

ARTICLE 7

I. A company having its fiscal domicile in Canada shall only be subject in France to the proportional tax on income derived from securities under the conditions envisaged in Articles 109, paragraph 2 and 1674 of the "Code français des Impôts" if it has a permanent establishment in France in the sense of Article 2, paragraph VI. In any event the taxable income shall not exceed the amount of profits or earnings realized by the permanent establishment in France, determined in accordance with the provisions of Article 2, paragraph VIII, and 4 of this Agreement.

II. A company having its fiscal domicile in Canada shall not be subject in France to the proportional tax in income derived from securities by reason of its participation in the management or capital of a company having its fiscal domicile in France, or by reason of any other relations with this company; but the profits distributed by this latter company and subject to the proportional tax on income derived from securities, will, if necessary, be increased, for the purpose of establishing the basis of the tax, by all the profits or advantages which the former company may have received indirectly from the latter company in the circumstances provided by Article 5 above.

ARTICLE 8

I. The income derived from securities (Governments bonds, analogous stocks and shares, interests in limited partnerships, shares in civil companies and companies with limited liability, bonds and other evidences of indebtedness, loans, deposits, deposit accounts, current accounts, guarantees) the revenue from trusts and royalties (redevances) or fractions of royalties derived from the operation of oil fields and natural gas, are taxable by the State in the territory of which the debtor has his domicile, when the general legislation of this State authorizes the collection of a tax on this income by deduction at the source.

II. If the debtor has in both States permanent establishment within the meaning of Article 2, paragraph II, and if one of these establishments borrows or receives a deposit or guarantee in the course of its particular activity, the interest is taxable in that one of the two States in the territory of which this establishment is situated.

III. The tax deducted at the source under this Article will be credited under the conditions provided by Article 16 against the tax payable in the State of domicile of the creditor.

ARTICLE 9

I. Remuneration paid in the form of salaries, wages, fees, pay and pensions by a public person of one of the two contracting States for administrative or military service present or past, is taxable exclusively by the State of the debtor.

Nevertheless, with respect to salaries, wages, fees and pay, taxation by the State of the debtor is subject to the condition that the recipient does not ordinarily reside in the other State, or resides in the latter State, solely for the purpose of fulfilling the duties of his office. When this condition is not fulfilled, the salaries, wages, fees and pay are taxable according to the rules provided in the first paragraph of Article 10 in this Agreement.