

6. Notwithstanding any provision in this Agreement, Canada may impose on the earnings of a company attributable to permanent establishments in Canada, or on the earnings attributable to the alienation of immovable property situated in Canada by a company carrying on a trade in immovable property, tax in addition to the tax which would be chargeable on the earnings of a company that is a resident of Canada, provided that the rate of such additional tax so imposed shall not exceed the percentage limitation provided for under subparagraph (a) of paragraph 2 of the amount of such earnings which have not been subjected to such additional tax in previous taxation years. For the purpose of this provision, the term "earnings" means:

- (a) the earnings attributable to the alienation of such immovable property situated in Canada as may be taxed by Canada under the provisions of Article 6 or of paragraph 1 of Article 13, and
- (b) the profits attributable to such permanent establishments in Canada (including gains from the alienation of property forming part of the business property, referred to in paragraph 2 of Article 13, of such permanent establishments) in accordance with Article 7 in a year and previous years after deducting therefrom:
  - (aa) business losses attributable to such permanent establishments (including losses from the alienation of property forming part of the business property of such permanent establishments) in such year and previous years,
  - (bb) all taxes chargeable in Canada on such profits, other than the additional tax referred to herein,
  - (cc) the profits reinvested in Canada, provided that the amount of such deduction shall be determined in accordance with the provisions of the law of Canada, as they be amended from time to time without changing the general principle hereof, regarding the computation of the allowance in respect of investment in property in Canada, and
  - (dd) five hundred thousand Canadian dollars (\$500,000) or its equivalent in the currency of the Federal Republic of Germany, less any amount deducted
    - (aaa) by the company, or
    - (bbb) by a person related thereto from the same or a similar business as that carried on by the company

under this clause.

## ARTICLE 11

### Interest

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