

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed

PROTOCOL

At the signing of the Convention between the Government of Canada and the Government of Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (hereinafter referred to as "the Convention"), the undersigned have agreed upon the following provisions which form an integral part of the Convention.

1. With reference to sub-paragraph (e) of paragraph 1 of Article 3 of the Convention, the term "person" shall include an estate and a trust.

2. With reference to paragraph 2 of Article 4 of the Convention, where an individual or a company is a resident of both Contracting States the question shall be settled by mutual agreement by applying the following rules:

(a) in the case of an individual,

(i) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (centre of vital interests);

(ii) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;

(iii) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;

(b) in the case of a company, it shall be deemed to be a resident of the Contracting State of which it is a national.

3. With reference to Articles 6 and 13 of the Convention, in the case of Canada, income from the alienation of immovable property shall be subjected to taxation in accordance with the provisions of paragraph 1 of Article 6 of the Convention.

4. With reference to paragraph 1 of Article 7 of the Convention, where an enterprise or a Contracting State which has carried on business in the other Contracting State through a permanent establishment situated therein, receives, after the enterprise has ceased to carry on business as aforesaid, profits attributable