

- (h) The term "Finnish enterprise" means an enterprise carried on by a resident of Finland and the term "Canadian enterprise" means an enterprise carried on by a resident of Canada.
- (i) The terms "enterprise of one of the territories" and "enterprise of the other territory" mean a Finnish enterprise or a Canadian enterprise, as the context requires.
- (j) The term "permanent establishment" when used with respect to an enterprise of one of the territories, means a branch, office, factory, or other fixed place of business, a mine, quarry or any other place of natural resources subject to exploitation. The use of substantial equipment or machinery within one of the territories at any time in any taxation year by an enterprise of the other territory shall constitute a permanent establishment of such enterprise in the former territory for such taxation year. The term does not include an agency unless the agent has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of the enterprise or has a stock of merchandise from which he regularly fills orders on its behalf. In this connection—
- (i) An enterprise of one of the territories shall not be deemed to have a permanent establishment in the other territory merely because it carries on business dealings in that other territory through a *bona fide* broker or general commission agent acting in the ordinary course of his business as such;
- (ii) The fact that an enterprise of one of the territories maintains in the other territory a fixed place of business exclusively for the purchase of goods or merchandise shall not of itself constitute that fixed place of business a permanent establishment of the enterprise;
- (iii) The fact that a company which is a resident of one of the territories has a subsidiary company which is a resident of the other territory or which carries on a trade or business in that other territory (whether through a permanent establishment or otherwise) shall not of itself constitute that subsidiary company a permanent establishment of its parent company.
- (k) The term "pension" means periodic payments made in consideration of past services.
- (l) The term "annuity" means a stated sum payable periodically at stated times, during life or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.
- (m) The term "competent authorities" means, in the case of Finland, the Minister of Finance or his authorized representative; and in the case of Canada the Minister of National Revenue or his authorized representative.

2. In the application of the provisions of this Convention by one of the contracting States any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under its own tax laws.

Article III

1. The industrial and commercial profits of a Finnish enterprise shall not be subject to Canadian tax unless the enterprise is engaged in trade or business in Canada through a permanent establishment situated therein. If it is so engaged, tax may be imposed on those profits by Canada, but only on so much of them as is attributable to that permanent establishment.