Article 15
ELIMINATION OF DOUBLE TAXATION

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 Guernsey which may be taxed in Guernsey in accordance with this Chapter, the amount of Guernsey 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, as computed before the credit is given, which is appropriate to that income.

2. Subject to the provisions of the laws of Guernsey regarding the allowance as a credit against Guernsey tax of tax payable in a territory outside Guernsey (which shall not affect the general principle hereof):

(a) subject to the provisions of sub-paragraph (c), where a resident of Guernsey derives income which may be taxed in Japan in accordance with this Chapter, Guernsey shall allow as a credit against the tax payable in respect of that income, an amount equal to the income tax paid in Japan;

(b) such credit shall not, however, exceed that part of the income tax, as computed before the credit is given, which is attributable to the income which may be taxed in Japan;

(c) where a resident of Guernsey derives income which shall be taxable only in Japan in accordance with this Chapter, Guernsey may include this income in calculating the amount of tax on the remaining income of such resident.

Chapter 4
SPECIAL PROVISIONS

Article 16
MUTUAL AGREEMENT PROCEDURES

1. Where a person considers that the actions of one or both of the Contracting Parties result or will result for him in taxation not in accordance with Chapter 3, he may, irrespective of the remedies provided by the laws of those Contracting Parties, present his case to the competent authority of the Contracting Party of which he is a resident as determined pursuant to Article 12. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with that Chapter.

2. The competent authority of a Contracting Party shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting Party, with a view to the avoidance of taxation which is not in accordance with Chapter 3. Any agreement reached shall be implemented notwithstanding any time limits in the laws of the Contracting Parties.

3. The competent authorities of the Contracting Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement.

4. In addition to the agreements referred to in paragraph 3, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used for the purposes of Chapter 2.

5. The competent authorities of the Contracting Parties may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs of this Article.

Chapter 5
FINAL PROVISIONS

Article 17
HEADINGS

The headings of the Chapters and the Articles of this Agreement are inserted for convenience of reference only and shall not affect the interpretation of the Agreement.