

the earnings of a company which is a national of that State, provided that any additional tax so imposed shall not exceed 5 per cent of the amount of such earnings which have not been subjected to such additional tax in previous taxation years.

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 a resident of the other Contracting State is the beneficial owner of the interest the tax so charged shall not exceed 10 per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2:
 - (a) interest arising in a Contracting State and paid in respect of indebtedness of the government of that State or of a political subdivision or local authority thereof shall, provided that the interest is beneficially owned by a resident of the other Contracting State, be taxable only in that other State;
 - (b) interest arising in Trinidad and Tobago and paid to a resident of Canada shall be taxable only in Canada if it is paid in respect of a loan made or a credit extended by the Export Development Corporation;
 - (c) interest arising in Canada and paid to a resident of Trinidad and Tobago shall be taxable only in Trinidad and Tobago if it is paid in respect of a loan made or a credit extended by an institution, wholly owned by the government of Trinidad and Tobago, specified and agreed in letters exchanged between the competent authorities of the Contracting States; and
 - (d) 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 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.
4. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage, and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures, as well as income which is subjected to the same taxation treatment as income from money lent by the laws of the State in which the income arises. However, the term "interest" does not include income dealt with in Article 10.