

- (ii) the sale of air transportation, either for the airline itself or for any other airline; and
 - (iii) interest on sums generated directly from the operation of aircraft in international traffic provided that such interest is incidental to the operation;
- (b) the term “international traffic” means the transportation of persons and/or cargo, including mail, except where such transportation is principally between points in the territory of a Contracting Party; and
- (c) the term “airline of a Contracting Party” means, in the case of Canada, an airline resident in Canada for purposes of income taxation and, in the case of the State of Israel, an airline resident in the State of Israel for purposes of income taxation.

5. This Article shall not have effect when an agreement for the avoidance of double taxation with respect to taxes on income is in effect between the two Contracting Parties.

ARTICLE 19

Applicability to Charter/Non-scheduled Flights

1. The provisions set out in Articles 6 Application of Laws, 7 Safety Standards, Certificates and Licences, 8 Aviation Security, 9 Customs Duties and Other Charges, 10 Statistics, 12 Availability of Airports and Aviation Facilities and Services, 13 Charges for Airports and Aviation Facilities and Services, 15 Airline Representatives, 16 Ground Handling, 17 Sales and Transfer of Funds, 18 Taxation and 20 Consultations of this Agreement apply to charters and to other non-scheduled flights operated by the air carriers of one Contracting Party into or from the territory of the other Contracting Party and to the air carriers operating such flights.
2. The provisions of paragraph 1 of this Article shall not affect national laws and regulations governing the authorization of charters or non-scheduled flights or the conduct of air carriers or other parties involved in the organization of such operations.