

PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF CANADA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS, SIGNED AT LONDON ON 8 SEPTEMBER 1978

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Canada;

Desiring to conclude a Protocol to amend the Convention between the Contracting Governments for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, signed at London on 8 September 1978 (hereinafter referred to as "the Convention");

Have agreed as follows:

ARTICLE I

The following new paragraph shall be inserted immediately after paragraph 4 of Article 15 of the Convention:

"5. Where under the law of a Contracting State tax is required to be deducted and is so deducted from salaries, wages and other similar remuneration derived in respect of an employment exercised in that Contracting State, tax shall not be deducted therefrom on behalf of the other Contracting State."

ARTICLE II

Paragraph 1 of Article 17 of the Convention shall be deleted and replaced by the following:

"1. Pensions and annuities arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State. However, such pensions and annuities may also be taxed in the first-mentioned Contracting State, but of the total amount thereof paid in any year of assessment or taxation year to a resident of the other Contracting State that first-mentioned Contracting State shall exempt from tax ten thousand Canadian dollars (\$10,000) or five thousand pounds sterling (£5,000), whichever is the greater. For the purposes of this paragraph the term "pensions" does not include lump sum payments out of a pension plan."

ARTICLE III

Paragraphs 3 and 4 of Article 22 of the Convention shall be deleted and replaced by the following: