

**No. 49354**

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**Turkey  
and  
Canada**

**Agreement between the Republic of Turkey and Canada for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (with protocol). Ottawa, 14 July 2009**

**Entry into force:** *4 May 2011 by notification, in accordance with article 28*

**Authentic texts:** *English, French and Turkish*

**Registration with the Secretariat of the United Nations:** *Turkey, 24 February 2012*

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**Turquie  
et  
Canada**

**Accord entre la République de Turquie et le Canada en vue d'éviter les doubles impositions et de prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune (avec protocole). Ottawa, 14 juillet 2009**

**Entrée en vigueur :** *4 mai 2011 par notification, conformément à l'article 28*

**Textes authentiques :** *anglais, français et turc*

**Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies :** *Turquie, 24 février 2012*

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

**THE REPUBLIC OF TURKEY**  
**AND**  
**CANADA**

**desiring to conclude an Agreement 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 AGREEMENT

### Article 1

#### Persons Covered

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

### Article 2

#### Taxes Covered

1. This Agreement 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, as well as taxes on capital appreciation.

3. The existing taxes to which the Agreement 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");

- (b) in the case of Turkey:

- (i) the income tax (Gelir Vergisi);
- (ii) the corporation tax (Kurumlar Vergisi); and
- (iii) the levy imposed on the income tax and the corporation tax;

(hereinafter referred to as "Turkish tax").

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

## II. DEFINITIONS

### Article 3

#### General Definitions

1. For the purposes of this Agreement, unless the context otherwise requires:
  - (a) the term "Canada" means the territory of Canada, including its land territory, internal waters and territorial sea, and includes the air space above these areas, as well as the exclusive economic zone and the continental shelf, as determined by its domestic law, consistent with international law;
  - (b) the term "Turkey" means the Turkish territory, territorial sea, as well as the maritime areas over which it has jurisdiction or sovereign rights for the purposes of exploration, exploitation and conservation of natural resources, pursuant to international law;
  - (c) the terms "a Contracting State" and "the other Contracting State" mean Turkey or Canada as the context requires;
  - (d) the term "person" includes an individual, an estate, a trust, a company 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 Canada, the Minister of National Revenue or the Minister's authorized representative;
    - (ii) in Turkey, the Minister of Finance or the Minister's authorized representative;
  - (h) the term "tax" means any tax covered by Article 2;
  - (i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places situated in the territory of the other Contracting State;

- (j) 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 laws in force in a Contracting State.

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

#### **Article 4**

##### **Resident**

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of the person's domicile, residence, place of registration, 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 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; if the individual has a permanent home available in both States, the individual shall be deemed to be 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;
- (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 provision of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the Contracting State in which it has been incorporated (registered) or, where that person