

this Agreement, is taxable by the State in the territory of which the personal activity is exercised from which is derived the income and to the extent that the activity is exercised in this territory.

II. Liberal professions within the meaning of this Article shall include particularly scientific, artistic, literary, teaching and pedagogical activity, as well as that of doctors, lawyers, architects and engineers.

ARTICLE 15

Students of one of the States who sojourn in the other State exclusively for the purpose of their studies, shall not be subject to any tax by the latter State on the remittances which they receive from a person having his fiscal domicile in the first State.

ARTICLE 16

It is agreed that double taxation shall be avoided in the following manner:

A. As regards Canada:

Canada shall deduct from the tax which is normally collectable in virtue of its own legislation, the fraction of this tax related to the income which, in virtue of this Agreement, is taxable in France.

Nevertheless, the amount of the deduction to be made in this way shall not exceed the amount of the tax collected in France on the income referred to in the preceding paragraph.

B. As regards France:

a) The tax on the income of physical persons (proportional tax) and the tax on companies.

(1) With respect to the income referred to in Articles 8 and 12 of this Agreement, a deduction of the tax withheld at the source in Canada from that which is collectable in France, will be effected in a lump sum by means of a reduction of fifteen in the rate of the French tax.

(2) When the income referred to in Articles 3, 4, 9, 10 and 13, paragraph I, of this Agreement is, in virtue of the said Agreement, taxable in Canada, it will be exempt from the taxes in France.

(3) When the income referred to in Article 11, paragraph II, 13 paragraphs III and IV, and 14 of this Agreement is, in virtue of the said Agreement, taxable in Canada, the regular amount of the taxes payable in France will be reduced by the fraction of this tax corresponding to the net amount of this income.

Nevertheless, the credit will, if necessary, be limited to the amount of tax collected in Canada.

b) The tax on the income of physical persons (progressive surtax). The provisions of paragraphs I and II of Article 164 of the "Code français des Impôts" fixing the manner for the taxation of foreigners domiciled or resident in France will continue to be applied.