

shall be deemed to include any amount which would have been payable as Spanish tax for any year but for an exemption from, or reduction of, tax granted for that year or any part thereof under—

(c) any of the following provisions, that is to say:

paragraphs 2 and 3 of Article 6, paragraphs 1, 2, 3, 4 and 5 of Article 7, paragraph 2A of Article 20 and Articles 29, 31 and 32 of the Decree 3357/1967 of December 23, 1967,

so far as they were in force on, and have not been modified since, the date of signature of this Convention, or have been modified only in minor respects so as not to affect their general character; and except to the extent that any of the said provisions (other than Articles 7, 29 and 31 of the Decree 3357/1967) has the effect of exempting or relieving a source of income for a period in excess of ten years;

(d) any other provision which may subsequently be made granting an exemption or reduction of tax which is agreed by the competent authorities of the Contracting States to be of a substantially similar character, if it has not been modified thereafter or has been modified only in minor respects so as not to affect its general character.

3. In the case of Spain, double taxation shall be avoided as follows:

(a) Where a resident of Spain derives income which, in accordance with this Convention, may be taxed in Canada, Spain shall allow as a deduction from the tax on the income of that person an amount equal to the tax paid in Canada. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is appropriate to the income derived from Canada and such deduction from the Spanish tax shall apply to both the general taxes as to the prepayments. The provisions of this paragraph shall not apply to an income tax paid in Canada in accordance with the provisions of paragraph 5 of Article XIII.

(b) Where the income of a company resident in Spain includes dividends received from a company resident in Canada, the first-mentioned company is entitled to a relief identical to that which would be applicable if both companies were resident in Spain.

4. For the purposes of this Article, profits, income or gains of a resident of a Contracting State which are taxed in the other Contracting State in accordance with this Convention shall be deemed to arise from sources in that other State.

VI. SPECIAL PROVISIONS

ARTICLE XXIV

Non-Discrimination

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirements connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.