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*The Financial Secretary to the Treasury of the United Kingdom  
to the High Commissioner of Canada*

HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

**H.E. Gordon Campbell,  
High Commissioner for Canada  
Canada House,  
1 Trafalgar Square,  
London  
SW1Y 5BJ**

**11 August 2015**

Excellency,

I have the honour to acknowledge receipt of your Note 1014/15 dated 27 July 2015 which states in its entirety as follows :

“I have the honor to refer to the *Convention between the Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains*, signed at London on 8 September 1978, as amended by the protocol signed at Ottawa on 15 April 1980, by the protocol signed at London on 16 October 1985, by the protocol signed at London on 7 May 2003 and by the protocol signed at London on 21 July 2014, and to propose on behalf of the Government of Canada the following:

In respect of any case where the competent authorities have endeavored but are unable to reach a complete agreement under Article 23 (Mutual Agreement Procedure) of the Convention any unresolved issues arising from the case shall be submitted to arbitration, in accordance with paragraphs 6 and 7 of Article 23 (Mutual Agreement Procedure) of the Convention unless the competent authorities agree that the particular case is not suitable for determination by arbitration. If an arbitration proceeding under paragraph 6 of Article 23 (Mutual Agreement Procedure) commences, the following shall apply:

- (1) The arbitration proceeding shall be conducted in the manner prescribed by, and subject to the requirements of, paragraphs 6 and 7 of Article 23 (Mutual Agreement Procedure) of the Convention and the rules and procedures of this Note.
- (2) The competent authorities of the Contracting States shall agree in writing, before the date that the first arbitration proceeding begins, on procedures, including arbitration board operating guidelines, that are consistent with paragraphs 6 and 7 of Article 23 (Mutual Agreement Procedure) of the Convention and the rules and procedure set out in this Note.