

5. Where a company which is a resident of a contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividend paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits 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.

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 15 per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2 of this Article,
 - (a) interest arising in Canada and paid in respect of a bond, debenture or other similar obligation of the government of Canada or of a political subdivision or local authority thereof shall, provided that the interest is beneficially owned by a resident of Zimbabwe, be taxable only in Zimbabwe;
 - (b) interest arising in a Contracting State and paid to a resident of the other Contracting State which was constituted and is operated exclusively to administer or provide benefits under one or more pension, retirement or other employee benefits plans registered as such for tax purposes in that other State shall not be taxable in the first-mentioned State provided that
 - (i) the resident is the beneficial owner of the interest and is generally exempt from tax in the other State, and
 - (ii) the interest is not derived from carrying on a trade or a business or from a related person.