

- (a) by the laws of one of the Contracting States in the determination of the tax imposed by that Contracting State, or
- (b) by any other agreement entered into by a Contracting State.

15. It is understood that for the determination of the income tax payable by a resident of a Contracting State in respect of income derived from the other Contracting State, the first-mentioned State shall not consider in any event that such an income is higher than the gross amount of the income paid in the other Contracting State.

16. Notwithstanding the provisions of paragraph 6 of Article X and of paragraph 15 of this Protocol, where a resident of Canada controls, directly or indirectly, alone or together with members of a related group or together with not more than four other residents of Canada, a company which is a resident of Brazil and in which he holds an equity percentage of at least 10 per cent, such resident may be subject to tax in Canada on his proportionate share of the aggregate of the company's net income for any taxation year from property and businesses other than active businesses and the company's net taxable capital gains for any taxation year from the alienation of property other than property used for active business purposes; for the purposes of this provision, any income from a source in a country other than Canada which pertains to or is incident to an active business carried on in a country other than Canada shall be deemed to be income from an active business.