

ARTICLE 20

Other Income

1. Subject to the provisions of paragraph 2, items of income of a resident of a Contracting State which are not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

2. However, if such income is derived by a resident of a Contracting State from sources in the other Contracting State, such income may also be taxed in that other State and, subject to paragraph 3, according to the law of that State.

3. Where the income is income derived from an estate or trust resident in Canada by a resident of New Zealand, the Canadian tax on that income shall not exceed 15 percent of the gross amount of the income if it is subject to tax in New Zealand.

4. Nothing in this Article shall apply to either Contracting State to prevent the operation in the Contracting State of any provisions of its law at any time in force relating to the taxation of any income from the business of any form of insurance

ARTICLE 21

Elimination of Double Taxation

1. In the case of Canada, double taxation shall be avoided as follows:

- (a) Subject to the existing provisions of the law of Canada regarding the deduction from tax payable in Canada of tax paid in a territory outside Canada and to any subsequent modification of those provisions—which shall not affect the general principle hereof—and unless a greater deduction or relief is provided under the laws of Canada, tax payable in New Zealand on profits, income or gains arising from sources in New Zealand shall be deducted from any Canadian tax payable in respect of such profits, income or gains.
- (b) Subject to the existing provisions of the law of Canada regarding the determination of the exempt surplus of a foreign affiliate and to any subsequent modification of those provisions—which shall not affect the general principle hereof—for the purpose of computing Canadian tax, a company resident in Canada shall be allowed to deduct in computing its taxable income any dividend received by it out of the exempt surplus of a foreign affiliate resident in New Zealand.

2. Subject to any provisions of the law of New Zealand which may from time to time be in force and which relate to the allowance of a credit against New Zealand tax of tax paid in a country outside New Zealand (which shall not affect the general principle hereof), Canadian tax paid under the law of Canada and consistently with this Convention, whether directly or by deduction, in respect of income derived by a New Zealand resident from sources in Canada (excluding, in the case of a dividend,