



# International tax treaty rates<sup>1</sup> (%)

(updated to August 15, 2012)

Country	Interest <sup>2</sup>	Dividends, including patronage dividends <sup>3</sup>	Royalties and rents – Personal property <sup>2</sup>	Rents - Real property in Canada	Pensions and annuities <sup>2</sup>	Estate or trust
Australia	10	5/15	10	25	15/25	15
Belgium	0/10	5/15	0/10	25	25	15
China <sup>4</sup>	10	10/15	10	25	25	25
France	10	5/15	0/10	25	25	15
Germany	10	5/15	0/10	25	15/25	25
Israel	15	15	0/15	25	15/25	15/25
Italy	0/10	5/15	0/5/10	25	15/25	15
Japan	10	5/15	10	25	25	25
Mexico	10	5/15	0/10	25	0/15/25	15
Netherlands	10	5/15	0/10	25	15/25	15
Switzerland	0/10	5/15	0/10	25	15/25	25
United Kingdom	10	5/15	0/10	25	0/10/25	15
United States	0 <sup>5</sup>	5/15	0/10	25	0/15/25	15

<sup>1</sup> Withholding tax rates applied by Canada to certain payments to residents of selected countries with which it has signed international tax treaties. Certain exceptions modify the tax rates.

<sup>2</sup> Certain payments are exempt from withholding tax under the Canadian *Income Tax Act*. For example, interest (other than on participating debt) paid to arm's length parties is not subject to Canadian withholding tax effective January 1<sup>st</sup>, 2008.

<sup>3</sup> Rates vary according to the percentage of ownership, and whether the payments are made to an individual or a corporation.

<sup>4</sup> The treaty with China does not apply to Hong Kong. However, a treaty with Hong Kong is under negotiation.

<sup>5</sup> Under the Canadian *Income Tax Act* and under the 5<sup>th</sup> Protocol to the Canada-US treaty, (non-contingent) interest paid to arm's length parties is not subject to withholding tax. Under the 5<sup>th</sup> Protocol, withholding tax on (non-contingent) interest paid to non-arm's length parties was reduced to 7% in 2008, 4% in 2009 and 0% in 2010.