

CHAPTER IV
METHODS OF PREVENTION OF DOUBLE TAXATION

ARTICLE 23

Elimination of double taxation

1. Subject to the provisions of the law of Australia from time to time in force which relate to the allowance of a credit against Australian tax of tax paid in a country outside Australia (which shall not affect the general principle hereof), tax paid in Canada, whether directly or by deduction, in respect of income derived by a person who is a resident of Australia from sources in Canada (not including, in the case of a dividend, tax paid in respect of the profits out of which the dividend is paid) shall be allowed as a credit against Australian tax payable in respect of that income.

2. In the case of Canada, double taxation shall be avoided as follows:

- (a) Subject to the existing provisions of the law of Canada regarding the deduction from tax payable in Canada of tax paid in a territory outside Canada and to any subsequent modification of those provisions (which, however, shall not affect the general principle hereof) and unless a greater deduction or relief is provided under the law of Canada, tax paid in Australia in accordance with this Convention on profits, income or gains arising in Australia shall be deducted from any Canadian tax payable in respect of such profits, income or gains.
- (b) Subject to the existing provisions of the law of Canada regarding the determination of the exempt surplus of a foreign affiliate and to any subsequent modification of those provisions (which, however, shall not affect the general principle hereof) for the purpose of computing Canadian tax, a company which is a resident of Canada shall be allowed to deduct in computing its taxable income any dividend received by it out of the exempt surplus of a foreign affiliate which is a resident of Australia.

CHAPTER V
SPECIAL PROVISIONS

ARTICLE 24

Mutual Agreement Procedure

1. Where a resident of a Contracting State considers that the actions of the competent authority of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, without prejudice to the remedies provided by the national laws of those States, present his case in writing to the competent authority of the Contracting State of which he is a resident.

2. The competent authority shall endeavour, if the taxpayer's claim appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with this Convention.