

other Contracting State on profits from the operation of ships or aircraft in international traffic.

#### ARTICLE VII.

Where

- (a) an enterprise of one of the Contracting States participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the Contracting States and an enterprise of the other Contracting State, and

in either case conditions are made or imposed between the two enterprises, in their commercial or financial relations, which differ from those which would be made between independent enterprises, then any profits which but for those conditions would have accrued to one of the enterprises but by reason of those conditions have not so accrued may be included in the profits of that enterprise and taxed accordingly.

#### ARTICLE VIII.

(1) The rate of tax imposed by one of the Contracting States on dividends paid or credited by a company which is a resident of that Contracting State to a resident of the other Contracting State shall not exceed 15 per cent.

(2) The provisions of paragraph (1) shall not apply if the person to whom the dividend is paid or credited has in the Contracting State of which the company paying the dividends is a resident a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the provisions of Article V shall apply.

(3) Where a company which is a resident of one of the Contracting States derives profits or income from sources within the other Contracting State, that other State may not impose any tax on the dividends paid by the company to persons who are not residents of that other State or subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State

(4) Subject to the provisions of paragraph (4) of Article IX of this Agreement —

- (a) the term “dividends” in the Case of Trinidad and Tobago includes any item which under the law of Trinidad and Tobago is treated as a distribution;
- (b) the term “dividends” in the case of Canada includes any item which under the law of Canada is treated as a dividend.

(5) Notwithstanding paragraphs (3) and (4) where a company which is a resident of one of the Contracting States, having a permanent establishment in the other Contracting State, derives profits or income from that permanent establishment, any remittances of such profits by the permanent establishment to a resident of the first-mentioned State may be taxed in accordance with the laws of the other Contracting State, but in no case shall the rate of such tax exceed 15 per cent.

#### ARTICLE IX.

(1) The rate of tax imposed by one of the Contracting States on interest arising in that Contracting State and paid to a resident of the other Contracting State shall not exceed 15 per cent.