

**PROTOCOL BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FURTHER AMENDING THE CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS**

The Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland;

DESIRING to conclude a Protocol to amend further the Convention between the Contracting Governments 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<sup>(1)</sup> and amended by a Protocol signed at Ottawa on 15 April 1980,<sup>(2)</sup> (hereinafter referred to as "the Convention");

HAVE AGREED as follows:

**ARTICLE I**

Article 8 of the Convention shall be deleted and replaced by the following:

**ARTICLE 8**

*Shipping and Air Transport*

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.
2. Notwithstanding the provisions of paragraph 1 and Article 7, profits derived from the operation of ships used principally to transport passengers or goods exclusively between places in a Contracting State may be taxed in that State.
3. Notwithstanding the provisions of Article 7, profits of an enterprise of a Contracting State from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise in international traffic shall be taxable only in that State.

<sup>(1)</sup> Treaty Series 1980 No. 25

<sup>(2)</sup> Treaty Series 1980 No. 35