



International tax treaty rates¹ (%)

(updated to August 15, 2012)

Country	Interest ²	Dividends, including patronage dividends ³	Royalties and rents – Personal property ²	Rents - Real property in Canada	Pensions and annuities ²	Estate or trust
Australia	10	5/15	10	25	15/25	15
Belgium	0/10	5/15	0/10	25	25	15
China ⁴	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 ⁵	5/15	0/10	25	0/15/25	15

¹ 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.

² 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 1st, 2008.

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

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

⁵ Under the Canadian *Income Tax Act* and under the 5th Protocol to the Canada-US treaty, (non-contingent) interest paid to arm's length parties is not subject to withholding tax. Under the 5th 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.