

4. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

5. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

6. Where:

- (a) a resident of Canada beneficially owns (whether as a direct beneficiary of a trust or through one or more interposed trusts) a share of the profits of a business of an enterprise carried on in New Zealand by the trustee of a trust other than a trust which is treated as a company for tax purposes; and
- (b) in relation to that enterprise, that trustee has or would have, if it were a resident of Canada, a permanent establishment in New Zealand,

then the business of the enterprise carried on by the trustee through such permanent establishment shall be deemed to be a business carried on in New Zealand by that resident through a permanent establishment situated in New Zealand and the resident's share of profits that is attributable to that permanent establishment may be taxed in New Zealand.

7. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

8. Notwithstanding the provisions of this Article, an enterprise of a Contracting State that derives income from any form of insurance, other than life insurance, from the other State in the form of premiums paid for the insurance of risks situated in that other State, may to that extent be taxed in the other State in accordance with the law of that other State relating specifically to the taxation of any person who derives such income. However, the amount of the income so derived that may be taxed in that other State in accordance with this paragraph shall not exceed 10 per cent of the gross premiums receivable, except where the income so derived is attributable to a permanent establishment of an enterprise of the first-mentioned State, in which case the other provisions of this Article shall apply.

## ARTICLE 8

### Ship and Aircraft Operations

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1 and Article 7, profits of an enterprise of a Contracting State derived from the carriage by ship or aircraft of passengers, livestock, mail, goods or merchandise which are shipped in the other Contracting State and are discharged at a place in that other State, may be taxed in that other State.