

- (e) In the case of Colombia, notwithstanding the provisions of paragraph 2 of Article 10, when a company resident in Colombia has not paid income tax on the profit distributed to shareholders (socios o accionistas), because of exemptions or because the profit exceeds the maximum non-taxed limit contained in Article 49 and in paragraph 1 of Article 245 of the Tax Statute, the dividend distributed may be taxed in Colombia at a rate of 15 per cent, if the beneficial owner of the dividend is a shareholder (socio o accionista) resident in Canada.
- (f) For greater certainty, the term “right” in paragraph 4 of Article 12 includes contractual rights to receive payments in respect of the furnishing of technical assistance, technical services or consulting services.
- (g) If, after the signing of the Convention, Colombia concludes with a third state a Convention which provides for provisions in respect of technical assistance, technical services or consulting services that are more favourable than those provided for in Article 12 of the Convention, such provisions shall apply automatically to the Convention, under the same conditions as if such provisions had been set out in the Convention. Such provisions shall apply to this Convention from the date of entry into force of the convention with the third state. The competent authority of Colombia shall inform the competent authority of Canada without delay that the conditions of application of this subparagraph have been fulfilled.
- (h) Paragraphs 6 and 7 of Article 13 are included in the Convention in view of Canada’s domestic rules regarding taxpayer migration. At the time of the signature of the Convention, Colombia has no similar domestic rules and, therefore, it is anticipated that these paragraphs will initially only apply in the case of an individual who ceases to be a resident of Canada.
- (i) With reference to paragraph 2 of Article 20, it is agreed to have that paragraph apply only in the case of Canada on the understanding that under the domestic law of Colombia, income from a trust retains the legal characterization of the underlying income earned by that trust.