

which imposes taxes substantially similar in character to those to which the Convention applies. Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed between the Contracting States in notes to be exchanged through diplomatic channels or in any other manner in accordance with their constitutional procedures.

2. Unless otherwise agreed by both Contracting States, the denunciation of the Convention by one of them under Article XXX shall terminate, in the manner provided for in that Article, the application of the Convention to any State or territory to which it has been extended under this Article.

ARTICLE XXVIII

Miscellaneous Rules

1. The provisions of this Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, rebate or other allowance now or hereafter accorded

- (a) by the laws of one of the Contracting States in the determination of the tax imposed by that Contracting State, or
- (b) by any other agreement between the Contracting States.

2. Nothing in this Convention shall be construed as preventing Canada from imposing its tax on amounts included in the income of a resident of Canada according to section 91 of the Canadian Income Tax Act.

3. The competent authorities of the Contracting States may communicate with each other directly for the purpose of applying this Convention.

Chapter VI

FINAL PROVISIONS

ARTICLE XXIX

Entry into Force

1. This Convention shall be ratified and the instruments of ratification shall be exchanged as soon as possible at Islamabad.

The Convention shall enter into force upon the exchange of the instruments of ratification and its provisions shall have effect: