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PROTOCOL

At the time of signing the Agreement of this date relative to the prevention of double taxation in the matter of successions in France and in Canada, the two Governments declare that they have agreed as follows:

I—It is understood that the said Agreement shall not result in the modification of the rules governing the assessment and collection of the duties imposed in each of the States by reason of a death, but shall only have the result of avoiding double taxation by the offsetting of the tax collected in one of the States against the tax paid in the other.

II—It is understood that gift taxes are not referred to in this Agreement.

III—The present Agreement shall not apply to the fiscal exemptions allowed or which may be allowed in the future in virtue of the general rules in International Law to diplomatic agents and consuls. To the extent that by reason of such fiscal exemptions succession duties are not levied in the State where the above-mentioned agents exercise their duties it will be for the other State by which they were appointed to levy such duties.

IV—It is understood that for the application of paragraph II of Article 7:

a) inheritance taxes are payable in France on the death of a person who was not domiciled there, on the following property:

- 1° Real estate situated in France and rights in real property;
- 2° «Fonds de commerce» (business concerns) situated in France;
- 3° Tangible movables (such as furniture, jewelry, etc.), banknotes and other currency having legal tender, which are actually in France at the date of death;
- 4° Letters patent, trademarks, copyrights registered in France or used in France, in the absence of a licence;
- 5° Interests and limited partnerships in French companies in which such interests exist;
- 6° Stocks and share certificates in French companies, negotiable bonds issued by companies and all other French bodies, whether public or private, as well as rentes or other securities issued by the French State;
- 7° Promissory notes made by a person domiciled in France and bills of exchange drawn on a debtor domiciled in France;
- 8° Cash deposits and particularly bank deposits when the recipient of the deposit is domiciled in France;
- 9° Debts, including mortgages and all other intangible rights, when the debtor is domiciled in France.

b) the Dominion Succession Duty Act applies with respect to the death of a person who is not domiciled in Canada on the following property:

- 1° Rights or interests in or over immovable property, where such immovable property is situated in Canada;