

## ARTICLE VI

In subparagraph (c) of paragraph 3 of Article 12 (Royalties) of the Convention, the words "where the payer and the beneficial owner of the royalties are not related persons," shall be deleted.

The amended subparagraph shall therefore read as follows:

"royalties for the use of, or the right to use, any patent or any information concerning industrial, commercial or scientific experience (but not including any such information provided in connection with a rental or franchise agreement),"

## ARTICLE VII

1. Paragraph 7 of Article 13 (Capital Gains) of the Convention shall be amended by adding the words "other than property to which the provisions of paragraph 8 apply," after the words "from the alienation of any property,".

2. The following paragraph 8 shall be added to Article 13 of the Convention:

"8. Where an individual who ceases to be a resident of a Contracting State, and immediately thereafter becomes a resident of the other Contracting State, is treated for the purposes of taxation in the first-mentioned State as having alienated a property (in this paragraph referred to as the "deemed alienation") and is taxed in that State by reason thereof, the individual may elect to be treated for purposes of taxation in the other State as if the individual had, immediately before becoming a resident of that State, sold and repurchased the property for an amount equal to the lesser of its fair market value at the time of the deemed alienation and the amount the individual elects, at the time of the actual alienation of the property, to be the proceeds of disposition in the first-mentioned State in respect of the deemed alienation. However, this provision shall not apply to property any gain from which, arising immediately before the individual became a resident of that other State, may be taxed in that other State nor to immovable property situated in a third State."