

indirectly, through an agency in New Zealand to a person who is resident in Canada and is not resident in New Zealand, unless the profits or gains either—

- (1) Arise from the sale of goods from a stock in New Zealand, or
- (2) Accrue directly or indirectly through any branch or management in New Zealand or through an agency in New Zealand where the agent has an habitually exercises a general authority to negotiate and conclude contracts

ARTICLE 2

His Majesty's Government in Canada undertake that the profits or gains to which this Article relates shall, so long as the exemption specified in Article 1 hereof remains effective, be exempted from income tax chargeable by Canada in respect of the 1943 taxation period and fiscal periods ending therein, and thereafter, and will take the necessary action under subsection 3 of Section 27A of the Income War Tax Act as enacted by Section 14 of Chapter 55 of the Statutes of 1934 with a view to giving the force of law to the exemption aforesaid.

The profits or gains to which this Article relates are any profits or gains from the sale of goods, other than things in action and money, arising, whether directly or indirectly, through an agency in Canada to a person who is resident in New Zealand and is not resident in Canada, unless the profits or gains either—

- (1) Arise from the sale of goods from a stock in Canada, or
- (2) Accrue directly or indirectly through any branch or management in Canada, or through an agency in Canada where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

ARTICLE 3

His Majesty's Government in New Zealand further undertake that for the year of assessment commencing on the first day of April nineteen hundred and forty-three, and for every subsequent year of assessment, so long as the exemption specified in Article 4 hereof remains effective, profits or gains accruing to a person resident in Canada and not resident in New Zealand from sales under contracts entered into in Canada (that is to say, where the acceptance of the offer of purchase is effected in Canada) of goods stocked in a warehouse in New Zealand for convenience of delivery and not for the purposes of display, shall be exempted from income tax in New Zealand, even though the offers of purchase have been obtained by an agent in New Zealand of the principal in Canada and transmitted by him to the principal for acceptance, and His Majesty's Government in New Zealand will take the necessary action under Section eleven aforementioned with a view to giving the force of law to the exemption aforesaid.

ARTICLE 4

His Majesty's Government in Canada further undertake that in respect of the 1943 taxation period and fiscal periods ending therein, and thereafter, so long as the exemption specified in Article 3 hereof remains effective, profits or gains accruing to a person resident in New Zealand and not resident in Canada from sales under contracts entered into in New Zealand (that is to say, where the acceptance of the offer of purchase is effected in New Zealand) of goods stocked in a warehouse in Canada for convenience of delivery and not for the purposes of display, even though the offers of purchase have been obtained by an agent in Canada of the principal in New Zealand and transmitted by him to the principal for acceptance, and His Majesty's Government in Canada will take the necessary action under subsection 3 of Section 27A aforementioned with a view to giving the force of law to the exemption aforesaid.