

PROTOCOL

At the signing of the Agreement between Canada and the Federal Republic of Germany for the Avoidance of Double Taxation with respect to Taxes on Income and Certain Other Taxes, the undersigned have agreed on the following provisions which shall be an integral part of the Agreement:

1. With references to Article 3, paragraph 1 (d), in the French version of the Agreement, the term "société" includes a "corporation" within the meaning of Canadian law.
2. With reference to Article 3, paragraph 1 (f), and Articles 5 and 8, ferry-boats, deep-sea ferry-boats or other vessels devoted principally to the transportation of passengers or goods exclusively between places in a Contracting State shall, when so operated, not be considered to be operated in international traffic; the landing site or sites situated in the Contracting State and used regularly in such operation by such boats or vessels shall constitute a permanent establishment in that State of the enterprise operating such boats or vessels.
3. With reference to Article 6, the term "immovable property" shall include an interest in mineral deposits, sources and other natural resources and an option in respect of immovable property.
4. With reference to Articles 6 to 23, nothing in the Agreement shall prevent a Contracting State from imposing its tax on items of income received from or through, and on items of capital owned through, an estate or trust which is a resident of the other Contracting State and which are included in the income or capital of a resident of the first-mentioned State in accordance with the laws of that State.
5. With reference to Article 10, paragraph 2, Article 11, paragraphs 2 and 3, and Article 12, paragraphs 2 and 3, the competent authorities of the Contracting States shall by mutual agreement settle the mode of application of the limitations and exemptions provided for by such provisions.
6. With reference to Article 10, paragraph 3, the term "dividends" shall, for German and Canadian tax purposes, include the German corporation tax (Koerperschaftsteuer) refunded to a person resident in Canada in the circumstances set forth in paragraph 12 below.
7. With reference to Article 10, paragraphs 2 and Article 11, paragraph 2, income derived from rights or debt-claims participating in profits (including in the Federal Republic of Germany income of a sleeping partner from his participation as such or from a "partiarisches Darlehen" and "Gewinnobligationen") that if deductible in determining the profits of the debtor may be taxed in the Contracting State in which it arises according to the laws of that State.