

PROTOCOL BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE FRENCH REPUBLIC AMENDING THE CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL SIGNED MAY 2, 1975⁽¹⁾

The Government of Canada and the Government of the French Republic, desiring to conclude a Protocol amending the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital signed at Paris on May 2, 1975 (hereinafter referred to as "the Convention"), have agreed as follows:

ARTICLE 1

1. There shall be added to Article 8 of the Convention a new paragraph 4, written as follows:

"4. For the purposes of this Convention, profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic include profits from:

- (a) the rental of ships or aircraft operated in international traffic;
- (b) the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used in international traffic; and
- (c) the rental of ships, aircraft or containers (including trailers and related equipment for the transport of containers) provided that such profits are incidental to profits referred to in paragraph 1, 4(a) or 4(b)."

2. There shall be added to Article 8 of the Convention a new paragraph 5, written as follows:

"5. Notwithstanding the provisions of paragraph 3 of Article 2, air transport enterprises of Canada whose aircraft embark or disembark passengers or goods in French territory shall not be subject to the professional tax in France as long as air transport enterprises of France are not subject to a similar tax in Canada."

⁽¹⁾ Treaty Series 1976 No. 30