

PROTOCOL

In witness whereof the undersigned, duly authorized to that effect, have signed this Convention

At the moment of signing the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, this day concluded between Canada and the State of Israel, the undersigned have agreed upon the following provisions which shall be an integral part of the Convention:

1. This Convention shall not apply to companies so long as they are benefitting under Chapter Seven "B" (Tax Benefits for International Trading Companies and their Shareholders) of the Law for Encouragement of Capital Investments 5719-1959.

This Convention shall also not apply to companies so long as they are benefitting under any substantially similar law subsequently enacted by Israel in addition to, or in place of, the law mentioned above.

2. Nothing in this Convention shall be construed as preventing Canada from imposing a tax on amounts included in the income of a resident of Canada according to section 91 of the Canadian Income Tax Act, or to any substantially similar provision subsequently enacted by Canada in addition to, or in place of, that section.

JOHN N. TURNER  
For the Government of  
Canada  
Pour le Gouvernement de  
Canada

THEODORE MERON  
For the Government of  
the State of Israel  
Pour le Gouvernement de  
l'Etat d'Israël