

No. 53295*

**Canada
and
Mongolia**

Convention between the Government of Canada and the Government of Mongolia for the avoidance of double taxation and the prevention of fiscal evasion with respect of taxes on income and on capital. Ottawa, 27 May 2002

Entry into force: *20 December 2002 by notification, in accordance with article 29*

Authentic texts: *English, French and Mongol*

Registration with the Secretariat of the United Nations: *Canada, 10 December 2015*

**No UNTS volume number has yet been determined for this record. The Text(s) reproduced below, if attached, are the authentic texts of the agreement /action attachment as submitted for registration and publication to the Secretariat. For ease of reference they were sequentially paginated. Translations, if attached, are not final and are provided for information only.*

**Canada
et
Mongolie**

Convention entre le Gouvernement du Canada et le Gouvernement de la Mongolie en vue d'éviter les doubles impositions et de prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune. Ottawa, 27 mai 2002

Entrée en vigueur : *20 décembre 2002 par notification, conformément à l'article 29*

Textes authentiques : *anglais, français et mongol*

Enregistrement auprès du Secrétariat des Nations Unies : *Canada, 10 décembre 2015*

**Aucun numéro de volume n'a encore été attribué à ce dossier. Les textes disponibles qui sont reproduits ci-dessous sont les textes originaux de l'accord ou de l'action tels que soumis pour enregistrement. Par souci de clarté, leurs pages ont été numérotées. Les traductions qui accompagnent ces textes ne sont pas définitives et sont fournies uniquement à titre d'information.*

[ENGLISH TEXT – TEXTE ANGLAIS]

**CONVENTION
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF MONGOLIA
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 MONGOLIA,

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 1

PERSONS COVERED

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

ARTICLE 2

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 derived 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, in particular:
 - (a) in the case of Canada, the taxes imposed by the Government of Canada under the *Income Tax Act* (hereinafter referred to as "Canadian tax"); and

- (b) in the case of Mongolia:
 - (i) the individual income tax, and
 - (ii) the corporate income tax
- (hereinafter referred to as "Mongolian 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 the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their respective taxation laws.

II. DEFINITIONS

ARTICLE 3

GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires,
 - (a) the term "Canada", used in a geographical sense, means the territory of Canada, including its territorial sea and air space over the land territory and the territorial sea, as well as the exclusive economic zone and the continental shelf beyond that zone, over which Canada exercises, in accordance with international law, its sovereign rights;
 - (b) the term "Mongolia", used in a geographical sense, means the territory of Mongolia including any area in which the tax law of Mongolia is in force insofar as Mongolia exercises in such area, in conformity with international law, sovereign rights to exploit its natural resources, and the airspace above the land territory;
 - (c) the terms "a Contracting State" and "the other Contracting State" mean, as the context requires, Canada or Mongolia;
 - (d) the term "person" includes an individual, a trust, a company, a partnership and any other body of persons;
 - (e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
 - (f) 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;
 - (g) the term "competent authority" means
 - (i) in the case of Canada, the Minister of National Revenue or the Minister's authorized representative, and
 - (ii) in the case of Mongolia, the Minister of Finance or the Minister's authorized representative;
 - (h) the term "national" means
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State;
 - (i) the term "international traffic" means any voyage of a ship or aircraft operated by an enterprise of a Contracting State to transport passengers or property except where the principal purpose of the voyage is to transport passengers or property between places within the other Contracting State.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies.

ARTICLE 4

RESIDENT

1. For the purposes of this Convention, the term "resident of a Contracting State" means
- (a) any person who, under the laws of that State, is liable to tax therein by reason of the person's domicile, residence, place of management or any other criterion of a similar nature but does not include any person who is liable to tax in that State in respect only of income from sources in that State, and
 - (b) the Government of a Contracting State or of a political subdivision thereof, a local authority therein, or an instrumentality of any such government or authority.
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then the individual's status shall be determined as follows:
- (a) the individual shall be deemed to be a resident only of the State in which the individual has a permanent home available and if the individual has a permanent home available in both States, the individual shall be deemed to be a resident only of the State with which the individual's personal and economic relations are closer (centre of vital interests);
 - (b) if the State in which the individual's centre of vital interests is situated cannot be determined, or if there is not a permanent home available to the individual in either State, the individual shall be deemed to be a resident only of the State in which the individual has an habitual abode;
 - (c) if the individual has an habitual abode in both States or in neither of them, the individual shall be deemed to be a resident only of the State of which the individual is a national; and
 - (d) if the individual is a national of both 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 company is a resident of both Contracting States, then its status shall be determined as follows:
- (a) it shall be deemed to be a resident only of the State of which it is a national; or
 - (b) if it is a national of neither of the States, it shall be deemed to be a resident only of the State in which its place of effective management is situated.