

PROTOCOL

At the signing of the Agreement between the Government of Canada and the Government of the Federal Republic of Nigeria for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains, the undersigned have agreed on the following provisions which shall be an integral part of the Agreement.

1. With reference to subparagraph 1(h) of Article 3, Article 8, paragraph 2 of Article 13 and paragraph 3 of Article 15, it is understood that in the case of Canada, ships or aircraft used principally to transport passengers or goods exclusively between places in Canada shall, when so operated, not be considered to be operated in international traffic.
2. With reference to paragraph 1 of Article 4, it is understood that the term "resident" also includes the Government of Canada or a political subdivision or local authority thereof or any agency or instrumentality of this Government or of such subdivision or authority.
3. With reference to Article 6, paragraph 1, it is understood that in Canada income derived from immovable property includes income from the alienation of such property, such as recapture of capital cost allowance.
4. With reference to Article 11, paragraph 3, it is understood that, in the case of an agency or instrumentality, the provisions apply only where the agency or instrumentality carries out functions of a governmental nature and is not subject to tax in the State of which it is a resident.
5. It is understood that the provisions of the Agreement shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded:
 - (a) by the laws of a Contracting State in the determination of the tax imposed by that State, or
 - (b) by any other agreement entered into by a Contracting State.
6. It is understood that nothing in the Agreement shall be construed as preventing a Contracting State from imposing a tax on amounts included in the income of a resident of that State with respect to a partnership, trust or controlled foreign affiliate in which he has an interest.
7. It is understood that the Agreement shall not apply to any company, trust or partnership that is a resident of a Contracting State and is beneficially owned or controlled directly or indirectly by one or more persons who are not residents of that State, if the amount of the tax imposed on the income of the company, trust or partnership by that State is substantially lower than the amount that would be imposed by that State if all of the shares of the capital stock of the company or all of the interests in the trust or partnership, as the case may be, were beneficially owned by one or more individuals who were residents of that State.