

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions those deductible expenses which are incurred for the purposes of the business of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.
4. No profits shall be attributed to a permanent establishment by that permanent establishment by reason of the mere purchase of goods or merchandise for the enterprise.
5. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
6. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this article.

Article 8

Shipping and Air Transport

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.
2. Notwithstanding the provisions of paragraph 1 of this Article and Article 7, profits derived from the operation of ships or aircraft used principally to transport passengers or goods exclusively between places in a Contracting State may be taxed in that State.
3. The provisions of paragraph 1 of this Article shall also apply to profits referred to in that paragraph derived by an enterprise of a Contracting State from its participation in a pool, a joint business or an international operating agency.
4. In this Article,
 - (a) the term "profits" includes profits, net profits, gross receipts and revenues derived directly from the operation of ships or aircraft in international traffic;
 - (b) the term "operation of ships or aircraft" in international traffic by an enterprise, includes
 - (i) the charter or rental of ships or aircraft,
 - (ii) the use or rental of containers and related equipment and
 - (iii) the alienation of ships, aircraft, containers and related equipment,