

- (a) **CANADIAN FIRMS:** those firms providing services under the present Development Co-operation Agreement, in an approved program or in a project established by a subsidiary agreement.
- (b) **CANADIAN PERSONNEL:** personnel hired with funds of this Development Co-operation Agreement for an approved program or for a project established under a subsidiary agreement.
- (c) **SUBSIDIARY AGREEMENT:** any agreement or specific understanding signed by the Governments of Canada and Honduras, based on the provisions of this Agreement.

ARTICLE VI

Except in the case of fraud or gross imprudence, duly proven, the Government of Canada, Canadian firms and Canadian personnel shall not be held responsible for injury or damage resulting from any act or omission related directly or indirectly to the performance of their duties under the present Agreement.

ARTICLE VII

The Government of Honduras shall exempt Canadian firms and Canadian personnel, including their dependents, from all residence taxes, local taxes, income taxes or any other type of taxes on income derived from sources other than funds of the Government of Honduras, as well as from the presentation of written declarations in relation to these exemptions.

ARTICLE VIII

The Government of Honduras shall grant exemption to Canadian firms and Canadian personnel, including their dependents, from the payment of import duties, tariffs, or any other tax or levy on technical and professional equipment, personal and household effects, subject to their re-exportation or the termination of their useful life, or their transfer or assignment to persons enjoying the same exemption privileges.

Also, the Government of Honduras shall permit Canadian personnel to import and export, free of customs duties, sales taxes and other duties one automobile for his own personal use. He shall be provided with special license plates reading MI (Misión Internacional), free of fees or taxes.

ARTICLE IX

For the purposes of Articles VII and VIII of this Agreement, the following procedures must be followed:

- (a) Before placing an order for which special import privileges are required, Canadian personnel shall apply in writing to the Head of the accredited Canadian Diplomatic Mission, who will give his approval in writing.
- (b) The Head of the accredited Canadian Diplomatic Mission shall then direct this authorization to the Government of Honduras Technical Secretariat of the Higher Council for Economic Planning which, if the case falls within Articles VII and VIII, shall request the Honduras Ministry of Finance and Public Credit to grant the necessary release.