

AGREEMENT BETWEEN CANADA AND FRANCE FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO SUCCESSION DUTIES.

The Government of Canada and the Government of the French Republic, desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to succession duties, have agreed as follows:

ARTICLE 1

I—The taxes which are the object of this Agreement are:

- a) with respect to France the tax on inheritances;
- b) with respect to Canada succession duties imposed by the Government of Canada.

II—This Agreement applies aqually to all other similar taxes which may be established for successions by either contracting State after the signing of this Agreement or in whatever territory this Agreement may be extended to as contemplated by the provisions of Article 8 below.

ARTICLE 2

I—In this Agreement, unless the context otherwise requires,

a) the term "France", when it is used in the geographical sense, will mean only "Metropolitan" France, excluding Algeria, the overseas *départements* and other territories of the French Union;

b) the term "territory", when used with respect to one or other of the contracting Governments, means France or Canada as the context requires.

II—In the application of the provisions of the present Agreement by one or other of the contracting States any term which is not otherwise defined will have, unless the context requires a different interpretation, the meaning which it has under the laws of the said contracting State relative to the taxes which are the subject of the present Agreement.

ARTICLE 3

For the purpose of this Agreement the question whether a decedent was domiciled in the territory of one of the contracting States at the time of his death shall be determined in conformity with the laws in that territory.

Nevertheless, when a decedent is considered by both States to have his domicile in its territory, the supreme fiscal authorities of France and Canada will determine, by a special agreement, the territory which, for the application of this Agreement, should be considered as that one in which such person was domiciled.

ARTICLE 4

The contracting State which imposes a tax at the death of a person who is domiciled at the time of his death in the territory of the other State will allow all exemptions, allowances, and deductions which would have been applicable under its own legislation if the deceased has been domiciled in its territory to an extent at least equal to:

- a) in the case of an exemption, an amount which bears the same ratio to the total exemption as the value of the property in the said State bears to the value of the total property wheresoever situated, and