

ARTICLE XXIII

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 a territory outside Canada and to any subsequent modification of those provisions—which shall not affect the general principle hereof—tax payable in Jamaica on profits, income or gains arising in Jamaica 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 which is resident in Jamaica.

2. In the case of Jamaica, double taxation shall be avoided as follows:
 - (a) subject to the existing provisions of the law of Jamaica regarding the allowance as a credit against Jamaican tax of tax paid in a territory outside of Jamaica and to any subsequent modification of those provisions—which shall not affect the general principle hereof—tax payable in Canada on profits, income or gains arising in Canada shall be deducted from any Jamaican tax payable in respect of such profits, income or gains;
 - (b) subject to the existing provisions of the law of Jamaica regarding the allowance as a credit against Jamaican tax of tax payable in a territory outside Jamaica and to any subsequent modification of those provisions—which shall not affect the general principle hereof—where a company which is a resident of Canada pays a dividend to a company resident in Jamaica which controls directly or indirectly at least 10 per cent of the voting power in the first-mentioned company, the credit shall take into account the tax payable in Canada by that first-mentioned company in respect of the profits out of which such dividend is paid.

3. For the purposes of this Article, profits, income or gains of a resident of a Contracting State which are taxed in the other Contracting State in accordance with this Agreement shall be deemed to arise from sources in that other State.

4. For the purposes of paragraph 1(a), tax payable in Jamaica by a resident of Canada on profits attributable to a trade or business carried on by it in Jamaica or on dividends, interest or royalties received from a company which is a resident of Jamaica shall include any amount which would have been payable as Jamaican tax