

directors or a similar organ of a company which is a resident of the other Contracting State, may be taxed in that other State.

ARTICLE XVII

Artistes and Athletes

1. Notwithstanding the provisions of Articles VII, XIV and XV, income, including salaries, derived by entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.

2. Where income in respect of personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles VII, XIV and XV, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

3. The provisions of paragraph 2 shall not apply if it is established that neither the entertainer or the athlete nor persons related thereto, participate directly or indirectly in the profits of the person referred to in that paragraph.

ARTICLE XVIII

Pensions and Annuities

1. Pensions and annuities arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. Pensions and annuities arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in the State in which they arise, and according to the law of that State. However, in the case of periodic pension payments or periodic annuity payments, the tax so charged shall not exceed the lesser of

- (a) 15 per cent of the gross amount of the payment, and
- (b) the rate determined by reference to the amount of tax that the recipient of the payment would otherwise be required to pay for the year on the total amount of the periodic pension payments or periodic annuity payments received by him in the year, if he were resident in the Contracting State in which the payment arises.

However, the limitations on the rate of tax mentioned above shall not apply to payments under an income-averaging annuity contract.

3. Notwithstanding anything in this Convention:

- (a) pensions and allowances received from Canada under the Pension Act, The Civilian War Pensions and Allowances Act