

## DOUBLE TAXATION: TAXES ON INCOME

*Convention and protocol signed at Washington March 4, 1942*

*Senate advice and consent to ratification May 28, 1942*

*Ratified by the President of the United States June 4, 1942*

*Ratified by Canada June 12, 1942*

*Ratifications exchanged at Washington June 15, 1942*

*Entered into force June 15, 1942; operative from January 1, 1941*

*Proclaimed by the President of the United States June 17, 1942*

*Article XI, paragraph 2, terminated December 20, 1960, by exchange of notes at Washington January 12 and 23, 1961<sup>1</sup>*

*Supplemented and modified by conventions of June 12, 1950;<sup>2</sup> August 8, 1956;<sup>3</sup> and October 25, 1966<sup>4</sup>*

56 Stat. 1399; Treaty Series 983

### CONVENTION

The Government of the United States of America and the Government of Canada, being desirous of further promoting the flow of commerce between the two countries, of avoiding double taxation and of preventing fiscal evasion in the case of income taxes, have decided to conclude a Convention and for that purpose have appointed as their Plenipotentiaries:

Mr. Sumner Welles, Acting Secretary of State of the United States of America; and

Mr. Leighton McCarthy, K.C., Envoy Extraordinary and Minister Plenipotentiary of Canada at Washington;

who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles:

### ARTICLE I

An enterprise of one of the contracting States is not subject to taxation by the other contracting State in respect of its industrial and commercial profits except in respect of such profits allocable in accordance with the Articles of this Convention to its permanent establishment in the latter State.

<sup>1</sup> Not printed.

<sup>2</sup> 2 UST 2235; TIAS 2347.

<sup>3</sup> 8 UST 1619; TIAS 3916.

<sup>4</sup> 18 UST 3186; TIAS 6415.