

**CONVENTION BETWEEN CANADA AND THE UNITED STATES OF
AMERICA FOR THE AVOIDANCE OF DOUBLE TAXATION
(SUCCESSION DUTIES)**

Signed at Ottawa, June 8, 1944

Ratifications exchanged at Washington, February 6, 1945

The Government of Canada and the Government of the United States of America, being desirous of avoiding double taxation and of preventing fiscal evasion in the case of estate taxes and succession duties, have decided to conclude a convention and for that purpose have appointed as their plenipotentiaries:

W. L. Mackenzie King, Secretary of State for External Affairs, and Colin W. G. Gibson, Minister of National Revenue, for Canada;

Ray Atherton, Ambassador Extraordinary and Plenipotentiary of the United States of America at Ottawa, for the United States of America;

Who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles:

ARTICLE I

1. The taxes referred to in this Convention are:

- (a) for the United States of America: the Federal estate taxes;
- (b) for Canada: the taxes imposed under the Dominion Succession Duty Act.

2. In the event of appreciable changes in the fiscal laws of either contracting State, the competent authorities of the contracting States will consult together.

ARTICLE II

1. Real property situated in Canada shall be exempt from the application of the taxes imposed by the United States of America.

2. Real property situated in the United States of America shall be exempt from the application of the taxes imposed by Canada.

3. The question whether rights relating to or secured by real property are to be considered as real property for the purposes of this Convention shall be determined in accordance with the laws of the contracting State imposing the tax.

ARTICLE III

1. Shares in a corporation organized in or under the laws of the United States of America, of any of the states or territories of the United States of America, or of the District of Columbia, shall be deemed to be property situated within the United States of America.

2. Shares in a corporation organized in or under the laws of Canada, or of any of the provinces or territories of Canada, shall be deemed to be property situated within Canada.

3. This Article shall not be construed as limiting the liability of the estate of any person not domiciled in Canada or of any citizen of the United States of America, under the estate tax laws of the United States of America.