

ARTICLE 18

Pensions and Annuities

1. Pensions and annuities arising in a Contracting State for the benefit of and paid to a resident of the other Contracting State may be taxed in that other State.

2. Pensions and annuities arising in a Contracting State in a year of income or taxation year may be taxed in that State and according to the law of that state, but the tax so charged shall not exceed the lesser of-

- (a) 15 per cent of the pension or annuity received in the year; and
- (b) the tax that would be payable in respect of the pension or annuity received in the year if the recipient were a resident of the Contracting State in which the pension or annuity arises.

However, the limitation on the tax that may be charged in the Contracting State in which pensions and annuities arise does not apply to payments of any kind under an income-averaging annuity contract.

3. Any alimony or other maintenance payment arising in a Contracting State and paid to a resident of the other Contracting State, shall be taxable only in the first-mentioned State.

ARTICLE 19

Government Service

1. Remuneration (other than a pension or annuity) paid by a Contracting State or a political sub-division or a local authority thereof to any individual in respect of services rendered in the discharge of governmental functions shall be taxable only in that State. However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident of that State who:

- (a) is a citizen of that State; or
- (b) did not become a resident of that State solely for the purpose of performing the services.

2. The provisions of paragraph (1) shall not apply to remuneration in respect of services rendered in connection with any trade or business carried on by one of the Contracting States or a political sub-division or a local authority thereof. In such a case the provisions of Articles 15 and 16 shall apply.

ARTICLE 20

Students

Where a student, who is a resident of one of the Contracting States or who was a resident of that State immediately before visiting the other Contracting State and who is temporarily present in the other State solely for the purpose of his education,