(ii) the group consists of companies which are residents of, and are engaged in the active conduct of a business in, at least four states, and the businesses carried on in each of the four states (or four groupings of states) generate at least 5 per cent of the gross income of the group;

(iii) the businesses of the group that are carried on in any one state other than that Contracting State generate less than 50 per cent of the gross income of the group;

(iv) no more than 50 per cent of such company's gross income is derived from the other Contracting State;

(v) such company has, and exercises, independent discretionary authority to carry out the functions referred to in clause (i); and

(vi) such company is subject to the same income taxation rules in that Contracting State as persons described in paragraph 3.

(c) For the purposes of subparagraph (b), the requirements of clause (ii), (iii) or (iv) of that subparagraph shall be deemed to be fulfilled for the taxable period in which the item of income is derived if the required ratios are met when averaging the gross income of the preceding four taxable periods.

6. If a resident of a Contracting State is neither a qualified person, nor entitled to a benefit under paragraph 3, 4 or 5, the competent authority of the Contracting State in which a benefit is denied under the preceding paragraphs of this Article may, nevertheless, grant a benefit that would otherwise be accorded under the provisions of paragraph 3 of Article 10, paragraph 1 of Article 11 or paragraph 1 of Article 12 with respect to an item of income described in the respective paragraph, taking into account the object and purpose of this Convention, but only if such resident demonstrates to the satisfaction of such competent authority that neither its establishment, acquisition or maintenance, nor the conduct of its operations, had as one of its principal purposes the obtaining of such benefit. The competent authority of the Contracting State to which a request has been made under this paragraph by a resident of the other Contracting State shall consult with the competent authority of that other Contracting State before either granting or denying the request.

7. For the purposes of this Article:

(a) the term "principal class of shares" means the class or classes of shares of a company or entity which represents the majority of the aggregate vote and value of the company or entity;

(b) with respect to entities that are not companies, the term "shares" means interests that are comparable to shares;

(c) the term "recognised stock exchange" means:

(i) any stock exchange established and regulated as such under the laws of either Contracting State; and

(ii) any other stock exchange agreed upon by the competent authorities of the Contracting States;

(d) two persons shall be "connected persons" if one owns, directly or indirectly, at least 50 per cent of the beneficial interest in the other (or, in the case of a company, at least 50 per cent of the aggregate vote and value of the company's shares) or another person owns, directly or indirectly, at least 50 per cent of the beneficial interest (or, in the case of a company, at least 50 per cent of the aggregate vote and value of the company's shares) in each person; in any case, a person shall be connected to another if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same person or persons;