

ARTICLE VIII

(1) Copyright royalties and other like payments made in respect of the production or reproduction of any literary, dramatic, musical or artistic work (excluding royalties and like payments in respect of motion picture films and films for use in connection with television) and derived from sources within one of the territories by a resident of the other territory shall be exempt from tax in that first-mentioned territory.

(2) The rate of tax on royalties and other payments derived as consideration for the right to use patents, designs, plans, secret processes and formulae, trade marks and other like property and rights derived from sources within one of the territories by a resident of the other territory shall not exceed 15% in the first mentioned territory.

(3) The rate of tax on royalties and like payments in respect of motion picture films and films for use in connection with television derived from sources within one of the territories by a resident of the other territory shall not exceed 10% in the first mentioned territory.

(4) Where any royalty exceeds a fair and reasonable consideration in respect of the rights for which it is paid, the exemption provided by this Article shall apply only to so much of the royalties as represents such fair and reasonable consideration.

(5) Paragraphs (1), (2) and (3) shall not apply where a resident of one of the territories has a permanent establishment in the other territory and such items of income as are dealt with in these paragraphs are attributable to that permanent establishment; in such event Article III of this Convention shall be applicable.

ARTICLE IX

(1) Except as provided in Article XIII a resident of one of the territories shall be exempt in the other territory from any tax on gains from the sale, transfer or exchange of capital assets.

(2) Paragraph (1) shall not apply where a resident of one of the territories has a permanent establishment in the other territory and such gains are attributable to that permanent establishment; in such event Article III of this Convention shall be applicable.

(3) Paragraph (1) shall not apply to the profits from the sale of shares in a company of the Federal Republic in which the vendor had a substantial interest.

ARTICLE X

(1) Remuneration (other than pensions) paid out of public funds, of one of the contracting states or political sub-divisions thereof to any individual for services to that State or political sub-division thereof shall be exempt from tax in the territory of the other State if the individual is a citizen of the first-mentioned State.

(2) The provisions of this Article shall not apply to payments in respect of services in connection with any trade or business carried on by either of the contracting states or political sub-divisions thereof for purposes of profit.

ARTICLE XI

(1) Profits or remuneration from a profession (including services as a director) or employment earned by an individual who is a resident of one