

8. For the purposes of paragraph 7, the term "approved stock exchange" means:

- (a) in the case of dividends arising in Korea, the Korea Stock Exchange and the Korea Securities Dealers Automated Quotations (KOSDAQ);
- (b) in the case of dividends arising in Canada, a Canadian stock exchange prescribed for the purposes of the *Income Tax Act*; and
- (c) any other stock exchange agreed to in letters exchanged between the competent authorities of the Contracting States."

3. With reference to Article 11 of the Convention, the Contracting States may, through an exchange of diplomatic notes, agree to the insertion in that Article of the following provision which will have effect from the date of the later of the two notes:

"9. Interest arising in a Contracting State and paid to a resident of the other Contracting State that is operated exclusively to administer or provide benefits under one or more pension, retirement or employee benefits plans shall not be taxable in the first-mentioned State provided that:

- (a) the resident is the beneficial owner of the interest and is generally exempt from tax in the other State; and
- (b) the interest is not derived from carrying on a trade or a business or from a related person."

4. With reference to paragraph 3 of Article 12 of the Convention, it is understood that payments of any kind received as consideration for the use of, or the right to use, software shall be treated as royalties, if:

- (a) the source code is transferred to the user in addition to the software; or