



Treaty Series No. 64 (1938)

[Reprint of "Canadian Treaty Series No. 13 (1937)"]

## Convention

between His Majesty's Government in Canada  
and the United States Government

regarding

# Income Tax on Non-Resident Individuals and Corporations

Washington, December 30, 1936

[Ratifications exchanged at Washington on August 13, 1937]

*Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty*

LONDON

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CONVENTION BETWEEN HIS MAJESTY'S GOVERNMENT IN  
CANADA AND THE UNITED STATES GOVERNMENT  
REGARDING INCOME TAX ON NON-RESIDENT INDIVIDUALS  
AND CORPORATIONS.

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Washington, December 30, 1936.

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[Ratifications exchanged at Washington on August 13, 1937.]

THE Government of Canada and the Government of the United States of America, being desirous of concluding a reciprocal convention concerning rates of income tax imposed upon non-resident individuals and corporations, have agreed as follows:—

ARTICLE 1.

The High Contracting Parties mutually agree that the income taxation imposed in the two States shall be subject to the following reciprocal provisions:—

- (a) The rate of income tax imposed by one of the Contracting States, in respect of income derived from sources therein, upon individuals residing in the other State, who are not engaged in trade or business in the taxing State and have no office or place of business therein, shall not exceed five per centum for each taxable year, so long as an equivalent or lower rate of income taxation is imposed by the other State upon individuals residing in the former State who are not engaged in trade or business in such other State and do not have an office or place of business therein.
- (b) The rate of income tax imposed by one of the contracting States, in respect of dividends derived from sources therein, upon non-resident foreign corporations organised under the laws of the other State, which are not engaged in trade or business in the taxing State and have no office or place of business therein, shall not exceed five per centum for each taxable year, so long as an equivalent or lower rate of income taxation on dividends is imposed by the other State upon corporations organised under the laws of the former State which are not engaged in trade or business in such other State and do not have an office or place of business therein.
- (c) Either State shall be at liberty to increase the rate of taxation prescribed by paragraphs (a) and (b) of this article, and in such case the other State shall be released from the requirements of the said paragraphs (a) and (b).
- (d) Effect shall be given to the foregoing provisions by both States as and from the first day of January, nineteen hundred and thirty-six.

## ARTICLE 2.

The provisions of this Convention shall not apply to citizens of the United States of America domiciled or resident in Canada.

## ARTICLE 3.

This Convention shall be ratified and shall take effect immediately upon the exchange of ratifications which shall take place at Washington as soon as possible.

Signed in duplicate at Washington by the duly authorised representatives of Canada and the United States of America, this thirtieth day of December, in the year of our Lord, one thousand nine hundred and thirty-six.

For Canada :

(L.S.) HERBERT M. MARLER,  
*Envoy Extraordinary and Minister  
Plenipotentiary.*

For the United States of America :

(L.S.) R. WALTON MOORE,  
*Acting Secretary of State.*