

be made between independent enterprises, then any profits which but for those conditions would 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 VI.

Notwithstanding the provisions of article IV of this Convention profits which a resident of one of the States derives from operating ships or aircraft shall be exempt from tax in the other State.

ARTICLE VII.

1. Dividends paid by a company which is a resident of one of the States to a resident of the other State shall be subject to tax only in the latter State.

2. Where one of the States by way of deduction at the source levies a tax on dividends the right to levy such tax on dividends paid by a company which is a resident of that State to a resident of the other State, is not affected by the first paragraph of this article, but the rate of tax shall in that case not exceed 15%. In case either of the States introduces into its law for the tax mentioned a rate exceeding 15%, such State may terminate the limitation of the rate of tax to 15% by giving written notice of termination to the other State through diplomatic channels on or before the thirtieth day of June in any year after the year in which this Convention comes into force. In such event, this limitation shall cease to be effective on and after the first day of January in the year next following that in which such notice is given.

3. Notwithstanding the second paragraph of this article none of the States shall levy a tax by way of deduction at the source on dividends paid by a company which is a resident of that State to a company which is a resident of the other State, provided that the latter company owns at least 50% of the shares of the former company, which have under all circumstances full voting rights.

ARTICLE VIII.

1. Any interest derived from one of the States by a resident of the other State shall be subject to tax only in latter State.

2. Where one of the States by way of deduction at the source levies a tax on interest the right to levy such tax on interest derived from sources within that State by a resident of the other State, is not affected by the first paragraph of this article, but the rate of tax shall in that case not exceed 15%. In case either of the States introduces into its law for the tax mentioned a rate exceeding 15%, such State may terminate the limitation of the rate of tax to 15% by giving written notice of termination to the other State through diplomatic channels on or before the thirtieth day of June in any year after the year in which this Convention comes into force. In such event this limitation shall cease to be effective on and after the first day of January in the year next following that in which such notice is given.

3. In this article the term "interest" includes interest on bonds, securities, notes, debentures or on any other form of indebtedness, but does not include interest to which article III of this Convention applies.

ARTICLE IX.

1. Royalties—other than royalties to which article III of this Convention applies—derived from one of the States by a resident of the other State shall be subject to tax only in the latter State.