

It is understood that:

(i) The fact that an enterprise established in one of the two contracting States has business relations with the other country through a commission agent or broker, or through a subsidiary, does not mean that this enterprise has a permanent establishment in the latter State.

(ii) The fact that an enterprise of one of the two States maintains in the other State, even in the form of permanent installations, places of business restricted to the purchase of merchandise destined to furnish one or several sales or processing establishments, which this enterprise operates in the former State, shall not be interpreted to mean that the enterprise has a permanent establishment in the other State.

(iii) With respect to insurance enterprises, the fact of having in one of the two contracting States a representative accepted by the Authorities of that State or authorized to give receipts for premiums, is considered to constitute a permanent establishment.

VII. The fiscal domicile of physical persons is the place of normal residence, by which is understood the permanent home, or in the default thereof, the principal place of sojourn. That of legal persons, or of groups of physical persons not having a legal personality, is the place where the effective management is exercised.

VIII. The expression "industrial and commercial profits" includes particularly the profits of insurance companies, banks and other financial enterprises.

Subject to the provisions of this Agreement there shall be taxed separately or together with the industrial and commercial profits in conformity with the laws of each of the two contracting States:

- a) The income from real property;
- b) interests or dividends;
- c) Royalties for the use of or the rights to use patents, copyrights, secret processes and formulas, trademarks and other similar rights.

IX. When it is stated in the provisions of Articles 3, 4, 8, 10, 11 paragraph II, 12, 13 paragraphs I and III, 14 of this Agreement that income is taxable in one of the two contracting States, the statement must be understood to mean that the right is reserved to that State to tax the said income in a normal fashion according to its own legislation, the other State being required to take the measures provided by Article 16 of this Agreement.

X. The expression "competent authority" or "competent authorities" means in the case of France, the Minister of Finance and of Economic Affairs or his duly authorized representative, and in the case of Canada, the Minister of National Revenue or his duly authorized representative.

XI. Any expression which is not defined in this Agreement shall have for each contracting State, unless the context otherwise requires, the same meaning which it has under the laws of that State with respect to the taxes referred to in the said Agreement.

ARTICLE 3

Income from real property, including profits from agricultural undertakings, shall be taxable in the State where such property is situated.