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PRESS RELEASE



DEPARTMENT OF EXTERNAL AFFAIRS

CANADA

COMMUNIQUÉ

MINISTÈRE DES AFFAIRES EXTÉRIEURES

FOR IMMEDIATE RELEASE
DECEMBER 20, 1967

RATIFICATION OF CANADA-USA TAXATION CONVENTION

The Secretary of State for External Affairs, the Honourable Paul Martin, and United States Ambassador W. Walton Butterworth today exchanged legal Instruments ratifying and bringing into force a Supplementary Income Tax Convention between Canada and the U.S.A.

The Supplementary Convention; which was signed in Washington October 25, 1966 further modifies and supplements the Income Tax Convention of March 4, 19~~62~~⁶⁴ between Canada and the United States for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes.

This modification was proposed by the United States and will eliminate the unintended preferential treatment accorded to persons resident outside both the United States and Canada who have received investment income from the U.S.A. at substantially reduced tax rates through companies which are incorporated in Canada but which are not resident in Canada for purposes of Canadian income tax.

Attached is the text of paragraph 1 of Article XI of the Income Tax Convention and the modification agreed to under the Supplementary Convention of December 20, 1967.