

ARTICLE 12**Royalties**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed:
 - (a) 5 per cent of the gross amount of the royalties if they are:
 - (i) copyright royalties and other like payments in respect of the production or reproduction of any literary, dramatic, musical or other artistic work (excluding royalties in respect of motion picture films and royalties in respect of works on film, videotape or other means of reproduction for use in connection with television broadcasting), or
 - (ii) royalties for the use of, or the right to use, computer software or any patent or for information concerning industrial, commercial or scientific experience (but not including any such royalty provided in connection with a rental or franchise agreement);
 - (b) 10 per cent of the gross amount of the royalties in all other cases.
3. The term "royalties" as used in this Article means payments of any kind received as consideration for:
 - (a) the use of, or the right to use, any copyright, patent, trade mark, design or model, plan, secret formula, or process or other intangible property;
 - (b) the use of, or the right to use, industrial, commercial or scientific equipment;
 - (c) information concerning industrial, commercial or scientific experience;
 - (d) the use of, or the right to use:
 - (i) motion picture films,
 - (ii) films, videotapes or other means of reproduction for use in connection with television, or
 - (iii) tapes for use in connection with radio broadcasting;