

ARTICLE 18

Sales and Transfer of Funds

Each Contracting Party shall permit the designated airlines of the other Contracting Party:

- (a) to engage in the sale of air transportation in its territory directly or, at the discretion of the designated airlines, through their agents and to sell transportation in the currency of that territory or, at the discretion of the designated airlines, in freely convertible currencies of other countries, and any person shall be free to purchase such transportation in currencies accepted by those airlines;
- (b) to convert and remit abroad, on demand, funds obtained in the normal course of their operations. Such conversion and remittance shall be permitted without restrictions or delay at the foreign exchange market rates for current payments prevailing at the time of submission of the request for transfer, and shall not be subject to any charges except normal service charges collected by banks for such transactions; and
- (c) to pay local expenses, including purchases of fuel, in its territory in local currency, or at the discretion of the designated airlines, in freely convertible currencies.

ARTICLE 19

Taxation

- 1. For the purposes of this Article:
 - (a) the term "profits or income" includes gross receipts and revenues derived directly from the operation of aircrafts in international traffic, including:
 - (i) the charter or rental of aircraft,
 - (ii) the sale of air transportation, either for the airline itself or for any other airline,
 - (iii) interest on sums generated directly from the operation of aircraft in international traffic provided that such interest is incidental to the operation;
 - (b) the term "international traffic" means, the transportation of persons and/or cargo, including mail, except where such transportation is principally between points in the territory of a Contracting Party; and
 - (c) the term "airline of a Contracting Party" means, in the case of Canada, an airline resident in Canada for purposes of income taxation and, in the case of El Salvador, an airline domiciled in El Salvador for purposes of income taxation.