

3. In the application of this Convention by a Contracting State, any terms not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes to which this Convention applies.

ARTICLE 4

Residence

1. Subject to paragraph (2), for the purposes of this Convention, a person is a resident of one of the Contracting States if that person is a resident of the State for the purposes of its tax.

2. In relation to income from sources in Canada, a person who is subject to Australian tax on income which is from sources in Australia shall not be treated as a resident of Australia unless the income from sources in Canada is subject to Australian tax or, if that income is exempt from Australian tax, it is so exempt solely because it is subject to Canadian tax.

3. Where by reason of the provisions of paragraph (1) an individual is a resident of both Contracting States, then his status shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident solely of the Contracting State in which he has a permanent home available to him;
- (b) if he has a permanent home available to him in both Contracting States, or if he does not have a permanent home available to him in either of them, he shall be deemed to be a resident solely of the Contracting State with which his personal and economic relations are the closer.

4. Where by reason of the provisions of paragraph (1) a person other than an individual is a resident of both Contracting States, then the person's status shall be determined as follows:

- (a) it shall be deemed to be a resident of the Contracting State in which it is incorporated or otherwise constituted;
- (b) if it is not incorporated or otherwise constituted in either of the Contracting States, it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

ARTICLE 5

Permanent Establishment

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" includes especially—

- (a) a place of management;