

**ARTICLE 21**

## Other Income

1. Subject to the provisions of paragraph 2, items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.
2. However, if such income is derived by a resident of a Contracting State from sources in the other Contracting State, such income may also be taxed in the State in which it arises, and according to the law of that State. Where such income is income from an estate or a trust, other than a trust to which contributions were deductible, the tax so charged shall, provided that the income is taxable in the Contracting State in which the beneficial owner is a resident, not exceed 15 per cent of the gross amount of the income.

**IV. TAXATION OF CAPITAL****ARTICLE 22**

## Capital

1. Capital represented by immovable property owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.
2. Capital represented by 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 by 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 independent personal services, may be taxed in that other State.
3. Capital represented by ships and aircraft operated by an enterprise of a Contracting State in international traffic and by 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.

**V. METHODS FOR PREVENTION OF DOUBLE TAXATION****ARTICLE 23**

## Elimination of Double Taxation

1. In the case of Latvia, double taxation shall be avoided as follows:
  - (a) Where a resident of Latvia derives income or owns capital which, in accordance with this Convention, may be taxed in Canada, unless a more favourable treatment is provided in its domestic law, Latvia shall allow:
    - (i) as a deduction from the tax on the income of that resident, an amount equal to the income tax paid thereon in Canada;
    - (ii) as a deduction from the tax on the capital of that resident, an amount equal to the capital tax paid thereon in Canada.