

# IMPORTANT NOTICE

**The Depository Trust Company**



**#:** 6195-10  
**Date:** February 9, 2010  
**To:** All Participants  
**Category:** Dividends  
**From:** International Services  
**Attention:** Operations, Reorg & Dividend Managers, Partners & Cashiers  
**Subject:** Tax Information Update for Canada

**Questions regarding the DTC TaxInfo may be directed to Ian DeSacia of DTCC's Product Mgmt. at (212) 855-3448.**

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Participants should be aware that DTC TaxInfo<sup>sm</sup> (“TaxInfo”), which impacts the process for DTC TaxRelief<sup>sm</sup> in Canada, has been updated and published. The updated TaxInfo is presented in a PDF document which can be launched via the PBS platform from the TaxInfo function. PTS users can scroll through the document screen by screen via the TAXI function.

The updates include clarifications, service enhancements, and responses to recent modifications to the U.S. – Canada Tax Treaty (“Treaty”). The updates include:

- Included a new section that details the entities that are eligible to elect at the 0% exempt rate of withholding tax on Mutual Fund Trust distributions (Page 1).
- Included a new section to explain the Limitation of Benefits clause that went into effect on 12/18/2008 with the signing of the Fifth Protocol to the Treaty (Page 2).
- Included a new section that outlines the special rules in the Treaty that apply to payments that are received and paid by hybrid entities (Page 5).
- The removal of the requirement for a DTC participant to maintain a separate DTC sub-account to elect at the 0% exempt rate of withholding tax when holding securities for indirect Canadian participants that have received registration number from the Canadian Revenue Agency (“CRA”) (Page 8).
- Expanded the Statute of Limitations section to include guidance for U.S. residents as specified under the Treaty. U.S. residents requesting a refund of excess tax withheld directly from the Canadian Competent Authority must do so within the six-year period specified in the treaty. (Page 11).

A second update to TaxInfo is pending implementation of beneficial owner declaration forms currently in proposed form by the CRA. In response to the modifications made to the Treaty the CRA is in the process of implementing the use of newly created forms to help determine the beneficial owner’s eligibility of Canadian tax relief for payments made to non-residents of Canada. These forms will provide important guidance and assistance in terms of the CRA’s expectations of documents and information that Participants should have as supporting evidencing for making EDS tax elections. The CRA has advised that it will look to apply this declaration process to beneficial owners resident in any country that has a tax treaty with Canada.

To obtain more information on the forms visit the CRA web site link: <http://www.cra-arc.gc.ca/formspubs/frms/nr301-2-3-eng.html>. Once the CRA implements the use of the declaration forms, TaxInfo will be updated accordingly to reference these forms.

DTC continues working with the CRA to ensure that TaxRelief for Canada continues to operate efficiently for Canadian issuers and investors. If you have questions regarding this notice, please contact Ian DeSacia at [ide\\_sacia@dtcc.com](mailto:ide_sacia@dtcc.com), or 212.855.3448.