

8. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company (or the distributions made by a real estate investment fund), except insofar as such dividends are paid (or distributions are made) to a resident of that other State or insofar as the holding in respect of which the dividends are paid (or distributions are made) is effectively connected with a permanent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid (or the distributions made) or the undistributed profits consist wholly or partly of profits or income arising in such other State.

9. Nothing in this Convention shall prevent a Contracting State from imposing its branch tax. However, the rate of the branch tax applying to a company that is a resident of the other Contracting State shall not exceed 5 per cent.

10. A resident of a Contracting State shall not be entitled to any benefits provided under this Article in respect of a dividend if one of the main purposes of any person concerned with an assignment or a transfer of the dividend, or with the creation, assignment, acquisition or transfer of the shares or other rights in respect of which the dividend is paid, or with the establishment, acquisition or maintenance of the person that is the beneficial owner of the dividend, is for that resident to obtain the benefits of this Article.

ARTICLE 11

Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2:

- (a) interest arising in a Contracting State and beneficially owned by the Government of the other Contracting State, or any political subdivision or local authority thereof, or by the Central Bank of that other State, shall be exempt from tax in the first-mentioned State;
- (b) interest arising in a Contracting State and paid in respect of indebtedness of the Government of that State, or any political subdivision or local authority thereof, or the Central Bank of that State shall be taxable only in the other State if the interest is beneficially owned by a resident of that other State;