

present in the other Contracting State for a period or periods not exceeding in the aggregate 120 days within any twelve month period, and either:

- (a) the remuneration earned in the other Contracting State within the twelve month period does not exceed five thousand Canadian dollars (\$5,000) or its equivalent in rupiah, or such other amount as is specified and agreed in letters exchanged between the competent authorities of the Contracting States; or
- (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and such remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State, shall be taxable only in that State unless the remuneration is derived by a resident of the other Contracting State."

#### Article XIII

Paragraph 2 of Article 18 (Pensions and Annuities) shall be deleted and replaced by the following:

"2. Pensions arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in the State in which they arise, and according to the law of that State. However, in the case of periodic pension payments, other than payments under the social security legislation in a Contracting State, the tax so charged shall not exceed 15 per cent of the gross amount of the payment."

#### Article XIV

Article 22 (Capital) of the Convention shall be deleted.