

State, he shall be deemed to be a resident of the State in which he has an habitual abode;

- (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a citizen;
- (d) if each State considers him as its citizen or if he is not a citizen of either of the States, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then its status shall be determined as follows:

- (a) it shall be deemed to be a resident of the State under the laws of which it was created;
- (b) if it was created under the laws of neither of the States, it shall be deemed to be a resident of the State in which its place of effective management is situated.

ARTICLE V

Permanent Establishment

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which a resident of a Contracting State wholly or partly carries on business in the other Contracting States.

2. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than twelve months.

3. Notwithstanding the provisions of paragraph 1, the following kinds of activity of a resident of a Contracting State shall be deemed not to be carried on through a permanent establishment in the other Contracting State:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the resident;
- (b) the maintenance of a stock of goods or merchandise belonging to the resident solely for the purpose of storage, display or delivery;
- (c) the maintenance of stock of goods or merchandise belonging to the resident solely for the purpose of processing by another person;
- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, for advertising or for collecting or disseminating information, for the resident;
- (e) the maintenance of a fixed place of business solely for the purpose of carrying out development projects or scientific research works (including joint projects) for the resident, engineering, testing of samples of goods,