

1982 Income Tax Convention and Notes

Treaty Partners: Cameroon; Canada

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CONVENTION BETWEEN CANADA AND THE UNITED REPUBLIC OF CAMEROON FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of Canada and the Government of the United Republic of Cameroon

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have agreed as follows:

I. Scope of the Convention

Article 1 Personal Scope

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2 Taxes Covered

1. This Convention shall apply to taxes on income imposed on behalf of each Contracting State, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property, as well as taxes on capital appreciation.
3. The existing taxes to which the Convention shall apply are, in particular:
 - (a) in the case of Canada:

the income taxes imposed by the Government of Canada, (hereinafter referred to as "Canadian tax");
 - (b) in the case of Cameroon:

- the individual income tax;
- the flat rate tax on individual income;
- the tax on companies and other corporate bodies or the flat rate minimum tax on companies;
- the special levy on royalties and other remunerations in respect of studies, technical, financial or accounting assistance;
- the levy on property;

including prepayments, surcharges as well as levies additional to the said taxes.

(hereinafter referred to as "Cameroon tax").

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The Contracting States shall notify each other of changes which have been made in their respective taxation laws.

II. Definitions

Article 3 General Definitions

1. In this Convention, unless the context otherwise requires:
 - (a)
 - (i) the term "Canada" used in a geographical sense, means the territory of Canada, including any area beyond the territorial seas of Canada which, under the laws of Canada, is an area within which Canada may exercise rights with respect to the seabed and subsoil and their natural resources;
 - (ii) the term "Cameroon" used in a geographical sense, means the territory of the United Republic of Cameroon, including any area beyond the territorial seas of Cameroon which, under the laws of Cameroon, is an area within which Cameroon may exercise rights with respect to the seabed and subsoil and their natural resources;
 - (b) the terms "a Contracting State" and "the other Contracting State" means, as the context requires, Canada or Cameroon;
 - (c) the term "person" includes an individual, a company and any other body of persons; in the case of Canada, it also includes an estate and a trust;

- (d) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes; in French, the term "societe" also means a "corporation" within the meaning of Canadian law;
 - (e) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" means respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - (f) the term "competent authority" means:
 - (i) in the case of Canada, the Minister of National Revenue or his authorized representative,
 - (ii) in the case of Cameroon, the Minister of Finance or his duly authorized representative;
 - (g) the term "tax" means Canadian tax or Cameroon tax, as the context requires;
 - (h) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership and association deriving its status as such from the laws in force in a Contracting State.
2. As regards the application of the Convention by a Contracting State any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the law of that State concerning the taxes to which the Convention applies.

Article 4 **Resident**

- 1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature.
- 2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:
 - (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);

- (b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
 - (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;
 - (d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a company is a resident of both Contracting States, then its status shall be determined as follows:
- (a) it shall be deemed to be a resident of the State of which it is a national;
 - (b) if it is a national of neither of the States, it shall be deemed to be a resident of the State in which its place of effective management is situated.

Article 5 **Permanent Establishment**

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
2. The term "permanent establishment" includes especially:
- (a) a place of management;
 - (b) a branch;
 - (c) an office;
 - (d) a factory;
 - (e) a workshop;
 - (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;
 - (g) a building site or construction or installation project;
 - (h) a fixed place of business used for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

- (i) a stock of goods or merchandise belonging to the enterprise maintained for the purpose of storage, display or delivery;
 - (j) a fixed place of business used for the purpose of purchasing goods or merchandise, or for collecting information which is the actual object of the business of the enterprise;
 - (k) a fixed place of business used for the purpose of advertising;
 - (l) the furnishing of services including consulting services by an enterprise through employees or other personnel hired by the enterprise for such purpose, but only where activities of that nature continue (for the same or a connected project) within the country for a period or periods aggregating more than six months.
3. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:
- (a) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - (b) the maintenance of a fixed place of business solely for the purpose of the supply of information, for scientific research or for similar activities which have a preparatory character for the enterprise.
4. Notwithstanding the provisions of paragraphs 1 and 2, where a person -- other than an agent of an independent status to whom paragraph 5 applies -- is acting on behalf of an enterprise and has, and habitually exercises in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise unless the activities of such person are limited to those mentioned in paragraph 3 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

Such authority shall, in particular, be deemed to be exercised by an agent who habitually has available to him in the first- mentioned Contracting State a stock of goods or merchandise, belonging to the enterprise, from which he regularly fills orders received by him on behalf of the enterprise.

5. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

However, where the agent whose services are used has available to him a stock of goods or merchandise on consignment from which the sales and deliveries are made, such stock is characteristic of the existence of a permanent establishment.

6. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.
- III. Taxation of Income

Article 6
Income From Immovable Property

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.
2. For the purposes of this Convention, the term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property and to profits from the alienation of such property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7
Business Profits

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on or has carried on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.
2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions, under the conditions determined by the laws of each State, expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses, whether incurred in the State in which the permanent establishment is situated or elsewhere.
4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles laid down in this Article.
5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.
6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
7. Where profits include items of income which are dealt with separately in other Articles of this Convention, then, the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

Shipping and Air Transport

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
2. Notwithstanding the provisions of paragraph 1 and Article 7, profits derived from the operation of ships or aircraft used principally to transport passengers or goods exclusively between places in a Contracting State may be taxed in that State.
3. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.
4. The provisions of paragraphs 1 and 2 shall also apply to profits referred to in those paragraphs derived by an enterprise of a Contracting State from its participation in a pool, a joint business or an international operating agency.

Article 9
Associated Enterprises

1. Where an enterprise of one of the Contracting States, by virtue of its participation in the management or the capital of an enterprise of the other Contracting State, makes or imposes upon that enterprise, in their commercial or financial relations, conditions differing from those which it would make with any other enterprise, all profits which would normally have appeared in the accounts of one of the enterprises, but, which have in this manner been transferred to the other enterprise, may be included in the taxable profits of the first-mentioned enterprise.
2. An enterprise shall in particular be deemed to participate in the management or the capital of another enterprise when the same persons participate directly or indirectly in the management or the capital of both enterprises.

Article 10
Dividends

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:
 - (a) in the case of Canada, 15 per cent, and
 - (b) in the case of Cameroon, 20 per cent of the gross amount of the dividends.
The provisions of this paragraph shall not affect the taxation of the company on the profits out of which the dividends are paid.
3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, shall apply.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.
6. Nothing in this Convention shall be construed as preventing a Contracting State from imposing on the earnings of a company attributable to a permanent establishment in that State, tax in addition to the tax which would be chargeable on the earnings of a company which is a national of that State, provided that any additional tax so imposed shall not exceed:
 - (a) in the case of Canada, 15 per cent, and
 - (b) in the case of Cameroon, 20 per cent of the amount of such earnings which have not been subjected to such additional tax in previous taxation years. For the purpose of this provision, the term "earnings" means the profits attributable to a permanent establishment in a Contracting State in a year and previous years after deducting therefrom all taxes, other than the additional tax referred to herein, imposed on such profits by that State.

Article 11

Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such interest may also be taxed in the Contracting State in which it arises, and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed:
 - (a) in the case of Canada, 15 per cent, and
 - (b) in the case of Cameroon, 20 per cent of the gross amount of the interest.
3. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage, and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. However, the term "interest" does not include income dealt with in Article 10.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other

Contracting State in which the interest arises through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political or administrative subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

Article 12

Royalties

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed:
 - (a) in the case of Canada, 15 per cent, and
 - (b) in the case of Cameroon, 20 per cent of the gross amount of the royalties.
3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films and films for use in connection with television, patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
4. Notwithstanding the provisions of paragraph 2, the income referred to in paragraph 3 above, remuneration received in respect of studies, technical, financial or accounting assistance, any sum paid to any other person by way of commission,

brokerage, rebate, fees, charges and any other remuneration, whether casual or not, paid by a resident of a Contracting State to a resident of the other Contracting State may be taxed in the first-mentioned State at a rate not exceeding 15 per cent of the gross amount thereof where such income is regarded as costs deductible from income under the law of the State of the person paying such income.

5. The provisions of paragraphs 1, 2 and 4 shall not apply if the beneficial owner of the royalties and other remuneration referred to in paragraphs 3 and 4 above, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, shall apply.
6. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political or administrative subdivision, a local authority or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or fixed base in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

Article 13 **Independent Personal Services**

1. Subject to the provisions of paragraph 4 of Article 12, income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has or had such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base.
2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 14
Dependent Personal Services

1. Subject to the provisions of Articles 15, 17 and 18, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if the following conditions are simultaneously filled:
 - (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned, and
 - (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
 - (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 15 Directors' Fees and Remuneration of Top-Level Managerial Officials

1. Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.
2. Salaries, wages and other similar remuneration derived by a resident of a Contracting State in his capacity as an official occupying a top-level managerial position in a company which is a resident of the other Contracting State may be taxed in that other State.

Article 16
Artistes and Athletes

1. Notwithstanding the provisions of Articles 13 and 14, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as an athlete, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 13 and 14, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

Article 17
Pensions

1. Pensions arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. Pensions arising in a Contracting State and paid to a resident of the other Contracting State may also be taxed in the State in which they arise if the law of that State imposes withholding tax on such pensions.

Article 18
Government Service

1. (a) Remuneration, other than a pension, paid by a Contracting State or a political or administrative subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

(b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State.
2. The provisions of Articles 13 and 14 shall apply to remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a political or administrative subdivision or a local authority thereof.

Article 19
Other Income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, shall apply.

3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may be taxed in that other State.

IV. Methods for Prevention of Double Taxation

Article 20 Elimination of Double Taxation

1. In the case of Canada, double taxation shall be avoided as follows:
 - (a) Subject to the existing provisions of the law of Canada regarding the deduction from tax payable in Canada of tax paid in a territory outside Canada and to any subsequent modification of those provisions -- which shall not affect the general principle hereof -- and unless a greater deduction or relief is provided under the laws of Canada, tax payable in Cameroon on profits, income or gains arising in Cameroon shall be deducted from any Canadian tax payable in respect of such profits, income or gains.
 - (b) Subject to the existing provisions of the law of Canada regarding the determination of the exempt surplus of a foreign affiliate and to any subsequent modification of those provisions -- which shall not affect the general principle hereof -- for the purpose of computing Canadian tax, a company resident in Canada shall be allowed to deduct in computing its taxable income any dividend received by it out of the exempt surplus of a foreign affiliate resident in Cameroon.
2. For the purposes of paragraph 1(a), tax payable in Cameroon by a company which is a resident of Canada
 - (a) in respect of profits attributable to a trade or business carried on by it in Cameroon, or
 - (b) in respect of dividends, interest, royalties or other remuneration received by it from a company which is a resident of Cameroon, shall be deemed to include any amount which would have been payable as Cameroon tax for any year but for an exemption from, or reduction of, tax granted for that year or any part thereof under the provisions of the law of Cameroon in force at the time of signature of this Convention provided that any deduction from Canadian tax granted in accordance with the provisions of this paragraph in respect of dividends, interest or royalties shall not exceed an amount equal to 15 per cent of the gross amount thereof.
3. In the case of Cameroon, double taxation shall be avoided as follows:
 - (a) Where a resident of Cameroon derives income, other than income referred to in subparagraphs (b) and (c) below, which may be taxed in Canada in

accordance with the provisions of the Convention, Cameroon shall exempt such income from tax but may, in calculating the amount of tax on the remaining income of such resident, apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

- (b) With respect to dividends which may be taxed in accordance with Article 10, paragraph 2, and which are not exempt from Cameroon tax under subparagraph (c) below, interest which may be taxed in accordance with Article 11, paragraph 2 or 6, and royalties and other remunerations which may be taxed in accordance with Article 12, paragraph 2, 4 or 7, the tax paid in Canada is, under the conditions and at the rates provided for under Cameroon law, deducted from Cameroon tax relating to such items of income.
 - (c) When a company which is a resident of Cameroon owns shares or rights of a company which is a resident of Canada and which is subject therein to tax on income from securities, dividends paid to it by the last-mentioned company and which may be taxed in Canada in accordance with Article 10, paragraph 2 are exempt from the tax on companies in Cameroon to the extent that such exemption would be granted if the two companies were residents of Cameroon.
 - (d) Where, in accordance with Cameroon law, losses of a Cameroon enterprise in permanent establishment situated in Canada have effectively been deducted from the profits of that enterprise for its taxation in Cameroon, the exemption provided for under subparagraph (a) shall not apply to profits of other taxable periods which are attributable to that establishment to the extent that these profits have also been exempted from tax in Canada as an offset to the said losses.
4. For the purposes of this Article, profits, income or gains of a resident of a Contracting State which are taxed in the other Contracting State in accordance with this Convention shall be deemed to arise from sources in that other State.

V. Special Provisions

Article 21

Non-Discrimination

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.
2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that

other State than the taxation levied on enterprises of that other State carrying on the same activities.

3. Nothing in this Article shall be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of a third State, are or may be subjected.
5. In this Article, the term "taxation" means taxes which are the subject of this Convention.

Article 22

Mutual Agreement Procedure

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, address to the competent authority of the Contracting State of which he is a resident an application in writing stating the grounds for claiming the revision of such taxation. To be admissible, the said application must be submitted within two years from the first notification of the action which gives rise to taxation not in accordance with the Convention.
2. The competent authority referred to in paragraph 1 shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention.
4. The competent authorities of the Contracting States may consult together for the elimination of double taxation in cases not provided for in the Convention.

Article 23
Exchange of Information

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement in respect of, or the determination of appeals in relation to, the taxes covered by the Convention. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:
 - (a) to carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;
 - (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
 - (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

Article 24
Diplomatic Agents and Consular Officers

1. Nothing in this Convention shall affect the fiscal privileges of diplomatic agents or consular officers under the general rules of international law or under the provisions of special agreements.
2. Notwithstanding Article 4, an individual who is a member of a diplomatic mission, consular post or permanent mission of a Contracting State which is situated in the other Contracting State or in a third State shall be deemed for the purposes of the Convention to be a resident of the sending State if he is liable in the sending State to the same obligations in relation to tax on his total income as are residents of that sending State.
3. The Convention shall not apply to International Organizations, to organs or officials thereof and to persons who are members of a diplomatic mission, consular post or permanent mission of a third State, being present in a Contracting State and who are not liable in either Contracting State to the same obligations in relation to tax on their total income as are residents thereof.

Article 25
Miscellaneous Rules

1. The provisions of this Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded
 - (a) by the laws of a Contracting State in the determination of the tax imposed by that State, or
 - (b) by any other agreement entered into by a Contracting State.
2. Nothing in this Convention shall be construed as preventing the application of the provisions of the domestic law of each Contracting State concerning the taxation of income of persons in respect of their participation in non-resident companies or concerning fiscal evasion.
3. The competent authorities of the Contracting States may communicate with each other directly for the purpose of applying the Convention.

VI. Final Provisions

Article 26
Entry Into Force

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Yaounde.
2. The Convention shall enter into force upon the exchange of instruments of ratification and its provisions shall have effect:
 - (a) in Canada:
 - (i) in respect of tax withheld at the source on amounts paid or credited to non-residents on or after the first day of January in the calendar year in which the exchange of instruments of ratification takes place; and
 - (ii) in respect of other Canadian tax for taxation years beginning on or after the first day of January in the calendar year in which the exchange of instruments of ratification takes place;
 - (b) in Cameroon:
 - (i) in respect of tax withheld at the source on amounts paid or credited to non-residents on or after the first day of July in the fiscal year in which the exchange of instruments of ratification takes place; and

- (ii) in respect of other Cameroon tax for taxation years beginning on or after the first day of July in the fiscal year in which the exchange of instruments of ratification takes place.

Article 27
Termination

This Convention shall continue in effect indefinitely but either Contracting State may, on or before June 30 in any calendar year after the year of the exchange of instruments of ratification, give to the other Contracting State a notice of termination in writing through diplomatic channels; in such event, the Convention shall cease to have effect:

- (a) in Canada:
 - (i) in respect of tax withheld at the source on amounts paid or credited to non-residents on or after the first day of January in the calendar year next following that in which the notice is given; and
 - (ii) in respect of other Canadian tax for taxation years beginning on or after the first day of January in the calendar year next following that in which the notice is given;
- (b) in Cameroon:
 - (i) in respect of tax withheld at the source on amounts paid or credited to non-residents on or after the first day of July in the fiscal year next following that in which the notice is given; and
 - (ii) in respect of other Cameroon tax for taxation years beginning on or after the first day of July in the fiscal year next following that in which the notice is given.

In witness whereof the undersigned, duly authorized to that effect, have signed this Convention.

Done in duplicate at Ottawa, this 26th day of May 1982 in the English and French languages, each version being equally authentic.

FOR THE GOVERNMENT OF CANADA:

Mark MacGuigan

**FOR THE GOVERNMENT OF THE UNITED
REPUBLIC OF CAMEROON**

Pierre-Desire Engo

EXCHANGE OF NOTES

Ottawa, May 26, 1982

Mr. Pierre-Desire Engo
Deputy Minister of Economy and Planning
of the United Republic of Cameroon

Sir,

At the moment of signing the Convention between the Government of Canada and the Government of the United Republic of Cameroon for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, I have the honour to propose that you should consider that in the event where the United Republic of Cameroon would, after this day, conclude a Tax Convention with a third State in which the rates of withholding tax on dividends, interest or royalties are lower than 20 per cent those rates will automatically be applied to payments of dividends, interest or royalties, as the case may be, which a resident of Canada receives from a resident of Cameroon.

I should be greatly obliged to have your agreement to this proposal, it being understood that this letter and your reply shall be considered as constituting an agreement between our two Governments on this point.

Accept, Sir, the assurances of my highest consideration.

Mark MacGuigan
Secretary of State for External Affairs

* * * * *

Ottawa, May 26, 1982

The Honourable Mark MacGuigan
Secretary of State for External Affairs
Ottawa, Ontario.

Sir,

You have informed me by letter of today's date of the following:

"At the moment of signing the Convention between the Government of Canada and the Government of the United Republic of Cameroon for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, I have the honour to propose that you should consider that in the event where the United Republic of Cameroon would, after this day, conclude a Tax Convention with a third State in which the rates of withholding tax on dividends, interest or royalties are lower than 20 per cent those rates will automatically be applied to payments of dividends, interest or royalties, as the case may be, which a resident of Canada receives from a resident of Cameroon.

I should be greatly obliged to have your agreement to this proposal, it being understood that this letter and your reply shall be considered as constituting an agreement between our two Governments on this point."

I have the honour to inform you that the terms of this letter meet with the approval of the Government of the United Republic of Cameroon.

Accept, Sir, the assurances of my highest consideration.

Pierre-Desire' Engo
Deputy Minister of Economy and
Planning



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