

of the territories may also be taxed in the other territory but only if the activities are performed in the latter territory.

(2) An individual resident of the Federal Republic shall be exempt from Canadian tax upon the profits or remuneration referred to in paragraph (1) if he is temporarily present in Canada for a period or periods not exceeding a total of 183 days during the taxable year and either of the following conditions is met:

- (a) his compensation is received for activities performed for or on behalf of a resident of the Federal Republic and such compensation is borne by such resident, or
- (b) his compensation received for such activities does not exceed \$3,000 gross.

(3) The provisions of paragraph (2) of this Article shall apply, *mutadis mutandis*, to an individual resident of Canada with respect to compensation for activities performed in the Federal Republic.

(4) The provisions of paragraphs (2) and (3) shall not apply to compensate of public entertainers such as theatre, motion picture, radio or variety artists, musicians or athletes.

ARTICLE XII

(1) Any pension (other than pension paid out of public funds of one of the states or political subdivision thereof) and any annuity, derived from sources within one of the territories by an individual who is a resident of the other territory shall be exempt from tax in the first-mentioned territory.

(2) The term "pension", as used in this Article, means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

(3) The term "annuity" means a stated sum payable periodically at stated times, during life or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

ARTICLE XIII

(1) Income from immovable property (including gains derived from the sale or exchange of such property) may be subjected to tax in the territory in which the property is situated. Interest on debts secured by mortgages on real estate and royalties or other amounts paid in respect of the operation of a mine, stone quarry or any other extraction of natural resources shall be regarded as income derived from immovable property.

(2) Paragraph (1) shall not apply where a resident of one of the territories has a permanent establishment in the other territory and such income is attributable to that permanent establishment; in such event Article III of this Convention shall be applicable.

ARTICLE XIV

A professor or teacher from one of the territories, who receives remuneration for teaching, during a period of temporary residence not exceeding two years, at a university, college, school or other educational institution in the other territory, shall be exempt from tax in that other territory in respect of that remuneration.