

Customs and Exise, on the recommendation of the Under-Secretary of State for External Affairs. The purpose of this provision is to ensure that foreign representatives do not suffer hardship upon their sudden transfer to countries to which their automobiles could not be taken, either because of prohibitive transportation costs or of the unsuitability of the vehicle to conditions in their new post. Similar considerations apply in the event of the death of a member of the Diplomatic Corps.

N.B. For driver's licence and licence plates, see Part III (b) and (c).

5. Income Tax

The Canadian Income Tax Act provides that no tax is payable on the taxable income of a person for the period of time when that person was an officer or employee of the government of a country other than Canada, whose duties required him to reside in Canada:

- (i) if that country grants a similar privilege to an officer or employee of Canada of the same class;
- (ii) if he was during that period a citizen of that country, and did not have immigrant status in Canada, and
- (iii) if the said person was not, at any time in the period, engaged in a business or employed in Canada other than his position with that government.

Foreign representatives who are permanent residents of Canada enjoy personal tax exemption only insofar as they are covered by a double taxation agreement between Canada and the sending country.

6. Other Exemptions

- (i) Foreign representatives may also be exempt, upon presentation of the proper exemption certificate (E19,9/74), from the Air Transportation Tax imposed by the Excise Tax Act. The exemption must be claimed at the time transportation is purchased.
- (ii) With regard to Provincial retail sales tax, which is a direct tax, see Part III (a).
- (iii) Concerning municipal and school tax exemption that may be granted, Part II (h) entitled "purchase of properties" should provide pertinent information.