5. With reference to Articles 10 and 13 of the Convention, the Netherlands treats income received in connection with the whole or partial winding-up of a company or a purchase of own shares by a company as dividends as referred to in Article 10 of the Convention and not as capital gains as referred to in Article 13 of the Convention.

6. With reference to paragraph 3 of Article 11 of the Convention, the terms "the central bank" and "institution owned by that Government" mean:

a) in the case of Japan:

(i) the Bank of Japan;

(ii) the Japan Finance Corporation;

(iii) the Japan International Cooperation Agency;

(iv) the Nippon Export and Investment Insurance; and

(v) such other similar institution the capital of which is owned by the Government of Japan as may be agreed upon from time to time between the Governments of the Contracting States through an exchange of diplomatic notes; and

b) in the case of the Netherlands:

(i) the Central Bank of the Netherlands (De Nederlandsche Bank NV);

(ii) the Netherlands Development Finance Company (de Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV);

(iii) the Netherlands Investment Bank for Developing Countries (de Nederlandse Investeringsbank voor Ontwikkelingslanden NV); and

(iv) such other similar institution the capital of which is owned by the Government of the Netherlands as may be agreed upon from time to time between the Governments of the Contracting States through an exchange of diplomatic notes.

7. With reference to Article 15 of the Convention, where a company is a resident of the Netherlands, the term "members of the board of directors" includes both a "bestuurder" and a "commissaris". The terms "bestuurder" and "commissaris" mean respectively persons who are charged with the general management of the company and persons who are charged with the supervision thereof.

8. With reference to Articles 17 and 18 of the Convention, it is understood that whether and to what extent a pension or other similar remuneration falls under Article 17 or under Article 18 of the Convention is determined by the nature (private or governmental) during the period or periods in which the entitlement to such pension or other similar remuneration was built up.

9. Nothing in the Convention shall prevent Japan from imposing tax at source, in accordance with its laws, on any income and gains derived by a person pursuant to a sleeping partnership (Tokumei Kumiai) contract or other similar contract.

10. With reference to subparagraph c) of paragraph 2 of Article 21 of the Convention, the shares in the principal class of shares of a company are considered to be regularly traded on one or more recognised stock exchanges in a taxable year if the aggregate number of the shares in that class traded on such stock exchange or exchanges during the twelve months ending on the day before the beginning of that taxable year is at least 6 per cent of the average number of the shares outstanding in that class during that twelve-month period.

11. With reference to subparagraph c) of paragraph 2 of Article 21 of the Convention, the "primary place of management and control" of a company will be in the Contracting State of which it is a resident only if executive officers and senior management employees exercise day-to-day responsibility for the strategic, financial and operational policy decision making for the company (including its direct and indirect subsidiaries) more in that Contracting State than in any other state and the staff of such persons conduct the day-to-day activities necessary for preparing and making those decisions more in that Contracting State than in any other state.

12. With reference to paragraph 5 of Article 24 of the Convention: