

- (b) where the payer and the beneficial owner of the royalties are not associated persons within the meaning of subparagraphs 1 (a) or 1 (b) of Article 9, royalties for the use of, or the right to use, application software or any patent or for information concerning industrial, commercial or scientific experience (but not including any such information provided in connection with a rental or franchise agreement).
4. The term "royalties" as used in this Article means payments of any kind received as a consideration for:
- (a) the use of, or the right to use, any copyright of literary, artistic or scientific work, including software, patent, design or model, plan, secret formula or process, trade mark or other like property or right;
  - (b) the use of, or the right to use, industrial, commercial or scientific equipment;
  - (c) the supply of scientific, technical, industrial or commercial knowledge or information;
  - (d) the supply of any assistance that is ancillary and subsidiary to, and is furnished as a means of enabling the application or enjoyment of, any such property or right as is mentioned in subparagraph (a), any such equipment as is mentioned in subparagraph (b) or any such knowledge or information as is mentioned in subparagraph (c);
  - (e) the use of, or the right to use:
    - (i) motion picture films; or
    - (ii) films or videotapes or other means of reproduction for use in connection with television; or
    - (iii) tapes for use in connection with radio broadcasting; or
  - (f) total or partial forbearance in respect of the use or supply of any property or right referred to in this paragraph.
5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.
6. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.