

PROTOCOL

At the moment of the signature of the Convention for the avoidance of double taxation with respect to taxes on income between Canada and the Federative Republic of Brazil, the undersigned, being duly authorized thereto, have agreed upon the following provisions which constitute an integral part of the present Convention.

1. *With reference to Article III, paragraph 1 (d)*

It is understood that in Canada the term "person" also includes a partnership, an estate and a trust.

2. *With reference to Article III, paragraph 1 (f)*

It is understood that in French the term "société" also means a "corporation" within the meaning of Canadian law.

3. *With reference to Article VI, paragraph 1*

It is understood that in the case of Canada the provisions of Article VI, paragraph 1, shall also apply to profits from the alienation of immovable property not taxed therein as capital gains.

4. *With reference to Article VII*

It is understood that where an enterprise of a Contracting State has carried on business in the other Contracting State through a permanent establishment situated therein, the profits of the enterprise which are attributable to that permanent establishment and which are received by the enterprise after it has ceased to carry on business as aforesaid, may be taxed in that other State in accordance with the principles laid down in Article VII.

5. *With reference to Article VII, paragraph 3*

It is understood that the provisions of this paragraph shall apply whether the expenses mentioned therein are incurred in the State in which the permanent establishment is situated or elsewhere.

6. *With reference to Article X, paragraph 4*

It is understood that in the case of Brazil the term "dividends" also includes any distribution in respect of certificates of an investment-trust which is a resident of Brazil.

7. *With reference to Article XI*

It is understood that the commissions arising in Brazil and paid to a Canadian company in connection with services rendered in respect of loans and financings are considered to be interest and subject to the provisions of paragraph 2 of Article XI.

8. *With reference to Article XII, paragraph 3*

It is understood that the expression "for information concerning industrial, commercial or scientific experience" mentioned in paragraph 3 of Article XII includes income derived from the rendering of technical assistance and technical services.

9. *With reference to Article XIV*

It is understood that the provisions of Article XIV shall apply even if the activities are exercised by a partnership or a "Sociedade Civil" (Civil Company).