

This is revised Schedule "H" to the Uniform Type 3 Introducer/Carrier Broker Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ made between [*Name of T3CB*] and [*Name of T3IB*] ("Agreement") in accordance with Rule 2400 of the Investment Industry Regulatory Organization of Canada ("IIROC"). On execution and delivery of this instrument the Agreement shall be amended by the deletion of existing Schedule "H" in its entirety and replacement by Schedule "H" in the following terms, subject to compliance with the provisions of Rule 2400 and the requirements of IIROC relating to such Rule or the parties.

## SCHEDULE "H"

### U.S. WITHHOLDING TAXES

#### 1. Definitions

In this Schedule, unless the context otherwise requires, the following terms shall have the following meanings:

- 1.1 "*Attachment*" means the "Attachment for Canada" that has been issued by the IRS and is attached to the QI Agreement.
- 1.2 "*Code*" means the Internal Revenue Code of the United States of America.
- 1.3 "*Convention*" means any bilateral income tax convention in force from time to time to which the United States of America is a party.
- 1.4 "*Documentation*" means any valid IRS Form W-8, Form W-9 (or an acceptable substitute Form W-8 or Form W-9), or documentary evidence as defined in section 2.20 of the QI Agreement, including all statements or other information required to be associated with the form or documentary evidence.
- 1.5 "*GIIN*" means the Global Intermediary Identification Number issued to a financial institution upon registration on the IRS's Foreign Account Tax Compliance Act ("FATCA") registration portal.
- 1.6 "*IRS*" means the Internal Revenue Service of the United States of America.
- 1.7 "*Overwithholding*" means the excess of the amount actually withheld under chapter 3, chapter 4 or §3406 of the Code over the amount required to be withheld.
- 1.8 "*Part XVIII*" means Part XVIII of the *Income Tax Act (Canada)* implementing the enhanced tax information exchange contemplated by the Agreement between the Government of the United States and the Government of Canada to Improve International Tax Compliance through Enhanced Exchange of Information under the Convention Between the United States of America and Canada with Respect to Taxes on Income and

on Capital and includes all guidance and other information issued by the Canada Revenue Agency in connection therewith. (the "Intergovernmental Agreement" or "IGA").

1.9 "*QI Agreement*" means the qualified intermediary withholding agreement between the T3CB as Qualified Intermediary and the IRS, as such agreement may be amended from time to time.

1.10 "*Qualified Intermediary*" means a person described in Treas. Reg. §1.1441-1(e)(5)(ii) to the Code, that enters into a QI Agreement with the IRS to be treated as a qualified intermediary and acts in its capacity as a qualified intermediary.

1.11 "*Reviewer*" means an internal or external reviewer that meets the qualifications described in section 10 of the QI Agreement to perform reviews required by the QI Agreement that has been engaged by the T3CB to carry out the review.

1.12 "*Underwithholding*" means the excess of the amount required to be withheld under chapter 3 of the Code, chapter 4 of the Code or §3406 of the Code over the amount actually withheld.

1.13 "*U.S. Payor*" has the same meaning as in Treas. Reg. §1.6049-5(c)(5) to the Code.

## **2. Receipt of QI Agreement**

2.1 The T3IB acknowledges receipt of a copy of the QI Agreement and confirms that it is aware of the obligations of the T3CB under the QI Agreement. The T3CB will provide to the T3IB, from time to time, any amendment to the QI Agreement as soon as practicably possible after the amendment is entered into.

## **3. Obligations/Representations of the T3CB**

3.1 The T3CB represents that it is a reporting Canadian financial institution, as that term is defined under Part XVIII, in good standing, and will provide confirmation of its FATCA classification to the T3IB (including GIIN where relevant), and notice of any changes to that classification.

3.2 Subject to the provisions of this Agreement, of which this Schedule forms a part, and of the QI Agreement, the T3CB [*will/will not*] assume primary responsibility for withholding on amounts paid as required by the QI Agreement as a [*U.S./non-U.S.*] Payor to the Clients. The T3CB will withhold tax at a reduced rate provided for by a Convention only if it receives all requisite Documentation or information from the T3IB in accordance with the provisions of Article 4 of this Schedule.

## **4. Obligations/Representations of the T3IB**

4.1 The T3IB represents that it is a reporting Canadian financial institution or non-reporting Canadian financial institution, as those terms are defined under Part XVIII, in good standing, and will provide confirmation of its FATCA classification

to the T3CB (including GIIN where relevant), and notice of any changes to that classification.

4.2 The T3IB will:

(a) obtain from the Client, Documentation and/or all information required to satisfy the T3CB's requirements under the QI Agreement including any documents or other information necessary to withhold tax at a reduced rate provided for by a Convention; and

(b) establish, maintain, document and undertake (and will continue to maintain, document and undertake) the due diligence procedures set out in Part XVIII to identify the Client's account status as a U.S. reportable account or an account held by a non-participating financial institution under Part XVIII.

4.3 The T3IB will also obtain from its Clients an undertaking to provide whatever information the T3CB may at any time request in order to comply with the T3CB's obligations under the QI Agreement. The T3IB recognizes that if the information required is not provided to the T3CB, the T3CB may withhold tax at the U.S. statutory rate without the reduction provided by the Convention.

**5. Reviews**

5.1 The T3IB agrees to allow the T3CB's Reviewer access to examine the documentation referred to in Article 4 above and any other information or document should the Reviewer require such access in carrying out a review pursuant to the QI Agreement. The T3IB agrees to carry out in the manner and time outlined in the QI Agreement whatever action is requested by the Reviewer so that the T3CB is in compliance with the QI Agreement. The T3CB reserves the right to withhold at the U.S. statutory rate if the T3IB does not demonstrate to the satisfaction of the T3CB that the action requested by the Reviewer has been taken. Whether the T3IB has adequately demonstrated compliance with the requested action of the Reviewer will be determined in the sole discretion of the T3CB, acting reasonably.

**6. Overwithholding**

6.1 Where the T3CB has withheld in error an amount in excess of the amount required to be withheld, the T3CB will take all reasonable steps in order to recover the excess amount withheld. Where the T3CB does receive a refund of an amount withheld, the T3CB will take all reasonable steps to forward the excess amount to the Client as soon as possible.

**7. Underwithholding**

7.1 Where the T3CB establishes that it should have withheld an amount from payments made to the Client and such amounts were not withheld, the T3CB may either withhold from future payments made to the Client or satisfy the tax from property that it holds in custody for the Client or property over which it has control. The rights of the T3CB pursuant to this Article 7 may be exercised only if and to the extent that there are

insufficient funds in the Deposit to reimburse the T3CB or the T3CB is not entitled to access the funds in the Deposit.

**8. Indemnification**

8.1 The T3IB shall indemnify and save harmless the T3CB with respect to any loss, liability, damages, costs or expenses which the T3CB may incur as a result of carrying out its obligations under the QI Agreement, including carrying out requirements to comply with Part XVIII as required under the QI Agreement in respect of the Clients, other than any such losses, liabilities, damages, costs or expenses that arise by virtue of the error or negligence of the T3CB. Furthermore, the T3IB agrees to indemnify and hold harmless the T3CB from and against any claims, damages, liabilities, losses or expenses (including reasonable attorney's fees and expenses) to which the T3CB may become subject to (collectively, "Claims") and which are caused by or arise directly or indirectly by reason of (i) errors made by the T3IB in identifying that Client account(s) is/are not a U.S. reportable account(s) or accounts held by non-participating financial institutions; and (ii) omissions made by the T3IB in failing to inform the T3CB whether any of the Client account(s) is/are U.S. reportable account(s) or accounts held by non-participating financial institutions. For greater certainty, the T3IB will not be liable for any losses resulting from the failures or errors made by a T3CB, who has accepted, in writing, this Agreement with respect to failure to report U.S reportable accounts or accounts held by non-participating financial institutions to CRA, provided the T3IB has complied with its obligations as required by this Schedule.

EXECUTED and delivered the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
[Name of T3CB]

By: \_\_\_\_\_  
Authorized signatory

\_\_\_\_\_  
[Name of T3IB]

By: \_\_\_\_\_  
Authorized signatory