

United Kingdom/Canada Double Taxation Convention (SI 1980 Number 709 and Protocols)
**APPLICATION for relief at source from United Kingdom income tax and
CLAIM to repayment of United Kingdom income tax**

This form is for use by a company/concern in Canada receiving interest or royalties arising in the UK.

Please use the **Canada-Company Notes** to help you complete this form and

- Give **ALL** the information asked for in the form and Notes and **attach supporting documents** as requested. If you need more room, attach a separate sheet.
- Remember to sign the **declaration** in Part F, giving details of the capacity in which you sign.
- Send the completed form Canada-Company to the **Tax Services Office of Canada Revenue Agency (CRA)** which normally deals with the company.

Note: *In making this application/claim, you are consenting to the Canada Revenue Agency certifying to HM Revenue & Customs that the applicant/claimant is resident in Canada for the purposes of Canadian tax. See Note 3.*

If you need help with this form, please contact **HM Revenue & Customs Residency, Fitz Roy House, PO Box 46, Nottingham, England NG2 1BD**. Phone us, Monday to Friday, 07.30 to 17.00 UK time: **+44 0115 974 1945** if calling from outside the UK, or **0115 974 1945** if calling from the UK.

Part A Details of the Canadian company/concern and tax adviser (if any)

<p>Full name of the company/concern in Canada</p> <p>_____</p> <p>Full registered address <i>(do not use 'care of' address)</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Telephone number _____</p> <p>Fax number _____</p> <p>Reference (if any)</p>	<p>Details of tax adviser (if any) or other authorised person whom HM Revenue & Customs Residency may contact about the information given on this form. See Note 4.</p> <p>Name and address of adviser etc.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Telephone number _____</p> <p>Fax number _____</p> <p>Reference (if any) or contact name</p>
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Please give

- the company's Canadian tax reference,
- the address of the Tax Centre of Canada Revenue Agency to which the company's latest tax return was sent, *and*
- the year of income to which the return related.

For use by Canada Revenue Agency

Please sign and affix your official stamp. You may wish to take a copy of this form for your records.

I certify that _____ *is resident in Canada for the purposes of Canadian tax.*

Official Stamp

Signature _____

Date _____

Part B Questions about the Canadian company

Please answer the following questions about the Canadian company. If you are completing this form on behalf of an unincorporated concern, please answer the questions as they apply to the concern. See Note 2.

'✓' where appropriate

1 Is it a company created in, or organised under the laws of, Canada? Yes No

2 Where is the company's business managed and controlled?

3 Is this the company's first application/claim of this kind? Yes No

4 Is the company engaged in any trade or business from a permanent establishment situated in the United Kingdom? Yes No

If **'Yes'**, give full details on a separate sheet, including the name and reference number of the UK tax office dealing with the permanent establishment or fixed base.

5 Is there any relationship between the company and the United Kingdom payer of the income, other than that of payee and payer? Yes No

If **'Yes'**, give full details on a separate sheet.

6 Is Canadian tax on the income that is included in this form calculated by reference to the amount remitted to or received in Canada? Yes No

If **'Yes'**, give full details on a separate sheet.

If you include (at Part C1 or Part D of this form) **loan interest**, please answer question 7. Otherwise, go to question 8.

7 Is the interest paid on a loan made, guaranteed or insured or any other debt-claim or credit guaranteed or insured, by Export Development Canada? Yes No
(See Note 6c.)

If you include (at Part C2 or Part D of this form) **interest on securities**, please answer question 8.

8 Does the company or concern bear tax in Canada on interest from the securities? Yes No
(See Note 6d.)

If **'No'**,

- has the company or concern sold, or made a contract to sell, any of the securities within **3 months** of the date they were bought? Yes No
- give, on a separate sheet, the following details for each security
 - a) the date(s) of the purchase(s) and the amount(s) purchased
 - b) the date(s) of the sale(s) and the amount(s) sold.

Part C Application for relief at source from UK income tax See Note 5

- Use Part **C1**, **C2**, or **C3** as appropriate, to apply on behalf of the company or concern for relief at source from UK income tax.
- If the company or concern has already received payments of the income with **UK income tax deducted**, also complete **Part D** to claim repayment of the tax in excess of 10%.

C.1 Interest from loans See Note 6

Please

- complete the columns below giving the information requested and
- **attach to this form a copy of the loan agreement.**

Name and address of the UK payer of the interest	Date of the loan agreement	Amount of the loan	Due date(s) of the interest

C.2 Interest from UK securities See Note 6

Please complete the columns below, giving the information requested.

Amount and full title of security	Name and address in which security is registered	Registrar's account number or reference	Due date(s) of the interest

C.3 Royalties See Note 7Please complete **columns (a) to (c)** as appropriate, giving the information requested.For **copyright royalties on literary, dramatic, musical or artistic works**

- Enter in **column (a)** a full description of the royalties.
- Enter in **column (b)** the date of the **licence agreement** between the company and the UK payer.
- Enter in **column (c)** the **payer's** name and address.
If payments are made **through** or **by** an agent in the UK, also enter the agent's name and address.

For **other royalties**

- Enter in **column (a)** a full description of the royalties.
- Enter in **column (b)** the date of the **licence agreement** between the company and the UK payer **and attach a copy of the licence agreement.**
- Enter in **column (c)** the name and address of the UK payer of the royalties.

Column (a)	Column (b)	Column (c)

('✓' as appropriate)

Is the Canadian company the **originator** of the work or product that has been licensed to the UK?Yes No If **'No'**, please attach a copy of the licence, contract or assignment under which the rights sub-licensed to the UK payer have been acquired from the originator.

Part D Claim for repayment of UK income tax deducted

- If the Canadian company or concern has already received payments of interest or royalties with UK tax deducted, please give details below. **The amount of UK tax repayable to the company will be less than the full amount of UK tax deducted. To work out the repayment due, please see Note 8.**
- If no payments of the income have yet been made, go direct to the Declaration in **Part F**.

Source of income <i>For example 'Copyright royalties paid by [name of payer]'</i>	Date of payment of income	Amount of income before UK tax £	Amount of UK tax deducted £
Totals			

Part E Authority to make repayment to a nominee

Complete this part if you want us to make the repayment to a **bank** or **other nominee**. If you leave this part empty, the repayment will be made direct to the company at the address you have shown in **Part A** of this form.

I,
(Enter your full name)

as
(Enter status - for example, company secretary, treasurer, or authorised agent)

of
(Enter name of the claimant company or concern)

authorise the **bank** or **other nominee** below to receive the amount due on the company's behalf.

Name of bank or other nominee

Address of bank or other nominee
Postal code

Account number UK bank sort code (if appropriate)

Nominee's reference number (if there is one) for the company.

Signature _____ (Now also complete and sign the **Declaration** in **Part F** below)

Part F Declaration

- The company or concern is beneficially entitled to the income from the source(s) included in this form.
 - The information I have given in this application/claim is correct and complete to the best of my knowledge and belief.
- On behalf of the company

✓ as appropriate

1. I apply for relief at source from UK income tax and undertake to tell HM Revenue & Customs if there is any change to the information that I have given in this form. (See Note 5.)

2. I claim repayment of UK income tax and *£ *Enter the amount that you have worked out. Leave the box empty if you want HM Revenue & Customs to work out the amount.

or
 (b) want HM Revenue & Customs to work out the amount payable to the company or concern.

Signature _____ Date _____

Please print your name below and enter your status.

For use by HM Revenue & Customs

Examined _____ £ _____ : _____ Amount repaid:
Authorised _____ Residency Date stamp

Use these Notes to help you complete form Canada-Company. If you need further information, please contact **HM Revenue & Customs Residency**. Our address, telephone and fax numbers are in Note 11.

1. Purpose of form Canada-Company

Form Canada/Company enables

- a Canadian company
- an *unincorporated* concern in Canada

receiving interest or royalties arising in the United Kingdom to apply for relief at source from UK income tax under the United Kingdom/Canada Double Taxation Convention. The form also provides for a claim to repayment of UK income tax in cases where payments of the income have been made with UK tax deducted.

2. Who can sign the declaration on the form

- A responsible officer of the company or concern should sign the declaration in **Part E** of the form Canada-Company.
- An agent (tax adviser), 'custodian' or other duly authorised person acting with the authority of the company or concern may sign the declaration behalf of the company or concern.

3. Evidence of residence in Canada and where to send the completed form

It is a condition of relief from UK income tax under the terms of United Kingdom/Canada Double Taxation Convention that the beneficial owner of the income is resident in Canada. Please send the completed form to the **Tax Services Office of Canada Revenue Agency (CRA) which normally deals with the company**. The CRA will certify on the form that the company/concern is resident in Canada for the purposes of Canadian tax and return the form to you. Please send it to **HM Revenue & Customs Residency, Fitz Roy House, PO Box 46, Nottingham, England NG2 1BD**.

4. Confidentiality

All the information that you provide to HM Revenue & Customs Residency is confidential. We can therefore only discuss the tax affairs of the company or concern with

- an officer of the company *and/or*
- any agent (e.g. tax adviser) who is nominated by the company or concern.

5. Relief at source from UK income tax on future income payments

Relief at source from UK income tax on future payments of income may be available in cases where HM Revenue & Customs Residency is able to exercise its discretion to issue a notice (under Statutory Instrument 1970 Number 488, as amended). We deal with each application on its merits. Where we cannot agree to allow relief at source, a company or concern resident in Canada can claim **repayment** of the UK tax deducted in excess of 10%.

If relief at source is granted, please tell HM Revenue & Customs Residency at the address in Note 11, without delay, if there is any subsequent change to the information you have given on the form Canada-Company.

6. UK Interest

UK source interest can be paid to the Canadian company or concern, normally with 10% tax deducted (*see below for exceptions to this general rule*). Any UK tax in excess of 10% that has been deducted can be repaid.

a) Interest from loans

Where the interest is payable on a loan to a UK resident company or individual, **please attach a copy of the loan agreement** to the form Canada-Company.

b) Interest from securities

UK tax is deducted from interest on loan stocks issued by

- companies which are **not quoted** on the Stock Exchange and
- local authorities.

We may be able to arrange for interest on these stocks to be paid with **tax deducted at 10%** as explained in note 5.

Interest from the following UK sources is paid with no UK tax deducted, so there is no need to apply for relief from UK tax at source. Please **do not** enter in Part C2 of form Canada-Company

- interest from company loan stocks quoted on the Stock Exchange (*paid automatically without deduction of UK tax*)
- interest from UK government securities (*paid automatically without deduction of UK tax*).

c) Interest payments where 10% UK tax is not withheld

Exceptionally, UK interest may be exempted from UK income tax under the provisions of Article 11 paragraph 3 (a) of the UK/Canada Double Taxation Convention. This provision applies only to interest paid on a loan made, guaranteed or insured or credit extended guaranteed or insured, by Export Development Canada.

Where UK income tax has been deducted in such cases, please ignore the instructions in Note 9. Enter in Part E 2(a) of the form Canada-Company the **full** amount of the UK income tax deducted from the interest.

d) Interest from securities not bearing tax in Canada

Where the beneficial owner of the interest

- does **not bear tax** in Canada **and**
- sells (or makes a contract to sell) the security that gives rise to the interest within 3 months of the date of acquisition, no relief is available from UK tax on the interest.

7. UK copyright royalties

Copyright royalties for the production or reproduction of any literary, dramatic, musical or artistic work can be paid to the Canadian company or concern without deduction of UK tax. No relief from UK tax is available for royalties in respect of motion pictures, videotapes or television.

Relief is allowable only to the **beneficial owner** of the copyright royalties. The beneficial owner is normally the originator of the work. If your company or concern is **not** the originator but has acquired the rights, please attach to the form Canada-Company a copy of the licence, contract or assignment under which the UK rights have been acquired. This will help HM Revenue & Customs Residency to check that the beneficial ownership condition in the Double Taxation Convention is satisfied.

If your company or concern is in the **publishing or music business** and uses a standard form of contract with all its authors or composers, please attach a copy of the standard contract. You need do this only the first time a form Canada-Company is completed.

8. Other royalties

Other royalties (for example, patent royalties) from the UK can be paid with a rate of 10% UK tax deducted. Tax deducted that is in excess of 10% can be repaid.

Relief is allowable only to the **beneficial owner** of the royalties. Where your company or concern is the originator of a process or design etc., please attach to the form Canada-Company a copy of the licence agreement between **yourselves** and the **UK payer** of the royalties. If your company or concern is **not** the originator of the product giving rise to the royalties but has acquired the rights, please also attach a copy of the licence, contract or assignment under which the UK rights have been acquired.

9. Working out the repayment of UK income tax where payments of income have already been made and 10% tax must be withheld

If the Canadian company or concern has received payments from which UK tax has been deducted, it may claim repayment of some, or all, of the UK tax.

As explained in these Notes, the UK/Canada Double Taxation Convention provides for

- relief from the full amount of any UK tax deducted from **copyright royalties** (Note 7)
- UK tax to be withheld at the reduced rate of 10% from **other royalties** (Note 8) and **interest** (Note 6) and
- relief from the full amount of any UK tax deducted from the types of interest described in Note 6c paid to a resident of Canada.

Instructions

- If the income is **copyright royalties** only (or the interest described in Note 6c) enter the full amount of the UK tax on the form Canada-Company at **Part F2(a)**.
- If the income is **other royalties** or **interest** payments, you may use the boxes below to work out the amount of any repayment due.
- If the income is a mixture of **copyright royalties** and **other royalties or interest**, you will need to work out the repayment, using the boxes below for the other royalties or interest. Then add your sub-total at box 4 (below) to the tax deducted from the copyright royalties and enter the total amount on the form Canada-Company at **Part F2(a)**.
- But if you do not wish to work out the repayment and do not enter an amount in **Part F2(a)** of the form Canada-Company, the HM Revenue & Customs Residency will work out any repayment due.

- Enter in box 1 the amount of income before deduction of UK tax and in box 2 the amount of UK tax deducted (take these figures from the totals boxes in **Part D** of the form Canada-Company)

Income		UK tax	
1	£	2	£
- Calculate 10% of the total amount of income (in box 1) and enter it in box 3

3	£
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- Deduct the amount in box 3 from the amount in box 2 and enter the result in box 4

4	£
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- **Finally, take the amount you have shown in box 4 and enter it on the form Canada-Company at Part F2(a).** This is the amount repayable to the company.

10. Tax vouchers

Do not send tax vouchers with the completed form Canada-Company. Keep them safe in case they are needed later to support the claim. But if you have any doubt about how you have completed the form you can send the vouchers if you think it will help us.

11. Help or further information

If, after using these Notes you need help or more information,

- visit our website: www.hmrc.gov.uk/cnr
- phone HM Revenue & Customs Residency between 07.30 and 17.00 (UK time) Monday to Friday **+44 115 974 1945** if calling from outside the UK, or **0115 974 1945** if calling from the UK
- or write to **HM Revenue & Customs Residency, Fitz Roy House, PO Box 46, Nottingham, England NG2 1BD.** Our fax number is +44 115 974 1995 from outside the UK, or 0115 974 1995 from inside the UK.

Please quote the company's or concern's reference number with us (for example '3/A/123456') whenever you contact us.

Our service commitment to you

HM Revenue & Customs is committed to serving your needs well by

Acting fairly and impartially

We

- treat your affairs in strict confidence, within the law
- want you to pay or receive only the right amount due.

Communicating effectively with you

We aim to provide

- clear and simple forms and guidance
- accurate and complete information in a helpful and appropriate way.

Providing good quality service

We aim to

- handle your affairs promptly and accurately
- be accessible in ways that are convenient to you
- keep your costs to the minimum necessary
- take reasonable steps to meet special needs
- be courteous and professional.

Taking responsibility for our service

- We publish annually our customer service aims and achievements.
- If you wish to comment, or make a complaint, we want to hear from you so we can improve our service. We advise you how to do this.

We can provide better service if you help us by

- keeping accurate and up to date records
- letting us know if your personal/business circumstances change
- giving us correct and complete information when we ask for it
- paying on time what you should pay.

Further information on customer service is available at HM Revenue & Customs local offices, and is set out in our Charters and Codes of Practice.

These notes are for guidance only and reflect the UK tax position at the time of writing. They do not affect any rights of appeal.