

- (f) The term "resident of Denmark" and "resident of Canada" mean respectively any person who is resident in Denmark for the purposes of Danish tax and not resident in Canada for the purposes of Canadian tax, and any person who is resident in Canada for the purposes of Canadian tax and not resident in Denmark for the purposes of Danish tax; a company shall be regarded as resident in Denmark if its business is managed and controlled in Denmark and as resident in Canada if its business is managed and controlled in Canada.
- (g) The terms "resident of one of the territories" and "resident of the other territory" mean a person who is a resident of Denmark or a person who is a resident of Canada, as the context requires.
- (h) The terms "Danish enterprise" and "Canadian enterprise" mean respectively an enterprise or undertaking carried on by a resident of Denmark and an enterprise or undertaking carried on by a resident of Canada; and the terms "enterprise of one of the territories" and "enterprise of the other territory" mean a Danish enterprise or a Canadian enterprise, as the context requires.
- (i) The term "permanent establishment" when used with respect to an enterprise of one of the territories, means a branch, office, factory, or other fixed place of business, a mine, quarry or any other place of natural resources subject to exploitation. It also includes a place where building construction is carried on by contract for a period of at least one year, but does not include an agency unless the agent has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of the enterprise or has a stock of merchandise from which he regularly fills orders on its behalf. In this connection—
- (i) An enterprise of one of the territories shall not be deemed to have a permanent establishment in the other territory merely because it carried on business dealings in that other territory through a *bona fide* broker or general commission agent acting in the ordinary course of his business as such;
- (ii) The fact that an enterprise of one of the territories maintains in the other territory a fixed place of business exclusively for the purchase of goods or merchandise shall not of itself constitute that fixed place of business a permanent establishment of the enterprise;
- (iii) The fact that a company which is a resident of one of the territories has a subsidiary company which is a resident of the other territory or which carries on a trade or business in that other territory (whether through a permanent establishment or otherwise) shall not of itself constitute that subsidiary company a permanent establishment of its parent company.

2. In the application of the provisions of the present Agreement by one of the Contracting Governments any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under its own tax laws.