

of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

(4) An enterprise of one of the territories shall be deemed to have a permanent establishment in the other territory if it carries on the activity of providing the services within that other territory of public entertainers or athletes referred to in Article 15.

(5) A person acting in one of the territories on behalf of an enterprise of the other territory — other than an agent of an independent status to whom paragraph (6) applies — shall be deemed to be a permanent establishment in the first-mentioned territory —

- (a) if he has, and habitually exercises in that first-mentioned territory, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise; or
- (b) if he maintains in that first-mentioned territory a stock of goods or merchandise belonging to the enterprise from which he habitually fills orders on behalf of the enterprise.

(6) An enterprise of one of the territories shall not be deemed to have a permanent establishment in the other territory merely because it carries on business in that other territory through a broker, a general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.

(7) The fact that a company which is a resident of one of the territories controls or is controlled by a company which is a resident of the other territory, or which carries on business in that other territory (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

#### ARTICLE 5.

(1) Income from immovable property may be taxed in the territory in which such property is situated.

(2) (a) The term “immovable property” shall, subject to sub-paragraph (b) below, be defined in accordance with the laws of the territory in which the property in question is situated;

(b) the term “immovable property” shall in any case include property accessory to immovable property, livestock and equipment of agricultural and forestry enterprises, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

(3) The provisions of paragraph (1) shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

(4) The provisions of paragraphs (1) to (3) of this Article shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional services.

#### ARTICLE 6.

(1) Industrial or commercial profits of a United Kingdom enterprise shall be exempt from Canadian tax unless the enterprise carries on business in Canada