

5. The provisions of paragraphs 2 and 3 shall not apply if the beneficial owner of the royalties carries on business in the Contracting State in which the royalties arise and the royalties are attributed to a business carried on by him through a permanent establishment situated in that State. In such case the provisions of Article VI shall apply.

6. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a subdivision, a local authority or a resident of that State. However, where royalties are borne by a permanent establishment situated in a Contracting State, then such royalties shall be deemed to arise in the Contracting State in which such permanent establishment is situated.

7. The limitation provided for under paragraph 2 shall not apply where the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds an amount which would have been agreed upon by the payer and the beneficial owner in the absence of a special relationship.

ARTICLE XI

Income from Property

1. Income, profits and gains derived by a resident of a Contracting State from the use, lease or alienation of immovable property situated in the other Contracting State may be taxed in that other State.

2. For the purposes of this Agreement, the term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. However, ships, boats and aircraft shall not be regarded as immovable property.

3. Profits and gains from the alienation of movable property forming part of the business property of a permanent establishment in a Contracting State may be taxed in that State. However, profits and gains from the alienation of ships or aircraft operated in international traffic by a resident of a Contracting State and movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that State.

ARTICLE XII

Income from Employment

1. Subject to the provisions of Articles XIII and XIV, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if: