

IN WITNESS WHEREOF the undersigned, authorized thereto, have signed this
Convention at Ottawa, this 15th day of June 1987.

PROTOCOL

At the moment of signing the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, this day concluded between Canada and the Kingdom of the Netherlands, the undersigned have agreed that the following provisions shall form an integral part of the Convention.

I. *With reference to Article 3, paragraph 1(e)*

In the French version of the Convention, the term "société" includes a "corporation" within the meaning of Canadian law.

II. *With reference to Article 3, paragraph 1(g) and Articles 5, 8 and 23*

Ferry-boats, deep-sea ferry-boats or other vessels devoted principally to the transportation of passengers or goods exclusively between places in one of the States shall, when so operated, not be considered to be operated in international traffic; the landing site or sites situated in one of the States and used regularly in such operation by such boats or vessels shall, for the enterprise operating such boats or vessels, constitute a permanent establishment in that State.

III. *With reference to Article 4*

An individual living aboard a ship without any real domicile in either of the States shall be deemed to be a resident of the State in which the ship has its home harbour.

IV. *With reference to Article 6, paragraph 1*

The provisions of paragraph 1 of Article 6 shall also apply to income or profits from the alienation of property referred to therein.

V. *With reference to Article 6*

In the event that one of the States ceases to permit residents of the other State who are liable to tax in the first-mentioned State on income from immovable property situated therein to compute, in accordance with and subject to the domestic legislation of the first-mentioned State, the tax on such income on a net basis, then a resident of the other State who is so liable to tax on such income may compute the tax on such income in accordance with and subject to the domestic legislation of the first-mentioned State as it read at the time that State ceased to permit the computation. Interest on any mortgage or other indebtedness secured by immovable property situated in one of the States shall be deemed to arise in that State to the extent that, pursuant to any computation referred to in the preceding sentence, such interest is deducted in computing the tax on income of a resident of the other State from immovable property situated in the first-mentioned State.