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TAX TREATY BETWEEN CANADA AND THE ARAB REPUBLIC OF EGYPT IS RATIFIED

The Honourable James Kelleher, Minister for International Trade, and His Excellency Maher Abaza, Minister of Electricity and Energy of the Arab Republic of Egypt, exchanged today in Ottawa the instruments of ratification of the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income between Canada and the Arab Republic of Egypt (signed in Cairo on May 30, 1983). The Convention thus enters into force today.

The treaty is patterned on the Model Double Taxation Convention prepared by the Organization for Economic Co-operation and Development (OECD). Its main objective is to avoid double taxation between the two countries.

Treaty provisions will have effect in Canada:

- a) in respect of tax withheld at the source of amounts paid or credited on or after the first day of January 1985; and
- b) in respect of other Canadian tax for taxation years beginning on or after the first day of January 1985.

The Convention provides necessary tax relief for Canadian companies and individuals operating in Egypt and ensures that their income is not subject to double taxation.