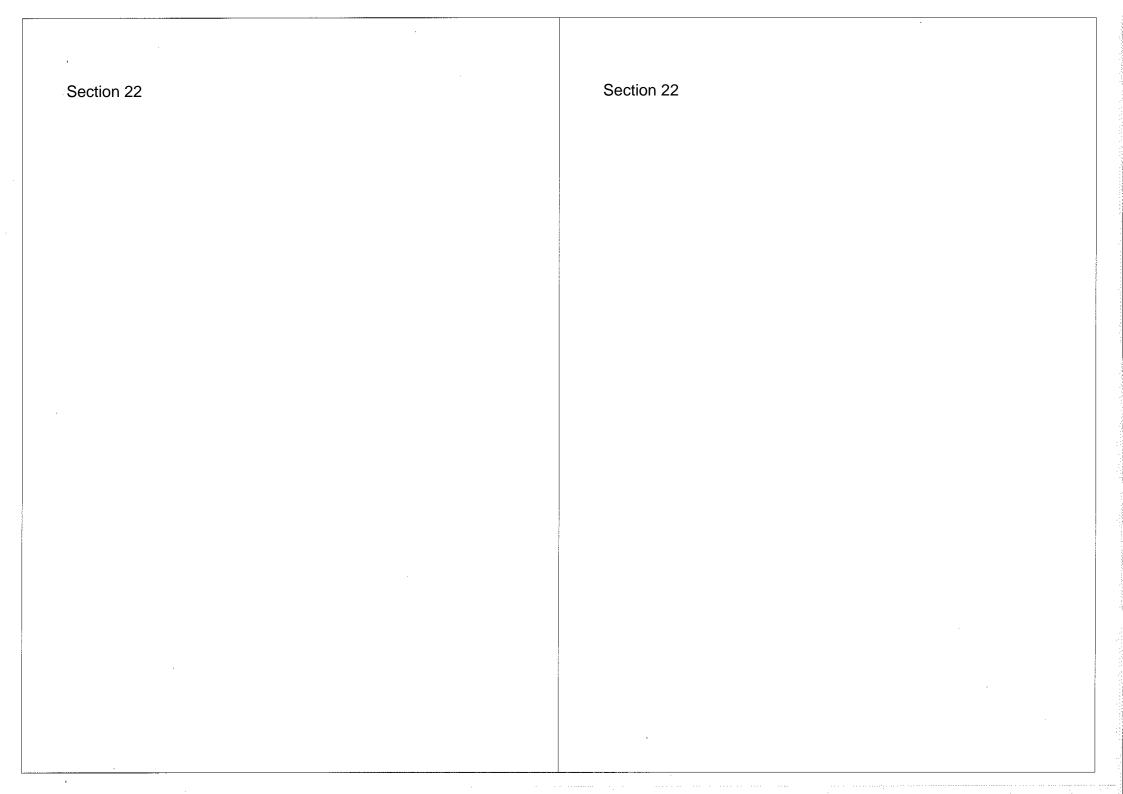
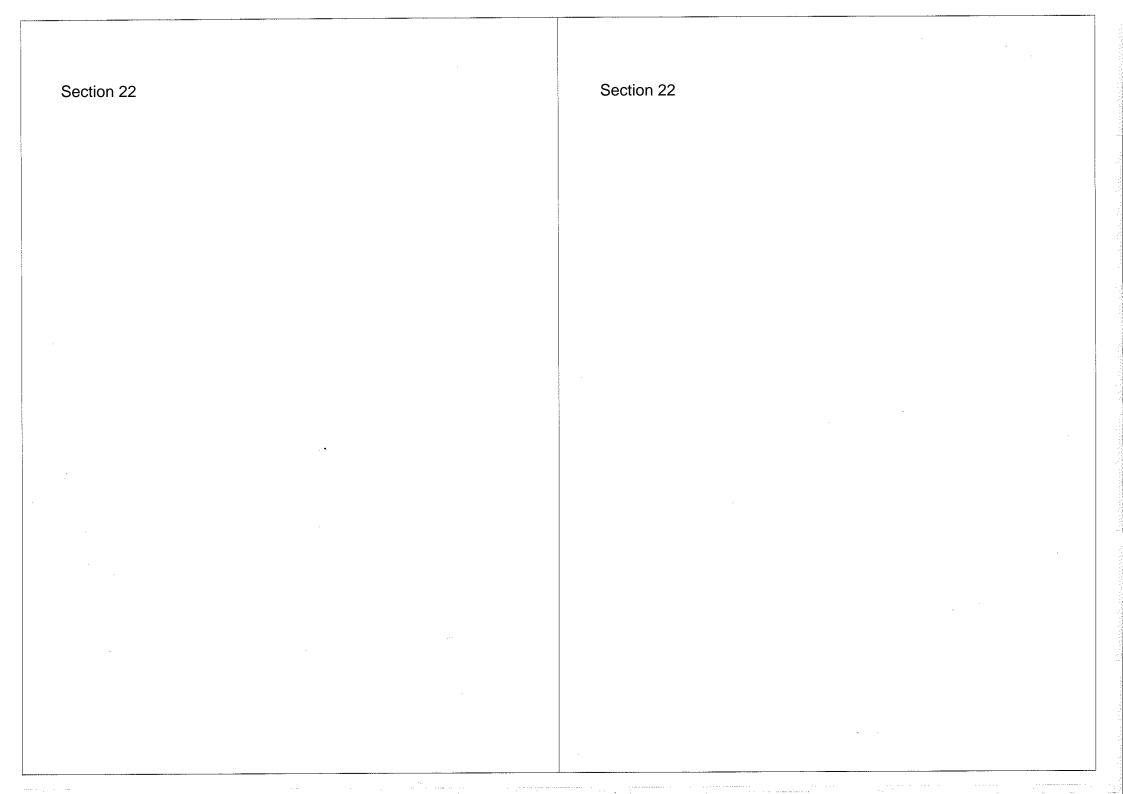
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Section 22

ART,	CURRENT TREATY
10	Dividends 1. Dividends paid by a company which is a resident of a Contracting State for the purposes of its tax, being dividends to which a resident of the other Contracting State is beneficially entitled, may be taxed in that other State.
	2. Those dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident for the purposes of its tax, and according to the law of that State, but the tax so charged shall not exceed 15 per cent of the gross amount of the dividends. Provided that any deemed dividend arising from the business of life insurance consequent upon an election made and approved under section 204M of the Income Tax Act 1976 of New Zealand, or any legislation enacted in substitution for that section, shall be taxed at a rate not exceeding 5 per cent of the gross amount of such dividend.

Sections 33(a)(iii) and 33(b)

OECD MODEL DIVIDENDS

- 1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
- 2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:
- a. 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends:
- b. 15 per cent of the gross amount of. the dividends in all other cases.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

ART,	CURRENT TREATY	Sections 33(a)(iii) and 33(b)
10	3. The term "dividends" in this Article	
	means income from shares and other	

income assimilated to income from shares

Contracting State of which the company

making the payment is a resident for the

4. The provisions of paragraph 2 shall not

apply if the person beneficially entitled to

Contracting State, carries on business in the other Contracting State of which the

company paying the dividends is a resident,

through a permanent establishment situated

in that other State, or performs in that other

State independent personal services from a

fixed base situated in that other State, and

with that permanent establishment or fixed

base. In that case, the provisions of Article 7 or 14, as the case may be, shall apply.

the holding in respect of which the dividends are paid is effectively connected

the dividends, being a resident of a

by the law, relating to tax, of the

purposes of its tax.

OECD MODEL

- 3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.
- 4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

ART,	CURRENT TREATY	Sections 33(a)(iii) and 33(b)
10	5. Dividends paid by a company which is a resident of a Contracting State, being dividends to which a person who is not a resident of the other Contracting State is beneficially entitled, shall be exempt from tax in that other State except in so far as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or fixed base situated in that other State. This paragraph shall not apply in relation to dividends paid by any company which is a resident of Australia for the purposes of Australian tax and which is also resident in New Zealand for the purposes of New Zealand tax.	

OECD MODEL

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits or income arising in such other State.

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TSections 33(a)(iii) and 33(b)

Section 22

ART,	CURRENT TREATY	Sections 33(a)(iii) and 33(b)
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Section 22

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OECD MODEL

INTEREST

- Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
- 2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
- 3. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purposes of this Article.

⊤Sections 33(a)(iii) and 33(b)

CURRENT TREATY ART. 4. The provisions of paragraph 2 shall not apply if the person beneficially entitled to the interest, being a resident of a Contracting State, carries on business in the other Contracting State, in which the interest arises, through a permanent establishment situated in that other State, or performs in that other State independent personal services from a fixed base situated in that other State, and the indebtedness in respect of which the interest is paid is effectively connected with that permanent establishment or fixed base. In that case the provisions of Article 7 or 14, as the case may be, shall apply. 5. Interest shall be deemed to arise in a Contracting State when the payer is that State itself or a political subdivision or a local authority of that State, or a person who is a resident of that State for the purposes of its tax. Where, however, the person paying the interest, whether the person is a resident of a Contracting State or not, has in a Contracting State or outside both Contracting States a permanent establishment or fixed base in connection with which the indebtedness on which the interest is paid was incurred, and that interest is deductible in determining the income, profits or gains attributable to that permanent establishment or fixed base, then the interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

OECD MODEL

- 4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.
- 5. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the State in which the permanent establishment is situated.

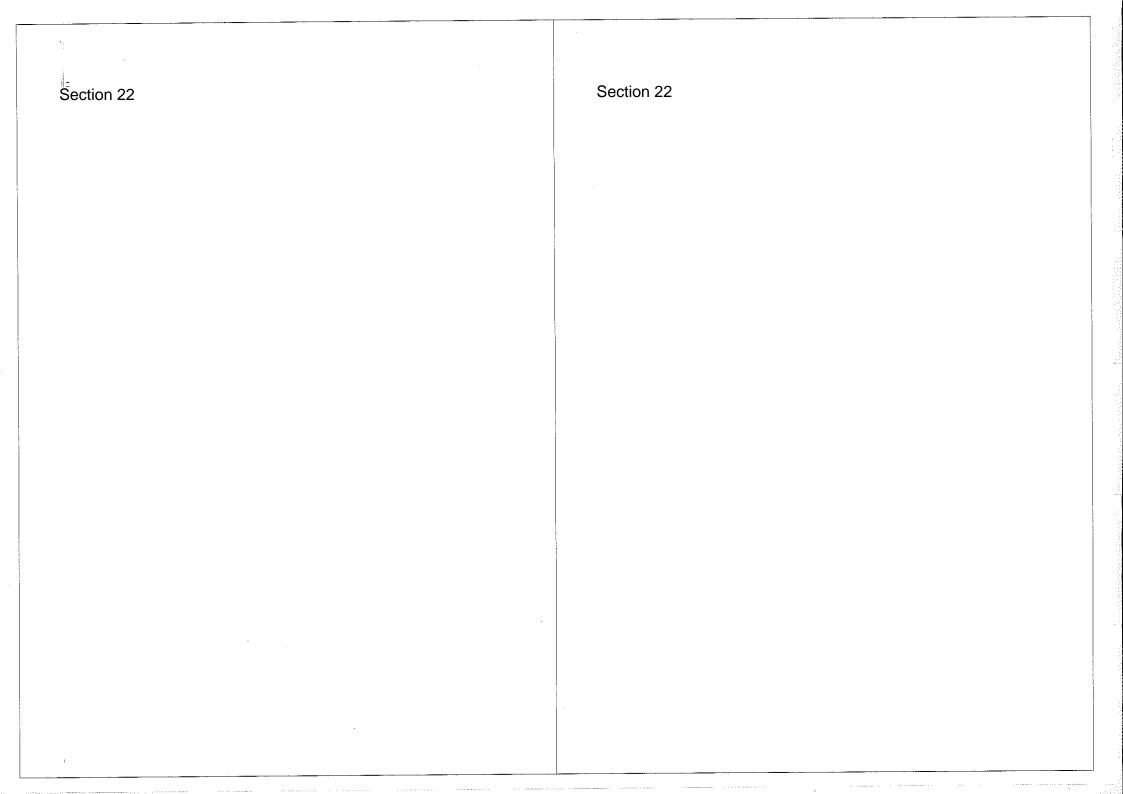
ART,	CURRENT TREATY	Sections 33(a)(iii) and 33(b)
11	6. Where, by reason of a special relationship between the payer and the person beneficially entitled to the interest, or between both of them and some other person, the amount of the interest, having regard to the indebtedness for which it is paid, exceeds the amount which might have been expected to have been agreed upon in the absence of that relationship by the payer and the person beneficially entitled, the provisions of this Article shall apply only to the lastmentioned amount. In that case the excess part of the amount of the interest paid shall remain taxable according to the law, relating to tax, of each Contracting State, subject to the other provisions of this Agreement.	

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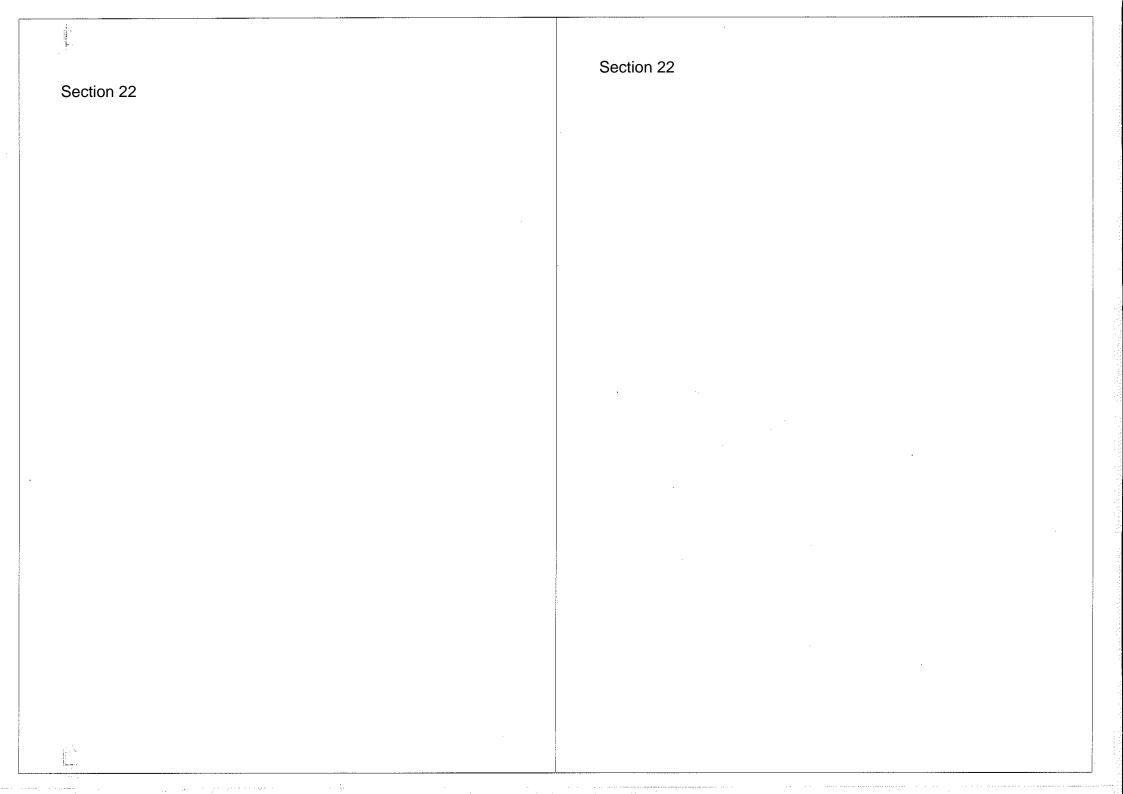
6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

ART,	CURRENT TREATY	Sections 33(a)(iii) and 33(b)
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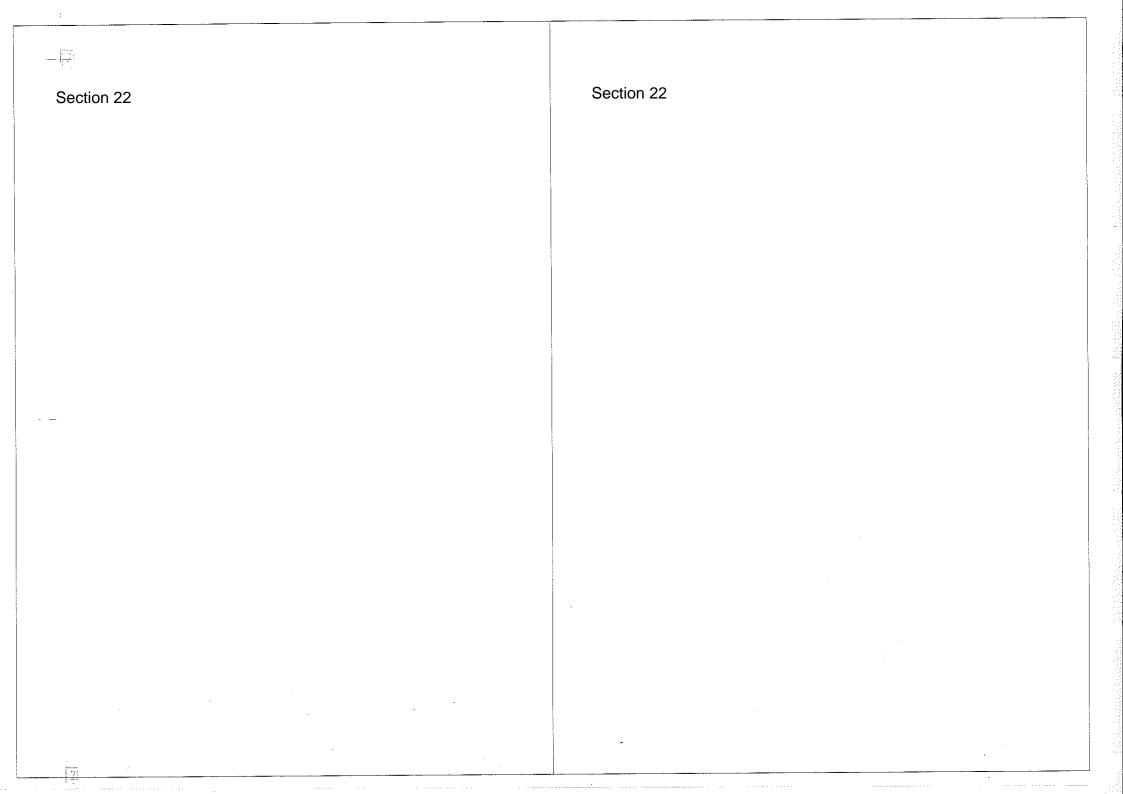


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