

PROTOCOL

At the moment of signing the Convention between the Government of Canada and the Government of the People's Democratic Republic of Algeria for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital the undersigned, duly authorized, have agreed on the following provisions which shall be an integral part of the Convention.

1. With reference to paragraph 1 of Article 2

It is understood that, in the case of Algeria, the Convention shall also apply to taxes on income and on capital imposed on behalf of its political subdivisions or local authorities.

2. With respect to paragraph 1 (d) of Article 3

It is understood that the term "person" also includes, in the case of Canada, a trust and an estate.

3. With reference to paragraph 1 of Article 4

It is understood that the term "resident of a Contracting State" also includes any agency or instrumentality of a Contracting State, its political subdivisions or its local authorities.

4. With reference to paragraph 1 of Article 6

It is understood that the provisions of paragraph 1 of Article 6 shall also apply to income from the alienation of property referred to therein.

5. Notwithstanding the provisions of paragraph 2 of Article 11, interest arising in Algeria and paid to a resident of Canada shall be taxable only in Canada if it is paid in respect of a loan guaranteed or insured, or a credit guaranteed or insured by the Export Development Corporation.

6. Notwithstanding the provisions of paragraph 4 of Article 13, gains derived by a resident of Algeria from the alienation of:

- (a) shares (other than shares listed on an approved stock exchange in Canada) of the capital stock of a company the value of which shares is derived principally from immovable property situated in Canada; or
- (b) an interest in a partnership, trust or estate, the value of which is derived principally from immovable property situated in Canada,

may be taxed in Canada. For the purposes of this paragraph, the term "immovable property" includes the shares of a company referred to in subparagraph (a) or an interest in a partnership, trust or estate referred to in subparagraph (b).