

PROTOCOL
AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF
CANADA AND THE GOVERNMENT OF ITALY
FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO
TAXES ON INCOME AND FOR THE PREVENTION OF FISCAL EVASION
SIGNED AT TORONTO ON 17TH NOVEMBER 1977(1)

The Government of Canada and the Government of Italy, desiring to conclude a Protocol to amend the Convention between the Contracting States for the Avoidance of Double Taxation with respect to Taxes on Income and for the Prevention of Fiscal Evasion, signed at Toronto on 17th November 1977, have agreed as follows:

ARTICLE 1

The following paragraphs are added to Article XVIII of the Convention:

3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, any social security payment arising in one of the Contracting States and paid in a taxable period to an individual who is a resident of the other Contracting State shall be taxable only in the first-mentioned State, provided that the income of the individual for the period that is taxable in the other Contracting State in aggregate, excluding the said social security payments, does not exceed the amount of twenty four thousand Canadian dollars or twenty seven million Italian lire, whichever is the greater. For the purposes of this paragraph, the term "social security payment" means:

- (a) in the case of Canada, any pension or benefit paid under the Old Age Security Act; and
- (b) in the case of Italy, only such portion of any pension or benefit paid under the social security laws of Italy as is certified by the competent Authority of Italy as the amount necessary to increase such pension or benefit to the minimum amount for the category of pension payable to that individual under those laws.

The competent Authorities of the Contracting States may, if necessary, agree to modify the above-mentioned amounts as a result of monetary or economic developments.

4. Notwithstanding any provision of this Convention, war veterans pensions and allowances arising in a Contracting State and received by a resident of the other Contracting State shall not be taxable in that other State as long as they would not be taxable if received by a resident of the Contracting State in which they arise.

5. Paragraph 1 of this Article shall not apply to pensions dealt with in paragraph 2 hereof.