(b) the term "principal class of shares" means the class or classes of shares of a company which represent a majority of the capital or of the voting power of the company;

(c) the term "recognised stock exchange" means:

(i) any stock exchange established by a Financial Instruments Exchange or an approved-type financial instruments firms association under the Financial Instruments and Exchange Law (Law No. 25 of 1948) of Japan;

(ii) any Swiss stock exchange on which registered dealings in shares take place;

(iii) the London Stock Exchange, the Irish Stock Exchange and the stock exchanges of Amsterdam, Brussels, Düsseldorf, Frankfurt, Hamburg, Johannesburg, Lisbon, Luxembourg, Madrid, Mexico, Milan, New York, Paris, Seoul, Singapore, Stockholm, Sydney, Toronto and Vienna, and the NASDAQ system;

(iv) any other stock exchange which the competent authorities of the Contracting States agree to recognise for the purposes of this Article;

(d) the term "equivalent beneficiary" means:

(i) a resident of a state that has a convention for the avoidance of double taxation between that state and the Contracting State from which the benefits of this Convention are claimed such that:

(aa) that convention contains provisions for effective exchange of information;

(bb) that resident is a qualified person under the limitation on benefits provisions in that convention or, where there are no such provisions in that convention, would be a qualified person when that convention is read as including provisions corresponding to paragraph 2; and

(cc) with respect to an item of income referred to in paragraph 3 of Article 10, subparagraph (c), (d) or (e) of paragraph 3 of Article 11, Article 12, paragraph 6 of Article 13 or Article 22 that resident would be entitled under that convention to a rate of tax with respect to the particular class of income for which the benefits are being claimed under this Convention that is at least as low as the rate applicable under this Convention; or

(ii) a qualified person by reason of subparagraph (a), (b), (c), (d) or (e) of paragraph 2;

(e) the term "gross income" means the total revenues derived by an enterprise from its business, less the direct costs of obtaining such revenues."

Article 16

Article 23 of the Convention shall be deleted and replaced by the following:

"Article 23

1. Subject to the provisions of the laws of Japan regarding the allowance as a credit against Japanese tax of tax payable in any country other than Japan, where a resident of Japan derives income from Switzerland which may be taxed in Switzerland in accordance with the provisions of this Convention, the amount of Swiss tax payable in respect of that income shall be allowed as a credit against the Japanese tax imposed on that resident. The amount of credit, however, shall not exceed that part of the Japanese tax which is appropriate to that income.