

because it carries on business in that other territory through a broker, general commission agent or any other agent of an independent status, where such person is acting in the ordinary course of his business.

- (v) The fact that a company which is a resident of one of the territories controls or is controlled by a company which is a resident of the other territory, or which carries on business in that other territory (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.
- (vi) The term "international traffic" includes traffic between places in one country in the course of a voyage which extends over more than one country.

2. The term "industrial or commercial profits", as used in this Agreement, does not include income in the form of dividends, interest, rents or royalties, management charges, or remuneration for labour or personal services.

3. In the application of the provisions of this Agreement by one of the Contracting Governments any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting Government relating to the taxes which are the subject of this Agreement.

ARTICLE III.

1. The industrial or commercial profits of an Irish enterprise shall not be subject to Canadian tax unless the enterprise carries on business in Canada through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, tax may be imposed in Canada on those profits but only on so much of them as is attributable to that permanent establishment.

2. The industrial or commercial profits of a Canadian enterprise shall not be subject to Irish tax unless the enterprise carries on business in Ireland through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, tax may be imposed in Ireland on those profits but only on so much of them as is attributable to that permanent establishment.

Provided that where a life assurance company which is a resident of Canada has a permanent establishment in Ireland nothing in this paragraph shall affect any of the provisions of the law of Ireland relating to the taxation of investment income of life assurance companies with head offices outside Ireland, being provisions which (except insofar as they may have been rendered ineffective by virtue of paragraph 2 of Article III of the Agreement between the Government of Ireland and the Government of Canada for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Ottawa on the 28th day of October, 1954) were in force on the date of signature of this Agreement. The foregoing proviso shall not, however, be deemed to involve that the said provisions of the law of Ireland were, or were considered by the Oireachtas to be, different from those provisions as governed by the proviso.

3. Where an enterprise of one of the territories carries on business in the other territory through a permanent establishment situated therein, there shall in each territory be attributed to that permanent establishment the industrial or commercial profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing quite independently with the enterprise of which it is a permanent establishment.

4. In determining the industrial or commercial profits of a permanent estab-