

## Canada Repeals Withholding Tax

The legislation to eliminate Canadian withholding tax on interest paid by Canadian residents to arm's-length, unrelated non-residents has been enacted and is now in force. All such interest, other than certain convertible debt and "participating" interest obligations, will be exempt from Canadian withholding tax if paid on or after January 1, 2008, including interest paid under agreements entered into before that date.

The impact of the change on cross-border loans, securitizations and other financing facilities is described in three recent bulletins: [New Opportunities to Securitise Canadian Interest-Bearing Receivables](#), [Breaking News on the Elimination of Canadian Withholding Tax](#) and [Elimination of Canadian Withholding Tax – FAQs](#).

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