

PROTOCOL

At the moment of signing the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital between the Government of Canada and the Government of the Republic of Chile, the signatories have agreed that the following provisions shall form an integral part of the Convention:

1. In the event that pursuant to an Agreement or Convention concluded with a country that is a member of the Organisation for Economic Co-operation and Development after the date of signature of this Convention, Chile agrees to a rate of tax on dividends referred to in subparagraph (a) of paragraph 2 of *Article 10* that is lower than 10 per cent or on interest or royalties that is lower than 15 per cent, then such lower rate (but not in any event a rate below 5 per cent in the case of dividends and 10 per cent in the case of interest and royalties) shall apply for the purpose of subparagraph (a) of paragraph 2 of *Article 10* with respect to dividends, of paragraph 2 of *Article 11* with respect to interest or paragraph 2 of *Article 12* with respect to royalties, such new rates shall automatically apply for the purposes of this Convention when the provisions of the first-mentioned Agreement or Convention becomes applicable, as the case may be. However, the 10 per cent limitation shall not apply in the case of copyright royalties and other like payments in respect of the production or reproduction of any literary, dramatic, musical or artistic work (but not including royalties in respect of motion picture films nor royalties in respect of works on film or videotape or other means of reproduction for use in connection with television broadcasting), nor to royalties for the use of, or the right to use, computer software or any patent or for information concerning industrial, commercial or scientific experiences (but not including any such information provided under a rental or franchise agreement).

2. In the event that pursuant to an Agreement or Convention concluded with a country that is a member of the Organisation for Economic Co-operation and Development after the date of signature of this Convention, Chile agrees to limit the taxation in the country of source of payments for independent personal services performed in the absence of a fixed base referred to in paragraph 1 of *Article 14*, to a rate that is lower than that provided for in this Convention, the lower rate (including an exemption) shall automatically apply for the purposes of this Convention from the date when the relevant provision of the first-mentioned Agreement or Convention becomes applicable.