

(b) in Sweden:

- (i) in respect of income derived on or after the first day of January in the calendar year next following that in which the exchange of instruments of ratification takes place; and
- (ii) in respect of capital tax which is assessed in or after the second calendar year next following that in which the exchange of instruments of ratification takes place.

3. The provisions of the Agreement of 6th April, 1951 between the Royal Government of Sweden and the Government of Canada for the Avoidance of Double Taxation and the Establishment of Rules for Reciprocal Fiscal Assistance in the Matter of Income Taxes, as modified by the Supplementary Agreements of 21st January, 1966 and 28th October, 1969 (hereinafter referred to as "the 1951 Agreement") shall cease to have effect:

(a) in Canada:

- (i) in respect of tax withheld at the source on amounts paid or credited to non-residents on or after the first day of January in the calendar year next following that in which the exchange of instruments of ratification takes place; and
- (ii) in respect of other Canadian tax for taxation years beginning on or after the first day of January in the calendar year next following that in which the exchange of instruments of ratification takes place;

(b) in Sweden, in respect of income derived on or after the first day of January in the calendar year next following that in which the exchange of instruments of ratification takes place.

4. Notwithstanding the provisions of paragraph 3, where any greater relief from tax would have been afforded by the provisions of the 1951 Agreement, any such provision as aforesaid shall continue to have effect:

(a) in Canada:

- (i) in respect of tax withheld at the source on amounts paid or credited to non-residents on or before the last day of the calendar year next following that in which the exchange of instruments of ratification takes place; and
- (ii) in respect of other Canadian tax for taxation years ending on or before the last day of the calendar year next following that in which the exchange of instruments of ratification takes place;

(b) in Sweden, in respect of income derived on or before the last day of the calendar year next following that in which the exchange of instruments of ratification takes place.

5. The 1951 Agreement shall terminate on the last date on which it has effect in accordance with the foregoing provisions of this Article.