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*The Ambassador of France to Canada
to the Secretary of State for External Affairs*

AMBASSADE DE FRANCE AU CANADA

OTTAWA, May 28, 1953

No. 60

Mr. Secretary of State,

In your letter of May the 28, 1953, you referred to the Convention between the Government of France and the Government of Canada constituting an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Paris on March 16, 1951, and to the Codicil to the aforesaid Convention signed at Ottawa on October 6, 1951.

In accordance with paragraph II of Article 22 of the said Convention, you propose that the following provisions determine the conditions for the entry into force of the above-mentioned Convention and Codicil:

"(1) Subject to the provisions herein the Convention and Codicil shall become effective on the 1st day of January, 1952.

"(2) The exemption from tax provided by Article 6 of the Convention shall become effective in respect of aerial navigation enterprises on the 1st day of January, 1950.

"(3) Without providing for any refund, the provisions of Article 7 of the Convention shall apply retroactively to any taxes imposed on income derived from securities and established under the law of June 29, 1872, and by the Decree of December 6, 1872, and to any taxes levied under the law substituted therefor as of the 1st of January, 1949, in Article 109, paragraph 2, and Article 1674 of the "Code Général des Impôts" unless prior to the 1st January, 1952, there shall have been a judicial decision, from which no appeal lies or which has not been the subject of an appeal in cassation.

"(4) In respect of Articles 8 and 12 of the Convention no refund shall be made of any tax paid in the State of domicile of the recipient prior to the date of this Exchange of Notes on income received after the last January, 1952."

I have the honour to inform you that the French Government approves the proposal that the above-mentioned Convention and Codicil shall be effective subject to the provisions set out above. As you suggest, your note of May 28, 1953, and my reply thereto shall constitute an agreement between the Government of France and the Government of Canada effective from the date of this Exchange of Notes.

It is understood that both the French and the English texts of your note of May 28 and of my reply thereto are authentic./.

Accept, Mr. Secretary of State, the assurances of my highest consideration.

HUBERT GUÉRIN.