

ARTICLE X

Dividends

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State; but where the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends.
3. Notwithstanding the provisions of paragraph 2, the rate of Jamaican tax imposed on dividends paid by a company which is a resident of Jamaica shall not exceed 22½ per cent of the gross amount of the dividends if the beneficial owner thereof is:
 - (a) company which is a resident of Canada which controls directly or indirectly at least 10 per cent of the voting power of the company paying the dividends; or
 - (b) a company which is a resident of Canada provided that the company paying the dividends qualifies under the tax law of Canada as a foreign affiliate thereof.
4. The provisions of paragraph 2 and 3 shall not affect the taxation of the company on the profits out of which the dividends are paid.
5. In this Article, the term "dividends" in the case of Canada includes any income which under the tax law of Canada is treated as a dividend and in the case of Jamaica includes any income which under the tax law of Jamaica is treated as a distribution.
6. The provisions of paragraphs 2 and 3 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on in the other Contracting State of which the company paying the dividends is a resident, a trade or business through a permanent establishment situated therein, and the holding by virtue of which the dividends are paid is effectively connected with that permanent establishment. In such a case, the provisions of Article VII shall apply.
7. Where a company is a resident of only one Contracting State, the other Contracting State may not impose any tax on the dividends paid by the company to persons who are not residents of that other State, or subject the company to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.
8. The provisions of paragraph 7 shall not prevent a Contracting State from taxing dividends beneficially owned by a person who is not a resident of that State if such dividends relate to a holding which is effectively connected with a permanent establishment of that person in that State.