"4. Although a permanent establishment in a Contracting State of an enterprise of the other Contracting State cannot be deemed to be a resident of the first-mentioned Contracting State within the meaning of Article 4, it is understood that a permanent establishment situated in Canada of a bank or financial and credit institution whose head office is in France may, with respect to interest arising in France, benefit from the tax exemptions or reductions provided for in paragraphs 2, 3 and 4 of Article 11 and, where appropriate, from the tax credit referred to in Article 23, when the debt-claim in respect of which such interest is paid is connected with such permanent establishment and relates to its normal activity."

3. There shall be added to Article 29 of the Convention a new paragraph 5, written as follows:

"5. Contributions in a year in respect of services rendered in that year paid by, or on behalf of, an individual who is a resident of one of the Contracting States or who is temporarily present in that State, to a pension plan that is recognized for tax purposes in the other Contracting State shall, during a period not exceeding in the aggregate 60 months, be treated in the same way for tax purposes in the first-mentioned State as a contribution paid to a pension plan (that is, in the case of Canada, not an employee benefit plan) that is recognized for tax purposes in that first-mentioned State, provided that:

(a) such individual was contributing to the pension plan before he became a resident of or temporarily present in the first-mentioned State; and

(b) the competent authority of the first-mentioned State agrees that the pension plan corresponds to a pension plan recognized for tax purposes by that State.

For the purposes of this paragraph, "pension plan" includes a pension plan created under a public social security system."

4. There shall be added to Article 29 of the Convention a new paragraph 6, written as follows:

"6. For the purposes of paragraph 212(1)(b) of the Canadian Income Tax Act, it is understood that a French bank directly owned by the French government is deemed to deal at arm's length with any other enterprise owned or controlled by the French government other than one controlled by the bank. The competent authorities of the Contracting States may, by mutual agreement, extend the application of this provision to other French enterprises directly owned by the French government and to other provisions of the Canadian Income Tax Act where appropriate."

5. There shall be added to Article 29 of the Convention a new paragraph 7, written as follows: