

2. The provisions of paragraph 1 shall not apply to remuneration in respect of services rendered in connection with any trade or business carried on by one of the Contracting States or a political subdivision or a local authority thereof.

ARTICLE XX

Students

Payments which a student, apprentice or business trainee who is, or was immediately before visiting one of the Contracting States, a resident of the other Contracting State and who is present in the first-mentioned Contracting State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that first-mentioned State, provided that such payments are made to him from sources outside that State.

ARTICLE XXI

Estates or Trusts

1. Income received from an estate or trust which is resident of Canada by a resident of Malaysia may be taxed in Canada according to its law, but the tax so charged shall not exceed 15 per cent of the gross amount of the income.

2. Income paid by a trust which is a resident of Malaysia to a resident of Canada who is the beneficial owner thereof shall be exempt from any tax in Malaysia which is chargeable on such income in addition to the tax chargeable (before allowing any relief to the trust in respect of foreign taxes under the Income Tax Act, 1967 of Malaysia) in respect of the chargeable income of the trust.

ARTICLE XXII

Income Not Expressly Mentioned

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing Articles of this Agreement shall be taxable only in that Contracting State except that if such income is derived from sources in the other Contracting State, it may also be taxed in that other Contracting State.

IV. METHODS FOR PREVENTION OF DOUBLE TAXATION

ARTICLE XXIII

Elimination of Double Taxation

1. The laws of each of the Contracting States shall continue to govern the taxation of income in the respective Contracting States except where express provisions to the contrary are made in this Agreement. Where income derived from one of the Contracting States is subject to tax in both Contracting States, relief from tax chargeable on such income shall be given in accordance with the provisions of paragraphs 2 and 3 of this Article.