

allowance in respect of investment in property in Canada, and any subsequent modification of those provisions which shall not affect the general principle hereof, and

- d) five hundred thousand Canadian dollars (\$500,000) less any amount deducted under this subparagraph
 - (i) by the company, or
 - (ii) by a person related thereto from the same or a similar business as that carried on by the company.

Article 11

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 10 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 to the extent that such interest:

- a) is a penalty charge for late payment;
- b) is paid by the central bank of a Contracting State to the central bank of the other Contracting State;
or