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**Canada
and
Morocco**

Convention between Canada and Morocco for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (with protocol and corrections). Ottawa, 22 December 1975

Entry into force: *9 November 1978 by the exchange of the instruments of ratification, in accordance with article XXVIII*

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**Canada
et
Maroc**

Convention entre le Canada et le Maroc, tendant à éviter les doubles impositions et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune (avec protocole et corrections). Ottawa, 22 décembre 1975

Entrée en vigueur : *9 novembre 1978 par l'échange des instruments de ratification, conformément à l'article XXVIII*

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**CONVENTION BETWEEN CANADA AND MOROCCO FOR THE AVOIDANCE
OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH
RESPECT TO TAXES ON INCOME AND ON CAPITAL**

The Government of Canada and the Government of the Kingdom
of Morocco,

Desiring to conclude a Convention for the avoidance of double
taxation and the prevention of fiscal evasion with respect to taxes on
income and on capital,

Have agreed as follows:

I. SCOPE OF THE CONVENTION

ARTICLE I

Personal Scope

This Convention shall apply to persons who are residents of one
or both of the Contracting States.

ARTICLE II

Taxes Covered

1. This Convention shall apply to taxes on income and on capital
imposed on behalf of each Contracting State, irrespective of the
manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all
taxes imposed on total income, on total capital, or on elements of
income or of capital, including taxes on gains from the alienation of
movable or immovable property, taxes on the total amounts of wages
or salaries paid by enterprises, as well as taxes on capital
appreciation.

3. The existing taxes to which the Convention shall apply are:

- (a) in the case of Canada: the income taxes imposed by the Government of Canada (hereinafter referred to as "Canadian tax");
- (b) in the case of Morocco:
 - (i) the business profits tax and the investment reserve;
 - (ii) the tax on public and private salaries, emoluments, fees, wages, pensions and annuities;
 - (iii) the tax on urban real property;
 - (iv) the agricultural tax;
 - (v) the complementary tax on the total income of individuals;
 - (vi) the tax on income from shares or corporate rights and assimilated income(hereinafter referred to as "Moroccan tax").

4. The Convention shall apply also to any identical or substantially similar taxes and to taxes on capital which are imposed after the date of signature of this Convention in addition to, or in place of, the existing taxes. The Contracting States shall notify each other of changes which have been made in their respective taxation laws.

II. DEFINITIONS

ARTICLE III

General Definitions

1. In this Convention, unless the context otherwise requires:

- (a) (i) the term "Canada" used in a geographical sense, means the territory of Canada, including any area beyond the territorial waters of Canada which, under the laws of Canada, is an area within which Canada may exercise rights with respect to the sea-bed and sub-soil and their natural resources;
- (ii) the term "Morocco" means the Kingdom of Morocco and when used in a geographical sense, means the territory of Morocco and the territory adjacent to the territorial waters of Morocco which is considered as national territory for tax purposes and where Morocco may, in accordance with international law, exercise its rights with respect to the sea-bed and sub-soil and their natural resources (continental shelf);
- (b) the terms "a Contracting State" and "the other Contracting State" mean, as the context requires, Canada or Morocco;

- (c) the term "person" includes an individual, an estate, a trust, a company, a partnership and any other body of persons;
- (d) the term "company" means any body corporate or any other entity which is treated as a body corporate for tax purposes; in French, the term "société" also means a "corporation" within the meaning of Canadian law;
- (e) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- (f) the term "competent authority" means:
 - (i) in the case of Canada, the Minister of National Revenue or his authorized representative,
 - (ii) in the case of Morocco, the Minister responsible for Finances or his duly authorized or delegated representative;
- (g) the term "tax" means Canadian tax or Moroccan tax, as the context requires;
- (h) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership and association deriving its status as such from the law in force in a Contracting State.

2. As regards the application of the Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

ARTICLE IV

Fiscal Domicile

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then this case shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (hereinafter referred to as his "centre of vital interests");

- (b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;
- (c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;
- (d) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall by mutual agreement endeavour to settle the question and to determine the mode of application of the Convention to such person.

ARTICLE V

Permanent Establishment

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

- (a) a place of management;
- (b) a branch;
- (c) a sales outlet;
- (d) an office;
- (e) a factory;
- (f) a workshop;
- (g) a mine, quarry or other place of extraction of natural resources;
- (h) a building site or construction project;
- (i) an assembly project which exists for more than 6 months.

3. The term "permanent establishment" shall not be deemed to include:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;