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STATUTORY INSTRUMENTS

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**1980 No. 709**

**INCOME TAX**

**The Double Taxation Relief (Taxes  
On Income) (Canada) Order 1980**

*Laid before the House of Commons in draft*

*Made - - - - 21st May 1980*

**THE DOUBLE TAXATION RELIEF (TAXES  
ON INCOME) (CANADA) ORDER 1980**

1. This Order may be cited as the Double Taxation Relief...
2. It is hereby declared— (a) that the arrangements specified in...  
Signature

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SCHEDULE — CONVENTION BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN  
IRELAND AND THE GOVERNMENT OF CANADA FOR  
THE AVOIDANCE OF DOUBLE TAXATION AND THE  
PREVENTION OF FISCAL EVASION WITH RESPECT TO  
TAXES ON INCOME AND CAPITAL GAINS

The Government of the United Kingdom of Great Britain and...  
Desiring to conclude a Convention for the avoidance of double...  
Have agreed as follows:

ARTICLE 1 — Personal Scope

This Convention shall apply to persons who are residents of...

ARTICLE 2 — Taxes Covered

1. The taxes which are the subject of this Convention are:...
2. The Convention shall apply also to any identical or substantially...

ARTICLE 3 — General Definitions

1. In this Convention, unless the context otherwise requires:
2. As regards the application of the Convention by a Contracting...

ARTICLE 4 — Fiscal Domicile

1. For the purposes of this Convention, the term “resident of...”
2. Where by reason of the provisions of paragraph 1 an...
3. Where by reason of the provisions of paragraph 1 a...

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#### ARTICLE 5 — Permanent Establishment

1. For the purposes of this Convention, the term “permanent establishment”...
2. The term “permanent establishment” shall include especially:
3. The term “permanent establishment” shall not be deemed to include:...
4. A person—other than an agent of an independent status to...
5. An enterprise of a Contracting State shall not be deemed...
6. The fact that a company which is a resident of...

#### ARTICLE 6 — Income from Immovable Property

1. Income from immovable property, including income from agriculture or forestry,...
2. For the purposes of this Convention, the term “immovable property”...
3. The provisions of paragraph 1 shall apply to income derived...
4. The provisions of paragraphs 1 and 3 shall also apply...

#### ARTICLE 7 — Business Profits

1. The profits of an enterprise of a Contracting State shall...
2. Subject to the provisions of paragraph 3, where an enterprise...
3. In the determination of the profits of a permanent establishment...
4. Insofar as it has been customary in a Contracting State...
5. No profits shall be attributed to a permanent establishment by...
6. For the purposes of the preceding paragraphs, the profits to...
7. Where profits include items of income which are dealt with...

#### ARTICLE 8 — Shipping and Air Transport

1. Profits derived by an enterprise of a Contracting State from...
2. Notwithstanding the provisions of paragraph 1 and Article 7, profits...
3. The provisions of paragraphs 1 and 2 shall also apply...

#### ARTICLE 9 — Associated Enterprises

Where— an enterprise of a Contracting State participates directly or... and in either case conditions are made or imposed between...

#### ARTICLE 10 — Dividends

1. Dividends paid by a company which is a resident of...
2. Dividends paid by a company which is a resident of...
3. However, as long as an individual resident in the United...
4. The term “dividends” as used in this Article means income...
5. The provisions of paragraphs 1, 2 and 3 shall not...
6. Where a company is a resident of only one Contracting...
7. If a resident of Canada does not bear Canadian tax...

#### ARTICLE 11 — Interest

1. Interest arising in a Contracting State and paid to a...
2. However, such interest may be taxed in the Contracting State...
3. Notwithstanding the provisions of paragraph 2 of this Article,
4. (a) Notwithstanding the provisions of paragraph 2 of this Article,...
5. The term “interest” as used in this Article means income...
6. The provisions of paragraphs 1, 2 and 4 of this...
7. Interest shall be deemed to arise in a Contracting State...
8. Where, owing to a special relationship between the payer and...
9. Any provision in the law of a Contracting State relating...
10. The provisions of paragraph 2 of this Article shall not...

#### ARTICLE 12 — Royalties

1. Royalties arising in a Contracting State and paid to a...
2. However, such royalties may be taxed in the Contracting State...
3. Notwithstanding the provisions of paragraph 2, copyright royalties and other...
4. The term “royalties” as used in this Article means payments...

5. The provisions of paragraphs 1, 2 and 3 shall not...
  6. Royalties shall be deemed to arise in a Contracting State...
  7. Where, owing to a special relationship between the payer and...
- ARTICLE 13 — Capital Gains
1. Gains from the alienation of immovable property may be taxed...
  2. Gains from the alienation of movable property forming part of...
  3. Gains from the alienation of: (a) any right, licence or...
  4. Gains from the alienation of: (a) shares, other than shares...
  5. For the purposes of paragraph 4 of this Article “an...
  6. Gains from the alienation of any property, other than those...
  7. The provisions of paragraph 6 of this Article shall not...
- ARTICLE 14 — Professional Services
1. Income derived by a resident of a Contracting State in...
  2. The term “professional services” includes independent scientific, literary, artistic, educational...
- ARTICLE 15 — Dependent Personal Services
1. Subject to the provisions of Articles 17 and 18, salaries,...
  2. Notwithstanding the provisions of paragraph 1, remuneration derived by a...
  3. Notwithstanding the preceding provisions of this Article, remuneration in respect...
  4. In relation to remuneration of a director of a company...
- ARTICLE 16 — Artistes and Athletes
1. Notwithstanding the provisions of Articles 7, 14 and 15, income...
  2. Where income in respect of personal activities as such of...
  3. The provisions of paragraphs 1 and 2 shall not apply:...
- ARTICLE 17 — Pensions and Annuities
1. Pensions and annuities arising in a Contracting State and paid...
  2. Notwithstanding the provisions of paragraph 1 of this Article, pensions...
  3. The term “annuity” means a stated sum payable periodically at...
  4. Notwithstanding any other provision of this Convention, alimony and similar...
- ARTICLE 18 — Government Service
1. (a) Remuneration, other than a pension, paid by a Contracting...
  2. This Article shall not apply to remuneration in respect of...
  3. In this Article, the term “political subdivision” shall, in relation...
- ARTICLE 19 — Students
- Payments which a student, apprentice or business trainee who is...
- ARTICLE 20 — Estates and Trusts
1. Income received from an estate or trust resident in Canada...
  2. The provisions of paragraph 1 of this Article shall not...
- ARTICLE 21 — Elimination of Double Taxation
1. In the case of Canada, double taxation shall be avoided...
  2. In the case of the United Kingdom, double taxation shall...
  3. For the purposes of paragraphs 1 and 2 of this...
- ARTICLE 22 — Non-Discrimination
1. The nationals of a Contracting State shall not be subjected...
  2. The taxation on a permanent establishment which an enterprise of...
  3. Subject to the provisions of paragraph 4 of this Article,...
  4. The provisions of paragraph 3 of this Article shall not...
  5. In this Article, the term “taxation” means taxes which are...
- ARTICLE 23 — Mutual Agreement Procedure
1. Where a resident of a Contracting State considers that the...
  2. The competent authority referred to in paragraph 1 shall endeavour,...

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3. The competent authorities of the Contracting States shall endeavour to...  
ARTICLE 24 — Exchange of Information  
The competent authorities of the Contracting States shall exchange such...  
ARTICLE 25 — Diplomatic and Consular Officials
  1. Nothing in this Convention shall affect the fiscal privileges of...
  2. This Convention shall not apply to International Organizations, to organs...
- ARTICLE 26 — Extension
  1. This Convention may be extended, either in its entirety or...
  2. The termination of this Convention under Article 29 shall, unless...
- ARTICLE 27 — Miscellaneous Rules
  1. The provisions of this Convention shall not be construed to...
  2. Where under any provision of this Convention any person is...
  3. Nothing in this Convention shall be construed as preventing Canada...
  4. The aggregate of the amount or value of the dividend...
  5. Each of the Contracting States will endeavour to collect on...
  6. The competent authorities of the Contracting States may communicate with...
- ARTICLE 28 — Entry into Force
  1. The Convention shall come into force on the date when...
  2. The Governments of the Contracting States shall, as soon as...
  3. Subject to the provisions of paragraph 4 of this Article...
  4. Where, however, any greater relief from tax would have been...
  5. The existing Agreement shall terminate on the last date on...
  6. The termination of the existing Agreement as provided in paragraph...
  7. In this Article the term “the existing Agreement” means the...
- ARTICLE 29 — Termination  
This Convention shall continue in effect indefinitely but the Government...  
In witness whereof the undersigned, duly authorised thereto, have signed...  
Done in duplicate at London, this 8th day of September...

Explanatory Note