

3. For the purpose of paragraph 1(a),

- (a) tax payable under the laws of the Philippines on the gross amount of interest received by a resident of Canada on bonds, debentures or similar obligations referred to in paragraph 7(d) of Article XI shall be deemed to have been paid at the rate of 15 per cent, and
- (b) tax payable under the laws of the Philippines shall not include any amount imposed in accordance with paragraph 3 of Article XXVII that exceeds the amount that would be payable in accordance with this Convention in the absence of that paragraph.

4. 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 any provision of this Convention, other than paragraph 3 of Article XXVII, shall be deemed to arise from sources in that other State.

ARTICLE XXIII

Non-Discrimination

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

2. Stateless persons resident in one Contracting State shall not be subjected in either Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of the State concerned in the same circumstances are or may be subjected.

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

4. Nothing in this Article shall be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

5. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the tax-