of theft, fire or other destruction, the exemptions under this paragraph may be re-exercised at any time during the assignment of the Canadian personnel. Canadian personnel may purchase duty free items provided that such purchases shall be made from duty free stores.