

2. The industrial and commercial profits of a Canadian enterprise shall not be subject to Finnish tax unless the enterprise is engaged in trade or business in Finland through a permanent establishment situated therein. If it is so engaged, tax may be imposed on those profits by Finland, but only on so much of them as is attributable to that permanent establishment.

3. Where an enterprise of one of the territories is engaged in trade or business in the other territory through a permanent establishment situated therein, there shall be attributed to such permanent establishment the industrial and commercial profits which it might be expected to derive in that other territory if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the enterprise of which it is a permanent establishment.

4. No portion of any profits arising to an enterprise of one of the territories shall be attributed to a permanent establishment situated in the other territory by reason of the mere purchase of goods or merchandise within that other territory by the enterprise.

5. Where a company which is a resident of one of the territories derives profits or income from sources within the other territory, that other territory shall not impose any form of taxation on dividends paid by the company to persons not resident in that other territory, or any tax in the nature of an undistributed profits tax on undistributed profits of the company, by reason of the fact that those dividends or undistributed profits represent, in whole or in part, profits or income derived from such sources.

6. Paragraphs 1 and 2 of this Article shall not be construed as preventing one of the contracting States from imposing a tax on income in the form of dividends, interest, rents or royalties, including rents and royalties of motion picture films, derived from sources within its territory by a resident of the territory of the other contracting State.

#### Article IV

Where

- (a) an enterprise of one of the territories participates directly or indirectly in the management, control or capital of an enterprise of the other territory, or
  - (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the territories and an enterprise of the other territory, and
  - (c) in either case conditions are made or imposed between the two enterprises, in their commercial or financial relations, which differ from those which would be made between independent enterprises,
- then any profits which but for these conditions would have accrued to one of the enterprises but by reason of these conditions have not so accrued may be included in the profits of that enterprise and taxed accordingly.

#### Article V

Notwithstanding the provisions of Articles III and IV, profits gained by a resident of one of the territories from operating ships or aircraft shall be exempt from tax in the other territory.