

PROTOCOL

At the signing of the Agreement between the Government of Canada and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the undersigned have agreed on the following provisions which shall be an integral part of the Agreement.

1. With reference to paragraph 1(d) of Article III, it is understood that the term "person" also includes an estate and a trust.

2. With reference to paragraph 3 of the Article VII, it is understood that no deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commissions, for specific services performed or for management, or by way of interest on moneys lent to the permanent establishment. Likewise, it is understood that no account shall be taken, in the determination of the profits of a permanent establishment, for amounts charged (otherwise than towards reimbursement of actual expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission for specific services performed or for management, or by way of interest on moneys lent to the head office of the enterprise or any of its other offices.

3. With reference to Article X,

(a) where a dividend was paid by a company:

- (i) which was resident in both Malaysia and Singapore and the meeting at which the dividend was declared was held in Malaysia; or
- (ii) which was resident in Singapore and at the time of payment of that dividend the company declared itself to be a resident of Malaysia for the purpose of Article VII of the Agreement between the Government of Malaysia and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed in Singapore on 26th December, 1968,

the dividend shall be deemed to have been paid by a company resident in Malaysia;

(b) where a dividend was paid by a company;

- (i) which was resident in both Malaysia and Singapore and the meeting at which the dividend was declared was held in Singapore; or
- (ii) which was resident in Malaysia and at the time of payment of that dividend the company declared itself to be a resident of Singapore for the purpose of Article VII of the Agreement between the Government of Malaysia and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed in Singapore on 26th December, 1968,