

(b) in Japan:

as regards income for any taxable year beginning on or after the first day of January in the calendar year next following that in which this Convention enters into force.

3. The Convention between Canada and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Tokyo on September 5, 1964, shall terminate and cease to have effect in respect of income to which this Convention applies under the provisions of paragraph 2.

4. The termination of the Convention between Canada and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Tokyo on September 5, 1964 as provided in paragraph 3 shall not revive the Agreement between the Government of Canada and the Government of Japan made by the Notes exchanged at Ottawa on September 21, 1929, concerning reciprocal exemption from income tax on profits accruing from the operation of ships. Upon the entry into force of this Convention that Agreement shall terminate.

#### ARTICLE 28

This Convention shall continue in effect indefinitely but either Contracting State may, on or before the thirtieth day of June in any calendar year beginning after the expiration of a period of five years from the date of its entry into force, give to the other Contracting State, through the diplomatic channel, written notice of termination and, in such event, this Convention 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 notice of termination is given; 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 notice of termination is given; and

(b) in Japan:

as regards income for any taxable year beginning on or after the first day of January in the calendar year next following that in which the notice of termination is given.