from an estate or trust, created under Canadian law, the tax so charged shall not exceed 15 per cent of the gross amount of the income.

ARTICLE 22

Taxation of Capital

1. Capital represented by immovable property, as defined in paragraph (2) of Article 6, may be taxed in the Contracting State in which such property is situated.

2. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise, or by movable property pertaining to a fixed base used for the performance of professional services, may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.

3. Ships and aircraft operated by an enterprise of a Contracting State in international traffic and movable property pertaining to the operation of such ships and aircraft, shall be taxable only in that State.

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

ARTICLE 23

Elimination of Double Taxation

1. In the case of Canada, double taxation shall be avoided as follows:

(a) Subject to the existing provisions of the law of Canada regarding the deduction from tax payable in Canada of tax paid in territory outside Canada and to any subsequent modification of those provisions—which shall not affect the general principle hereof—tax payable under the law of Austria and in accordance with this Convention on profits, income or gains arising in Austria shall be deducted from any Canadian tax payable in respect of such profits, income or gains.

(b) Subject to the existing provisions of the law of Canada regarding the determination of the exempt surplus of a foreign affiliate and to any subsequent modification of those provisions—which shall not affect the general principle hereof—for the purpose of computing Canadian tax a company resident in Canada shall be allowed to deduct in computing its taxable income any dividend received by it out of the exempt surplus of a foreign affiliate resident in Austria.

2. In the case of Austria, double taxation shall be avoided as follows:

(a) Where a resident of Austria derives income from sources within Canada, which, in accordance with the provisions of this Convention, may be taxed in Canada, Austria shall allow as a deduction from the tax on the income of that person, an amount equal to the tax on income paid in Canada. The