

Protocol

At the time of signing of this *Convention between Canada and the Republic of Colombia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital*, the undersigned have agreed upon the following provisions which shall be an integral part of the Convention.

1. It is understood that
 - (a) With reference to paragraph 3 of Article 5, for the purpose of calculating the time limit referred to therein, the period during which the activities carried out by an enterprise associated with another enterprise within the meaning of Article 9 shall be added to the period during which the activities are carried out by the enterprise with which it is associated, provided that the activities of the two enterprises are identical or substantially similar and are carried on in connection with the same site or project.
 - (b) With reference to paragraph 3 of Article 5, planning, preparatory work and supervisory activities shall be considered to be associated to a building site or construction or installation project only where such work or activities are performed at the location of the building site or construction or installation project.
 - (c) For purposes of Article 7, profits are attributed to a permanent establishment under paragraph 2 of Article 7 as if the permanent establishment were a separate enterprise dealing independently from the enterprise of which it is a part. Paragraph 3 of Article 7 sets out the principle that expenses incurred by the enterprise for the purpose of the permanent establishment, wherever incurred, shall be allowed as a deduction in attributing profits to the permanent establishment. In applying that paragraph, deductibility of expenses shall be determined in accordance with the internal legislation of the Contracting State in which the permanent establishment is located, provided that the requirements, conditions, and limitations to which they are subjected, are complied with.
 - (d) In the case of Colombia, for the purposes of this Convention, the term "ships" includes vessels.