

ARTICLE 8.

Where —

- (a) an enterprise of one of the territories participates directly or indirectly in the management, control or capital of an enterprise of the other territory; or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the territories and an enterprise of the other territory;

and, 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 would but for those conditions, 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.

(1) The United Kingdom tax on dividends derived from a company which is a resident of the United Kingdom and which are paid after 5 April, 1966 and beneficially owned by a resident of Canada shall not exceed 15 per cent. of the gross amount of the dividends.

(2) Dividends derived from a company which is a resident of the United Kingdom and which are paid before 6 April, 1966 and which are beneficially owned by a resident of Canada shall be exempt from United Kingdom surtax.

(3) The Canadian tax on dividends derived from a company which is a resident of Canada and which are beneficially owned by a resident of the United Kingdom shall not exceed 15 per cent. of the gross amount of the dividends.

(4) (a) Notwithstanding paragraphs (1) and (3) of this Article where a company which is a resident of one of the territories satisfies the condition prescribed in sub-paragraph (b) of this paragraph, tax shall not be imposed in that territory on dividends which that company pays after 5 April, 1966 to a resident of the other territory, who is the beneficial owner thereof, provided the government of the other territory does not impose on the profits attributable to a permanent establishment of the company in that other territory any tax which is in addition to the tax which would be chargeable on those profits if they were the profits of a company which was a resident of the territory of that Government;

(b) the condition referred to in sub-paragraph (a) of this paragraph is that the company derived not less than 90 per cent. of its income for each of its last three accounting periods or taxation years before the dividend was paid (or in the case of a company having fewer than three accounting periods or taxation years, for each accounting period or taxation year thereof before that date) from a business carried on by it in the other territory.

(5) Subject to the provisions of paragraph (4) of Article 10 and of paragraph (4) of Article 11 of this Agreement —

(a) the term "dividends" in the case of the United Kingdom includes any item which under the law of the United Kingdom is treated as a distribution of a company;

(b) the term "dividends" in the case of Canada includes any item which under the law of Canada is treated as a dividend.

(6) The provisions of paragraphs (1) (2) and (4) of this Article shall not