

a tax on amounts included in the income of a resident of Canada with respect to a partnership, trust, or controlled foreign affiliate, in which he has an interest.

3. The Convention shall not apply to any company, trust or partnership that is a resident of a Contracting State and is beneficially owned or controlled directly or indirectly by one or more persons who are not residents of that State, if the amount of the tax imposed on the income or capital of the company, trust or partnership by that State is substantially lower than the amount that would be imposed by that State if all of the shares of the capital stock of the company or all of the interests in the trust or partnership, as the case may be, were beneficially owned by one or more individuals who were residents of that State.

## VII. FINAL PROVISIONS

### Article 29

#### Entry into Force

1. This Convention shall be ratified and the instruments of ratification shall be exchanged.
2. The Convention shall enter into force upon the exchange of instruments of ratification and its provisions shall have effect:
  - (a) in respect of tax withheld at the source on amounts paid or credited to non-residents on or after the day of January in the calendar year next following that in which the exchange of instruments of ratification takes place; and
  - (b) in respect of other 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.

3. The Agreement for the Avoidance of Double Taxation on Profits derived from Sea and Air Transportation constituted by an Exchange of Notes dated August 6, 1949 shall cease to have effect from the date this Convention takes effect in accordance with the provisions of paragraph 2 and shall terminate on the last date on which it has effect in accordance with the foregoing provisions.