

The profits or gains to which this Article relates are any profits or gains from the sale of goods, other than things in action and money, arising, whether directly or indirectly, through an agency in the United Kingdom, to a person who is resident in Canada and is not resident in the United Kingdom, unless the profits or gains either—

(1) arise from the sale of goods from a stock in the United Kingdom, or

(2) accrue directly or indirectly through any branch or management in the United Kingdom or through an agency in the United Kingdom where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

#### Article 2.

His Majesty's Government in Canada undertake that the profits or gains to which this Article relates shall, so long as the exemption specified in Article 1 hereof remains effective, be exempted from income tax chargeable by the Dominion of Canada in respect of the 1930 taxation period and fiscal periods ending therein, and thereafter, and will take the necessary action under subsection 3 of section 27A of the Income War Tax Act as enacted by section 14 of Chapter 55 of the Statutes of 1934 with a view to giving the force of law to the exemption aforesaid.

The profits or gains to which this Article relates are any profits or gains from the sale of goods, other than things in action and money, arising, whether directly or indirectly, through an agency in Canada, to a person who is resident in the United Kingdom and is not resident in Canada, unless the profits or gains either—

(1) arise from the sale of goods from a stock in Canada, or

(2) accrue directly or indirectly through any branch or management in Canada, or through an agency in Canada where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

#### Article 3.

For the purposes of this Agreement the word "person" includes any body of persons, corporate or not corporate, and a body corporate shall be regarded as resident in the United Kingdom if its business is managed and controlled in the United Kingdom, and shall be regarded as resident in Canada if its business is managed and controlled in Canada.

#### Article 4.

This agreement may be denounced at any time upon six months' notice being given by one Government to the other.

Done in duplicate, at Ottawa, this third day of October, in the Year of our Lord, one thousand nine hundred and thirty-five.

*F. L. C. Floud.*

Signed on behalf of His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland.

*Edgar N. Rhodes.*

Signed on behalf of His Majesty's Government in Canada.

At the Court at *Buckingham Palace*, the 3rd day of *March*, 1936.

PRESENT,

The KING's Most Excellent Majesty in Council.

WHEREAS it is, among other things, provided by subsection (1) of section seventeen of the Finance Act, 1930, that if His Majesty in Council is pleased to declare—

(a) that any profits or gains arising directly or indirectly to a person resident in any part of His Majesty's dominions outside the United Kingdom through an agency in the United Kingdom or to a person resident in the United Kingdom through an agency in any part of His Majesty's dominions outside the United Kingdom are chargeable both to United Kingdom income tax and to income tax payable under the law in force in that part of His Majesty's dominions; and

(b) that arrangements as specified in the Declaration have been made with the Government concerned with a view to the granting of relief from such double taxation,

then, unless and until the Declaration is revoked by His Majesty in Council, the arrangements specified therein shall, so far as they relate to the relief to be granted from United Kingdom income tax, have effect as if enacted in that Act, but only if and so long as the arrangements, so far as they relate to the relief to be granted from the income tax payable in the part of His Majesty's dominions, have the effect of law in the part of His Majesty's dominions:

And whereas it is enacted by a proviso to the said subsection that no such arrangements as aforesaid shall exempt from United Kingdom income tax any profits or gains which either—

(i) arise from the sale of goods from a stock in the United Kingdom; or

(ii) accrue to a person resident in the United Kingdom; or

(iii) accrue to a person not resident in the United Kingdom directly or indirectly through any branch or management in the United Kingdom or through any agency in the United Kingdom where the agent has and habitually exercises a general authority to negotiate and conclude contracts:

And whereas the arrangements contained in the Schedule to this Declaration have been made by His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland with the Government of Newfoundland:

Now, therefore, His Majesty is pleased, by and with the advice of His Privy Council, to declare, and it is hereby declared—

(a) that certain profits or gains arising directly or indirectly to persons resident in Newfoundland through agencies in the United Kingdom are chargeable both to United Kingdom income tax and to income tax payable under the law in force in Newfoundland, and

(b) that the arrangements contained in the said Schedule have been made with a view to the granting of relief from such double taxation.