Scotia iTRADE®

CA LOB

Rep Code	Account Number

Limitation on Benefits and Treaty Statement

Beneficial Owner's claim for reduced rates of withholding under an income tax treaty with the U.S. ("Treaty")

Legal Entity Name

The U.S. Internal Revenue Code allows persons who are residents of treaty countries and who meet treaty requirements to claim income tax benefits.

Please note this statement is not required from individuals (natural persons) who are resident of an applicable Treaty country. Any tax related explanation within this statement is meant to assist certain clients in obtaining only a general understanding of their requirements under the new withholding tax rules. It is not intended to be, nor should it be construed to be, legal or tax advice to any client, prospective or otherwise. Clients are encouraged to consult tax or legal expertise for further clarification, if required.

The Legal Entity certifies (check all that apply)

Please refer to the Limitation on Benefits Treaty Instructions section listed below

A. ☐ The beneficial owner of income and is a resident of ________________ within the meaning of the income tax treaty between the United States and that country.

B. ☐ The beneficial owner of income and derives the item(s) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits. The following are types of limitation on benefits provisions that may be included in an applicable tax treaty (check only one; see instructions below).

- ◯ 01 Estate Art XXIX - A, para 2(f) - Estate
- ◯ 02 Government
- ◯ 03 Tax exempt pension trust or pension fund
- ◯ 04 Other tax exempt organization
- ◯ 05 Publicly traded corporation
- ◯ 06 Subsidiary of a publicly traded corporation
- ◯ 07 Company that meets the ownership and base erosion test
- ◯ 08 Company that meets the derivative benefits test
- ◯ 09 Company with an item of income that meets active trade or business test
- ◯ 10 Favorable discretionary determination by the U.S. competent authority received
- ◯ 11 Other (specify Article and paragraph): ________________
- ◯ 12 No LOB article in treaty

Special Rates and Conditions

Complete the Special Rates and Conditions only when treaty benefits are claimed that require the beneficial owner to meet conditions not covered by the representations in the Treaty Statement above. This line is generally not applicable to claiming treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty or other income article, unless such article requires additional representations. Indicate the specific treaty article and paragraph or subparagraph, as applicable.

C. ☐ The beneficial owner is claiming the provisions of Article ________ and Paragraph ________ of the treaty identified above to claim a ________% rate of withholding on (specify type of income)________________.

Additional conditions in the Article the beneficial owner meets to be eligible for the reduced rate:

____

____

____

Name of Authorized person	X Signature of Authorized person	Date (mm-dd-yyyy)

Limitation on Benefits Treaty Instructions

Each of the tests is summarized below for your convenience, but may not be relied upon for making a final determination that the entity is a Qualifying Person for the purpose of the Limitation on Benefits rules. Rather, you must check the text of the Limitation on Benefits article itself, to determine which tests are available under the Treaty and the particular requirements of those tests. See Table 4, Limitation on Benefits, at https://www.irs.gov/individuals/international-taxpayers/tax-treaty-tables, for a summary of the major tests within the Limitation on Benefits article that are relevant for documenting any entity's claim for Treaty benefits. See also the Canada-US Tax Treaty: https://www.irs.gov/pub/irs-trty/canada.pdf and the 2007 Canada-US Tax Treaty Protocol: https://www.treasury.gov/resource-center/tax-policy/treaties/Documents/Treaty-Protocol-Canada-9-21-2007.pdf.

01 Estate: Estate domiciled in Canada, not including a Testamentary Trust.

02 Government: the treaty claimant is the Contracting State, political subdivision, or local authority.

03 Tax-exempt pension trust or pension fund: the treaty claimant is generally required to have more than half of its beneficiaries or participants be residents of the country of residence of the trust or fund itself.

04 Other tax-exempt organization: the treaty claimant is generally required to have more than half of its beneficiaries, members, or participants of religious, charitable, scientific, artistic, cultural, or educational organizations be residents of the country of residence of the organization.

05 Publicly-traded corporation: the treaty claimant is generally required to have the corporation's principal class of shares primarily and regularly traded on a recognized stock exchange in its country of residence, while other treaties may permit trading in either the United States or the treaty country, or in certain third countries if the primary place of management is the country of residence.

06 Subsidiary of publicly-traded corporation: the treaty claimant is generally required to have more than 50% of the vote and value of the company's shares owned, directly or indirectly, by five or fewer companies that are publicly-traded corporations and that they themselves meet the publicly-traded corporation test, as long as all companies in the chain of ownership are resident in either the United States or the same country of residence as the subsidiary.

07 Company that meets the ownership and base erosion provision: the treaty claimant is generally required to have more than 50% of the vote and value of the company's shares owned, directly or indirectly, by individuals, governments, tax-exempt entities, and publicly-traded corporations resident in the same country as the company, as long as all companies in the chain of ownership are resident in the same country of residence, and less than 50% of the company's gross income is accrued or paid, directly or indirectly, to persons who would not be good shareholders for purposes of the ownership requirements.

08 Company that meets the derivative benefits provision: this provision is generally limited to NAFTA, EU, and EEA country treaties, and may apply to all benefits or only to certain items of income (interest, dividends, and royalties). It generally requires that more than 95% of the aggregate vote and value of the company's shares be owned, directly or indirectly, by seven or fewer equivalent beneficiaries (ultimate owners who are resident in an EU, EEA, or NAFTA country and are entitled to identical benefits under their own treaty with the United States under one of the ownership tests included within the LOB article (other than the stock ownership and base erosion test)). Additionally, the claimant is required to have less than 50% of the company's gross income paid or accrued, directly or indirectly, to persons who would not be equivalent beneficiaries.

09 Company with an item of income that meets the active trade or business: the treaty claimant is generally required to be engaged in an active trade or business in its country of residence, that its activities in that country be substantial in relation to its U.S. activities, if the payer is a related party, and the income be derived in connection to or incidental to that trade or business.

10 Favorable discretionary determination received: the treaty claimant is generally required to obtain a favorable determination granting benefits from the U.S. competent authority that, despite the company's failure to meet a specific objective LOB test in the applicable treaty, it may nonetheless claim the requested benefits. Unless a treaty or technical explanation specifically provides otherwise, a claimant may not use this LOB code while its claim for discretionary benefits is pending.

11 Other: Any other provision under the LOB article of the Treaty.

12 No LOB article in treaty: this generally requires that the entity is a resident of a foreign country that has entered into an income tax treaty with the United States that does not contain an LOB article.