

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 those conditions would have accrued to one of the enterprises but by reason of those conditions have not so accrued may be included in the profits of that enterprise and taxed accordingly.

ARTICLE 9

Dividends

(1) Dividends paid or credited by a company which is a resident of one of the Contracting States to a resident of the other Contracting State may be taxed in that other State.

(2) Such dividends may also be taxed in the Contracting State of which the company paying or crediting the dividends is a resident, according to the law of that State, but the rate of tax so charged shall not exceed 15 per cent.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

(3) The provisions of paragraph (2) shall not apply if the person to whom the dividend is paid or credited, being a resident of one of the Contracting States has in the other Contracting State, of which the company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the provisions of Article 6 shall apply.

(4) Where a company which is a resident of one of the Contracting States derives profits or income from sources within the other Contracting State, the other State may not impose any tax on the dividends paid by the company to persons who are not residents of that other State or 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 10

Interest

(1) Interest arising in one of the Contracting States and paid or credited to a resident of the other Contracting State may be taxed in that other State.

(2) Such interest may also be taxed in the Contracting State in which it arises, according to the law of that State, but the rate of tax so charged shall not exceed 15 per cent.

(3) The provisions of paragraph (2) shall not apply if the person to whom the interest is paid or credited, being a resident of one of the Contracting States, has in the other Contracting State in which the interest arises, a permanent establishment with which the debt-claim from which the interest arises is effectively connected. In such a case, the provisions of Article 6 shall apply.

(4) Interest shall be deemed to arise in one of the Contracting States when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of one of the Contracting States or not, has in one of the Contracting States a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed