

PROTOCOL

At the moment of signing the Convention between the Government of the Republic of Moldova and the Government of Canada for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, the undersigned have agreed upon the following provisions which shall form an integral part of the Convention.

1. With reference to paragraph 1 of Article 2, it is understood that, in the case of Moldova, the Convention shall also apply to taxes on income imposed on behalf of its administrative territorial units and its local authorities.

2. With reference to subparagraph (d) of paragraph 1 of Article 3, the term “person”, in the case of Moldova, includes a legal person.

3. It is understood that the term “political subdivision”, in the case of Moldova, includes an administrative territorial unit.

4. With reference to paragraph 2 of Article 9, it is understood that the other Contracting State is only required to make the appropriate adjustment to the extent it considers that the adjustment made in the first-mentioned State is justified both in principle and in amount.

5. The provisions of the Convention shall not be construed to restrict in any manner any exemption, allowance, credit or other deduction accorded by the laws of a Contracting State in the determination of the tax imposed by that State.

6. Nothing in the Convention shall be construed as preventing a Contracting State from imposing a tax on amounts included in the income of a resident of that State with respect to a partnership, trust, or controlled foreign affiliate, in which that resident has an interest.

7. The Convention shall not apply to any company, trust or partnership that is a resident of a Contracting State and is beneficially owned or controlled, directly or indirectly, by one or more persons who are not residents of that State, if the amount of the tax imposed on the income of the company, trust or partnership by that State is substantially lower than the amount that would be imposed by that State if all of the shares of the capital stock of the company or all of the interests in the trust or partnership, as the case may be, were beneficially owned by one or more persons who were residents of that State.

8. For the purposes of paragraph 3 of Article XXII (Consultation) of the General Agreement on Trade in Services, the Contracting States agree that, notwithstanding that paragraph, any dispute between them as to whether a measure falls within the scope of this Convention may be brought before the Council for

Trade in Services, as provided by that paragraph, only with the consent of both Contracting States. Any doubt as to the interpretation of this paragraph shall be resolved under paragraph 4 of Article 24 of the Convention or, failing agreement under that procedure, pursuant to any other procedure agreed to by both Contracting States.

9. Where under any provision of this Convention any income is relieved from tax in a Contracting State and, under the law in force in the other Contracting State a person, in respect of that income, is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State and not by reference to the full amount thereof, then the relief to be allowed under the Convention in the first-mentioned Contracting State shall apply only to so much of the income as is taxed in the other Contracting State.

IN WITNESS WHEREOF the undersigned, duly authorized to that effect, have signed this Protocol.

DONE in two originals at Chisinau, on this 4th day of July 2002, in the Moldovan, English and French languages, each version being equally authentic.

**For the Government of
the Republic of Moldova**

**For the Government of
Canada**