

ARTICLE XIII

Gains from the Alienation of Property.

1. Gains from the alienation of immovable property may be taxed in the Contracting State in which such property is situated.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing professional services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base may be taxed in the other State.

However, gains from the alienation of ships or aircraft operated in international traffic and movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

3. Gains from the alienation of shares of the capital stock of a company which is a resident of a Contracting State and the property of which consists principally of immovable property situated in that Contracting State, may be taxed in that State.

Gains from the alienation of an interest in a partnership or a trust, the property of which consists principally of immovable property situated in a Contracting State, may be taxed in that State.

For the purposes of this paragraph the term "immovable property" shall not include property, other than rental property, in which the business of the company, partnership or trust is carried on.

4. Gains from the alienation of any property other than those mentioned in paragraphs 1, 2 and 3, shall be taxable only in the Contracting State of which the alienator is a resident.

5. The provision of paragraph 4 shall not affect the right of Canada to tax according to its law gains derived by an individual who is a resident of Belgium from the alienation of shares of the capital stock of a company which is a resident of Canada, or from the alienation of an interest in a trust which is a resident of Canada, if the alienator:

- (a) possesses Canadian nationality or was a resident of Canada for fifteen years or more prior to the alienation of the shares or the interest, and
- (b) was a resident of Canada at any time during the five years immediately preceding such alienation.