

ment fees was incurred, and the management fees are borne by that permanent establishment then the management fees shall be deemed to arise in that Contracting State.

6. Where, owing to a special relationship between the payer and the beneficial owner of the management fees or between both of them and some other person, the amount of the management fees paid, having regard to the advice, services or use for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Agreement.

7. If a resident of a Contracting State who receives management fees which arise in the other Contracting State and who is subject to tax in respect thereof in the first-mentioned State so elects for any year of assessment or taxation year, the tax chargeable in respect of those management fees in the Contracting State in which they arise shall be calculated as if he had a permanent establishment in that State and as if those management fees were taxable in accordance with Article VII.

ARTICLE XIV

Capital Gains

1. Gains from the alienation of immovable property may be taxed in the Contracting State in which such property is situated.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment alone or together with the whole enterprise, may be taxed in the other State. However, gains derived by a resident of one of the Contracting States from the alienation of ships and aircraft operated in international traffic and of movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that State.

3. Gains from the alienation of shares of a company, the property of which consists principally of immovable property situated in a Contracting State, may be taxed in that State.

Gains from the alienation of an interest in a partnership or a trust, the property of which consists principally of immovable property situated in a Contracting State, may be taxed in that State.

4. Gains from the alienation of any property, other than those mentioned in paragraphs 1, 2 and 3 shall be taxable only in the Contracting State of which the alienator is a resident.