

- "(e) interest arising in a Contracting State and paid to a resident of the other Contracting State which was constituted and is operated exclusively to administer or provide benefits under one or more pension, retirement or other employee benefits plans shall not be taxable in the first-mentioned State provided that
 - (i) the resident is the beneficial owner of the interest and is generally exempt from tax in the other State, and
 - (ii) the interest is not derived from carrying on a trade or a business or from a related person;
- (f) interest arising in a Contracting State shall be taxable only in the other Contracting State if:
 - (i) the recipient is an enterprise of that other State and is the beneficial owner of the interest, and
 - (ii) the interest is paid with respect to indebtedness arising from the sale on credit, by that enterprise, of any merchandise or industrial, commercial or scientific equipment to an enterprise of the first-mentioned State, except where the sale or indebtedness is between related persons."

Article III

Paragraphs 2 and 3 of Article 12 of the Convention shall be deleted and replaced by the following:

"2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

3. Notwithstanding the provisions of paragraph 2

- (a) copyright royalties and other like payments in respect of the production or reproduction of any literary, dramatic, musical or other artistic work (but not including royalties in respect of motion picture films nor royalties in respect of works on film or videotape or other means of reproduction for use in connection with television broadcasting), and
- (b) royalties for the use of, or the right to use, computer software or any patent or for information concerning industrial, commercial or scientific experience (but not including any such information provided in connection with a rental or franchise agreement)

arising in a Contracting State and paid to a resident of the other Contracting State who is the beneficial owner of the royalties shall be taxable only in that other State."