

4. The provisions of paragraph 2 shall not apply if the beneficial owner of the dividends carries on business in the Contracting State of which the person paying the dividends is a resident and the dividends are attributed to a business carried on by him through a permanent establishment situated in that State. In such case the provisions of Article VI apply.

5. Nothing in this Agreement shall be construed as preventing a Contracting State from imposing on the earnings of a person (other than an individual) attributable to a permanent establishment in that State, tax in addition to the tax which would be chargeable on the earnings of a person (other than an individual) which is a resident of that State, provided that any additional tax so imposed shall not exceed 15 per cent of the amount of such earnings which have not been subjected to such additional tax in previous years. For the purpose of this provision, the term "earnings" means the profits attributable to a permanent establishment in a Contracting State in a year and previous years after deducting therefrom all income taxes, other than the additional tax referred to herein, imposed on such profits in that State.

ARTICLE IX

Interest

1. Interest 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 interest may also be taxed in the Contracting State in which it arises, and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 15 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to a resident of the other Contracting State who is the beneficial owner thereof, shall be taxable only in that other State if it is paid:

- (a) to the Government of that other State;
- (b) to the central bank of that other State; or
- (c) in respect of a loan made, guaranteed or insured by the Government of that other State or by such public body of that other State as is specified and agreed between the competent authorities of the Contracting States.

4. The term "interest" as used in this Article means income from government securities, bonds or debentures, as well as income which is subjected to the same taxation treatment as income from money lent by the laws of the State in which the income arises. However, the term "interest" does not include income dealt with in Article 8.

5. The provisions of paragraphs 2 and 3 shall not apply if the beneficial owner of the interest carries on business in the Contracting State in which the interest arises and the interest is attributed to a business carried on by him through a