

4. For the purposes of this Article:
- (a) the term “profits or income” includes gross receipts and revenues derived directly from the operation of aircraft in international traffic, including:
 - i) the charter or rental of aircraft;
 - ii) the sale of air transportation, either for the airline itself or for any other airline; and
 - iii) interest on sums generated directly from the operation of aircraft in international traffic provided that the interest is incidental to the operation;
 - (b) the term “international traffic” means the transportation of persons and/or cargo, including mail, except where the transportation is principally between points in the territory of a Contracting Party; and
 - (c) the term “airline of a Contracting Party” means, in the case of Canada, an airline resident in Canada for purposes of income taxation and, in the case of the United Mexican States, an airline resident in the United Mexican States for purposes of income taxation.
5. This Article shall not have effect when an agreement for the avoidance of double taxation with respect to taxes on income is in effect between the two Contracting Parties.

ARTICLE 19

Applicability to Charter/Non-scheduled Flights

1. The provisions set out in Articles 6 (Application of Laws), 7 (Safety Standards, Certificates and Licences), 8 (Aviation Security), 9 (Customs Duties and Other Charges), 10 (Statistics), 12 (Availability of Airports and Aviation Facilities and Services), 13 (Charges for Airports and Aviation Facilities and Services), 15 (Airline Representatives), 16 (Ground Handling), 17 (Sales and Transfer of Funds), 18 (Taxation) and 20 (Consultations) of this Agreement apply to charters and other non-scheduled flights operated by the air carriers of one Contracting Party into or from the territory of the other Contracting Party and to the air carriers operating these flights.
2. Paragraph 1 of this Article shall not affect laws and regulations governing the authorization of charters or non-scheduled flights or the conduct of air carriers or other parties involved in the organization of those operations.