



THE NATIONAL CITY COMPANY

INCORPORATED WITH LIMITED LIABILITY UNDER THE LAWS
OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA

AFFILIATED WITH
THE NATIONAL CITY BANK OF NEW YORK

CAPITAL \$55,000,000.
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MEMORANDUM

re: CANADIAN INCOME TAX.

There have been recent reports in the press as to the proposed levying of Canadian income tax on income received from that country.

Up to the present time those who are neither Canadian subjects nor residents of Canada have not been liable for any Canadian income tax on invested income other than that arising from Real Estate investments.

The proposal now made is to levy an income tax of 2% on such investors who receive income from Preferred and Common shareholdings in Canadian Corporations. There is no proposal to levy a similar tax on any Bond interest as the suggestion is confined entirely to the dividend on share.

The suggestion is for a flat tax of 2% on such income, no exemption being given and no surtax being applied.

Our understanding is that the proposed legislation will not require an annual income tax statement and any tax will be deducted at source, or in the event of nominee registration, such nominees will be required by law to pay over the tax forthwith.

The date suggested for the commencement of this tax is July 1st next.

It should be particularly understood that this matter is only in its suggested stage and it is possible, of course, that the Legislature will not pass the proposals at all, or may not accept them as they stand, or make amendments.

In these circumstances this advice should only be accepted as preliminary information, subject to amendment or correction according to future developments.

CW/EC
11th June, 1931.