



Name of Legal Entity (herein after referred to as "The Entity")

Account number(s)

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The Entity meets all the provisions of the Canada-U.S. Income Tax Convention (herein after referred to as the "Treaty") that are necessary to claim a reduced rate of withholding, including any limitation on benefits provision, and derives the income within the meaning of section 894 of the Internal Revenue Service Income Tax Code, and the regulations thereunder, as the beneficial owner.

**LIMITATION ON BENEFITS STATEMENT**

The Entity, a resident of **Canada**, is the beneficial owner of the income for which the Treaty benefits are being claimed under the Treaty and meets the requirements of the following Treaty provision dealing with the limitation on benefits provisions thereunder on the basis of being classified as one of the following categories (**please check the appropriate box below**):

IRS Limitation on Benefit Categories (please see explanations below)

- 1.  Company (incl. Private Companies) or Trusts that meet the ownership and base erosion test
- 2.  Estates resident in Canada
- 3.  Other tax exempt organization (incl. Not-for-Profit Organizations)
- 4.  Publicly traded company
- 5.  Subsidiary of a publicly traded corporation
- 6.  Tax exempt pension trust or pension fund
- 7.  Company that meets the derivative benefits test
- 8.  Company with an item of income that meets active trade or business test
- 9.  Favorable discretionary determination by the U.S. competent authority received
- 10.  Other (Please add paragraph under Article XXIX –A under which you qualify) \_\_\_\_\_

**EXPLANATION OF THE LIMITATION ON BENEFITS ARTICLE AND TREATY STATEMENT**

The Internal Revenue Service of the United States of America has effected changes that impact all clients investing in U.S. securities. The changes will impact U.S. withholding tax on U.S. source investment income and are effective January 1, 2001. **Please note that this document/explanation is not intended for natural persons (individuals) resident in Canada, the Federal, Provincial or Municipal Government or any agency of any such government.**

**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 changes impact certain clients that currently claim reduced rates of withholding tax on investment income earned on U.S. securities under the Treaty as amended by the Protocols signed on June 14, 1983, March 28, 1984, March 17, 1995, July 29, 1997, and September 21, 2007. In order to continue enjoying the reduced Treaty rates of withholding tax on U.S. 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 would result in the application of nontreaty rate withholding (generally 30%) on the client's U.S. source investment income. This is in comparison to Treaty reduced rates of generally 15% on U.S. source dividends and 0% on U.S. source interest.

The Limitation on Benefits ("LOB") Article, found in Section XXIX-A of the Treaty defines who can sign the above statement. Certification of the above statement indicates that the recipient of U.S. source income meets the definition of 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 the explanations of the LOB categories under Article XXIX-A of the Treaty:**

1. **Company (incl. Private Companies) or Trusts that meet the ownership and base erosion test** – this test generally requires that more than 50% of the vote and value of the company's shares, or the interest in the trust, be owned, directly or indirectly, by individuals, governments, tax-exempt entities, and publicly-traded corporations resident in the same country as the company, as long as all companies or trusts in the chain of ownership are resident in the same country of residence, and less than 50% of the company's or trust's gross income is accrued or paid, directly or indirectly, to persons who would not be good shareholders for purposes of the ownership test.
2. **Estate resident in Canada** – An estate resident in Canada is entitled to treaty benefits.
3. **Other tax exempt organization (incl. Not-for-Profit Organizations)** – this test generally requires that more than half the beneficiaries, members, or participants of religious, charitable, scientific, artistic, cultural, other not-for profit organizations or educational organizations be residents of the country of residence of the organization.
4. **Publicly traded Corporations or Trusts** – A company or Trust that is a resident of Canada and whose principal class of shares or units is substantially and regularly traded on a recognized stock exchange.
5. **Subsidiary of a publicly traded corporation** – this test generally requires that more than 50% of the vote and value of the company's shares be owned, directly or indirectly, by five or fewer companies that are publicly-traded corporations and that themselves meet the publicly-traded corporation test, as long as all companies in the chain of ownership are resident in either the United States or the same country of residence as the subsidiary.
6. **Tax exempt pension trust or pension fund** – this test generally requires that more than half the beneficiaries or participants in the trust or fund be residents of the country of residence of the trust or fund itself.
7. **Company that meets the derivative benefits test** – this test is generally limited to NAFTA, EU, and EEA country treaties, and may apply to all benefits or only to certain items of income (interest, dividends, and royalties). It generally requires that more than 95% of the aggregate vote and value of the company's shares be owned, directly or indirectly, by seven or fewer equivalent beneficiaries (ultimate owners who are resident in an EU, EEA, or NAFTA country and are entitled to identical benefits under their own treaty with the United States under one of the ownership tests included within the LOB article (other than the stock ownership and base erosion test)). In addition, this test requires that less than 50% of the company's gross income be paid or accrued, directly or indirectly, to persons who would not be equivalent beneficiaries.
8. **Company with an item of income that meets active trade or business test** – this test generally requires that the company be engaged in an active trade or business in its country of residence, that its activities in that country be substantial in relation to its U.S. activities, if the payer is a related party, and the income be derived in connection to or incidental to that trade or business.
9. **Favorable discretionary determination by the U.S. competent authority received** – this test requires that the company obtain a favorable determination granting benefits from the U.S. competent authority that, despite the company's failure to meet a specific objective LOB test in the applicable treaty, it may nonetheless claim the requested benefits. Unless a treaty or technical explanation specifically provides otherwise, you may not claim discretionary benefits while your claim for discretionary benefits is pending.
10. **Other** – Any other provision under Article XXIX-A of the Treaty.

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**YOUR AGREEMENT<sup>i</sup>**

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Authorized officer name (in block letters)	Authorized officer signature	Date (YYYY MM DD)

_____	<b>X</b>	_____
Authorized officer name (in block letters)	Authorized officer signature	Date (YYYY MM DD)

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Authorized officer name (in block letters)	Authorized officer signature	Date (YYYY MM DD)

_____	<b>X</b>	_____
Authorized officer name (in block letters)	Authorized officer signature	Date (YYYY MM DD)

<sup>i</sup> Unless a change in circumstances makes any information on the form incorrect, the Treaty Declaration will remain in effect for three years, ending on the last day of the third succeeding calendar year. For example, if a form was signed on Jan 10, 2014, it would come to expiration on Dec 31, 2017.