If, in any future tax treaty with any other state, New Zealand should provide more favourable treatment of dividends with respect to the relevant conditions, New Zealand shall without undue delay inform Japan and shall enter into negotiations with Japan with a view to providing the same treatment.

8. With reference to paragraph 6 of Article 10 of the Convention:

It is understood that the term "dividends" includes, in the case of New Zealand, income in relation to profit-related debentures, substituting debentures and stapled debt securities as defined in sections FA 2 and FA 2B of the Income Tax Act 2007 or any substantially similar provision which is enacted and has effect after the date of signature of the Convention.

9. With reference to paragraph 3 and 4 of Article 11 of the Convention:

It is understood that the New Zealand Export Credit Office is a part of the Government of New Zealand.

10. With reference to paragraph 5 of Article 11 of the Convention:

It is understood that the term "arrangement involving back-to-back loans" would cover, inter alia, any kind of arrangement structured in such a way that a financial institution which is a resident of a Contracting State receives interest arising in the other Contracting State and the financial institution pays an equivalent interest to another person who is a resident of the first-mentioned Contracting State and, if it received the interest directly from the other Contracting State, would not be entitled to the exemption from tax with respect to that interest in that other Contracting State.

11. With reference to Article 11 of the Convention:

If, in any future tax treaty with any other state, New Zealand should provide more favourable treatment of interest derived by financial institutions, New Zealand shall without undue delay inform Japan and shall enter into negotiations with Japan with a view to providing the same treatment.

12. With reference to Articles 11, 12 and 14 of the Convention:

The reference to the term "borne by" is also applicable to interest, royalties or remuneration that is deductible in determining the profits attributable to a permanent establishment.

13. With reference to subparagraph (d) of paragraph 3 of Article 12 of the Convention:

It is understood that the term "forbearance in respect of the use or supply of any property or right" applies to cases where the holder of any property or right receives a payment as consideration for not making such property or right available to another person.

14. With reference to Article 13 of the Convention:

It is understood that paragraph 1 of Article 13 of the Convention shall apply to income, profits or gains derived by a resident of a Contracting State from the alienation of the interests in a partnership or trust to the extent that the income, profits or gains is treated for the purposes of the taxation laws of the other Contracting State as the income, profits or gains derived from the alienation of immovable property referred to in Article 6 of the Convention situated in that other Contracting State.

15. With reference to Article 25 of the Convention:

It is confirmed that the provisions of Article 25 of the Convention shall not affect the provisions of the taxation laws of New Zealand concerning:

(a) Subpart FE of the Income Tax Act 2007 which deals with thin capitalisation;

(b) Section CW 10 of the Income Tax Act 2007 which deals with an inter-corporate dividend exemption for wholly-owned groups;

(c) Subpart FM of the Income Tax Act 2007 which deals with consolidated groups;

(d) Section EB 5 of the Income Tax Act 2007 which deals with transfers of trading stock within a wholly-owned group;

(e) Subpart IC of the Income Tax Act 2007 which deals with loss offsets between group companies;