

**Memorandum of Understanding between the Competent Authorities of  
Canada and New Zealand on the Mode of Application of paragraph 3 of  
Article 10 (Dividends) of the Convention between Canada and New Zealand  
for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion  
With Effect to Taxes on Income**

The undersigned competent authorities have established this Mode of Application for the application of Article 10 (Dividends) of the Convention between New Zealand and Canada for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Wellington on 3 May 2012.

1. Paragraph 3 of Article 10 of the Convention will apply to exempt dividends from source taxation where the dividends are paid to the other Contracting State or a political subdivision or local authority thereof or to any wholly-owned agency or instrumentality of that State, political subdivision or local authority that performs functions of a governmental nature, which has been approved by the competent authorities in accordance with Article 10 of the Convention, provided that the recipient together with any related entities own less than 10 per cent of the voting power or value of the payer of the dividend.

2. For the purposes of this Mode of Application, paragraph 3 of Article 10 will apply:

a) in the case of New Zealand to:

- i) the New Zealand Superannuation Fund and its wholly-owned subsidiaries,
- ii) the Guardians of New Zealand Superannuation and its wholly-owned subsidiaries,
- iii) the Earthquake Commission and its wholly-owned subsidiaries, and
- iv) the Reserve Bank of New Zealand;

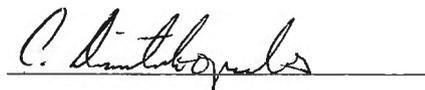
and

b) in the case of Canada to:

- i) the Canada Pension Plan,
- ii) the Canada Pension Plan Investment Board and its wholly-owned subsidiaries,
- iii) the Quebec Pension Plan,
- iv) the Caisse de dépôt and its subsidiaries, where the dividends received are wholly for the benefit of the Quebec Pension Plan, and
- v) the Bank of Canada.

3. It is understood that this Mode of Application will apply to dividends paid on or after 1 August 2015.

On behalf of the competent authority of  
Canada



Date: JAN 25 2016

Costa Dimitrakopoulos  
Director General  
Legislative Policy Directorate  
Legislative Policy and Regulatory Affairs  
Branch  
Canada Revenue Agency

On behalf of the competent authority of  
New Zealand



Date: 16 / 2 / 2016

Carmel Peters  
Policy Manager  
International Policy and Strategy  
Inland Revenue Department