

IV. METHODS FOR PREVENTION OF DOUBLE TAXATION

ARTICLE 23

Elimination of Double Taxation

1. Subject to the existing provisions of the laws of Canada regarding the deduction from tax payable in Canada of tax paid in a territory outside Canada and to any subsequent modification of those provisions, which shall not affect the general principle hereof, and unless a greater deduction or relief is provided under the laws of Canada,

- (a) tax payable in Ireland on profits, income or gains arising in Ireland shall be deducted from any Canadian tax payable in respect of such profits, income or gains;
- (b) where a company which is a resident of Ireland pays a dividend to a company which is a resident of Canada and which controls directly or indirectly at least 10 per cent of the voting power in the first-mentioned company, the credit shall take into account the tax payable in Ireland by that first-mentioned company in respect of the profits out of which such dividend is paid; and
- (c) where, in accordance with any provision of the Convention, income derived by a resident of Canada is exempt from tax in Canada, Canada may nevertheless, in calculating the amount of tax on other income, take into account the exempted income.

2. Subject to the provisions of the laws of Ireland regarding the allowance as a credit against Irish tax of tax payable in a territory outside Ireland (which shall not affect the general principle hereof):

- (a) Canadian tax payable under the laws of Canada and in accordance with this Convention, whether directly or by deduction, on profits, income or gains from sources within Canada (excluding in the case of a dividend tax payable in respect of the profits out of which the dividend is paid) shall be allowed as a credit against any Irish tax computed by reference to the same profits, income or gains by reference to which Canadian tax is computed;
- (b) in the case of a dividend paid by a company which is a resident of Canada to a company which is a resident of Ireland and which controls directly or indirectly 10 per cent or more of the voting power in the company paying the dividend, the credit shall take into account (in addition to any Canadian tax creditable under the provisions of subparagraph (a)) Canadian tax payable by the company in respect of the profits out of which such dividend is paid; and