

3. Capital represented by ships, aircraft and containers operated in international traffic by an enterprise of a Contracting State and by movable property pertaining to the operation of such ships, aircraft, and containers shall be taxable only in that State.
4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

## V. METHODS FOR THE ELIMINATION OF DOUBLE TAXATION

### Article 24

#### Elimination of Double Taxation

1. In the case of Canada, double taxation shall be avoided as follows:
  - (a) Subject to the existing provisions of the law of Canada regarding the deduction from tax payable in Canada of tax paid in a territory outside Canada and to any subsequent modification of those provisions -- which shall not affect the general principle hereof -- and unless a greater deduction or relief is provided under the laws of Canada, tax payable in Zimbabwe on profits, income or gains arising in Zimbabwe shall be deducted from any Canadian tax payable in respect of such profits, income or gains.
  - (b) Subject to the existing provisions of the law of Canada regarding the determination of the exempt surplus of a foreign affiliate and to any subsequent modification of those provisions -- which shall not affect the general principle hereof -- for the purpose of computing Canadian tax, a company resident in Canada shall be allowed to deduct in computing its' taxable income any dividend received by it out of the exempt surplus of a foreign affiliate resident in Zimbabwe.
2. In the case of Zimbabwe and subject to the provisions of the law of Zimbabwe regarding the allowance as a credit against Zimbabwean tax of the tax payable in a territory outside Zimbabwe which shall not affect the general principle hereof, Canadian tax payable, whether directly or by deduction, in respect of taxable income or chargeable gains from sources within Canada shall be allowed as a credit against any Zimbabwean tax computed by reference to the same taxable income or chargeable gains by reference to which the Canadian tax is computed.