



	BRANCH	ACCOUNT	T	C	ADVISOR CODE

## TREATY STATEMENT

**Name of account holder:** \_\_\_\_\_  
**meets all provisions of the Treaty that are necessary to claim a reduced rate of withholding, including any limitation on benefits provisions, and derives the U.S. source income within the meaning of section 894 of the Code, and the regulations thereunder, as the beneficial owner.**

If not a resident of Canada, please state Treaty Country: \_\_\_\_\_

Signature: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

### Explanation of the Limitation on Benefits Article and Treaty Statement

The U.S. Internal Revenue Code allows persons who are residents of treaty countries and who meet treaty requirements, including any limitation on benefits provision, to claim income tax benefits. Regulations issued under the Code require payors of U.S. source income to obtain a treaty statement from foreign payees to claim foreign status or to claim an exemption from or reduced rate of withholding. **Please note a Treaty Statement is not required from individuals (natural persons) who are resident of an applicable treaty country or from a government, or its political subdivision who is a resident of a treaty country. This explanation is meant to assist certain clients in obtaining only a general understanding of their requirements under the new withholding tax rules. It is not intended to be, nor should it be construed to be, legal or tax advice to any client, prospective or otherwise. Clients are encouraged to consult tax or legal expertise for further clarification, if required.**

The Canadian Residents Regulations impact all clients that claim reduced rates of withholding tax on investment income earned on U.S. securities under the Canada-U.S. Income Tax Convention 1980, (herein after referred to as the "Treaty") as amended by the Protocols signed on June 14, 1983, March 28, 1984, March 17, 1995, and July 29, 1997 and September 21, 2007. In order to claim a reduced rate of withholding under the Treaty on payments of U.S. source investment income received after January 1, 2001, certain clients must certify that they are eligible for Treaty Benefits. Failure to certify the Treaty Statement above may result in the payments being subject to a 30% withholding tax instead of the reduced Treaty rate of 15% on U.S. source dividends and 10% on U.S. source interest.

The reference to section 894 of the Code and the regulations thereunder, refers to the Internal Revenue Code of 1986, as amended and the United States Treasury Regulations thereunder.

The Limitation on Benefits ("LOB") Article, found in Section XXIX-A of the Treaty defines the clients who can sign the above statement. By signing the above statement, a client certifies that such client is a "qualifying person" as set forth in Article XXIX-A of the Treaty. Treaty benefits may still be available to clients that are not "qualifying persons", if that person satisfies other tests stipulated in the Treaty.

Listed below are various entities that could meet the definition of a "qualifying person" under Article XXIX-A of the Treaty. These entities may continue to enjoy reduced withholding rates upon certification of the LOB Treaty statement. **Please note that there are various tests which must be met by each entity in order to be classified as a "qualified person". The following is not intended to be an exhaustive list.**

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Natural person</li> <li>2. Publicly traded company or trust;</li> <li>3. Subsidiary of a publicly traded company or trust;</li> <li>4. Private companies and unlisted trusts;</li> </ol> | <ol style="list-style-type: none"> <li>5. Estate in Canada;</li> <li>6. Non-profit organization;</li> <li>7. Registered Retirement Savings Plans, Registered Retirement Income Funds, LIRA's, Pension Funds, etc.</li> <li>8. Exempt Organizations (i.e. Charitable organizations)</li> </ol> |
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A person that is a resident of Canada but does not fit into one of the categories for "qualifying person", may still be entitled to Treaty benefits if either the Active Business Test or the Derivatives Tests (as defined in Article XXIX-A of the Treaty) are met.

### Residents of Countries Other Than Canada

The Regulations impact all clients that claim reduced rates of withholding tax on investment income earned on U.S. securities under a Treaty with the U.S.. In order to claim a reduced rate of withholding under a Treaty certain clients must certify that they are eligible for Treaty Benefits. Failure to certify the Treaty Statement may result in the payments being subject to a 30% withholding tax instead of the applicable Treaty rates on U.S. source dividends and interest.

The reference to section 894 of the Code and the regulations thereunder, refers to the Internal Revenue Code of 1986, as amended and the United States Treasury Regulations thereunder.

The Limitation on Benefits ("LOB") Article, found in a Treaty with the U.S. defines the clients who can sign the above statement. By signing the above statement, a client certifies that such client is eligible to claim Treaty Benefits by satisfying tests stipulated in the Treaty with the U.S..