PROTOCOL TO THE AGREEMENT

BETWEEN

CANADA

AND

THE FEDERAL REPUBLIC OF GERMANY

FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND CERTAIN OTHER TAXES, THE PREVENTION OF FISCAL EVASION AND THE ASSISTANCE IN TAX MATTERS

CANADA and THE FEDERAL REPUBLIC OF GERMANY have agreed at the signing at Berlin on the 19th day of April 2001 of the Agreement between the two States for the Avoidance of Double Taxation with respect to Taxes on Income and Certain other Taxes, the Prevention of Fiscal Evasion and the Assistance in Tax Matters, on the following provisions:

1. With reference to Article 4, paragraph 1, it is understood that the term "resident of a Contracting State" includes a person that is liable to tax on world income even if that person is liable to tax on capital only on capital situated in that State.

2. With reference to Article 6, the term "immovable property" shall include an interest in mineral deposits, sources and other natural resources and an option in respect of immovable property.

3. With reference to Article 10, paragraph 2, income derived from rights or debt-claims participating in profits (including in the Federal Republic of Germany income of a "stiller Gesellschafter" from the sleeping partner's participation as such or from a "partiarisches Darlehen" and "Gewinnobligationen") that is deductible in determining the profits of the debtor may be taxed in the Contracting State in which it arises according to the laws of that State.

4. With reference to Article 12, paragraph 2, the term "gross amount" does not include turnover taxes.

5. With reference to income taxable in accordance with Article 18, paragraph 1,

   (a) the rate of Canadian tax charged on periodic pension payments derived from sources within Canada shall not exceed the lesser of:

      (aa) 15 per cent of the gross amount of the payment, and