

ARTICLE 14**Income From Employment**

1. Subject to the provisions of Articles 15 and 18, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived there from may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State:
 - a) if the remuneration earned in the other Contracting State in the calendar year concerned does not exceed sixteen thousand Canadian dollars (\$16,000) or its equivalent in Mexican pesos or such other amount as may be specified and agreed in letters exchanged between the competent authorities of the Contracting States; or
 - b) if
 - (i) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the calendar year concerned, and
 - (ii) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and such remuneration is not borne by a permanent establishment which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft operated in international traffic by a resident of a Contracting State, shall be taxable only in that State. However, if the remuneration is derived by a resident of the other Contracting State it shall be taxable only in that other State.