

PROTOCOL

At the time of signing of the *Convention between Canada and New Zealand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income* (the "Convention"), the undersigned have agreed upon the following provisions which shall form an integral part of the Convention:

ARTICLE I

With reference to Article 2 of the Convention:

It is understood that the taxes covered by the Convention do not include any amount which represents a penalty or interest imposed under the laws of either Contracting State.

ARTICLE II

With reference to Article 4 of the Convention:

It is understood that a resident of a Contracting State includes any agency or instrumentality of any government of:

- (a) such State;
- (b) a political subdivision of such State; or
- (c) a local authority of such State.

ARTICLE III

With reference to Article 6 of the Convention:

It is understood that any right referred to in paragraph 2 shall be regarded as situated where the property to which it relates is situated or where the exploration or exploitation may take place.