

ARRANGEMENT BETWEEN THE COMPETENT AUTHORITY OF THE UNITED STATES OF AMERICA AND THE COMPETENT AUTHORITY OF CANADA TO UPDATE ANNEX II OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA 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

Annex II of the Agreement Between the Government of the United States of America 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, signed on February 5, 2014 (the “IGA”) provides: “This Annex may be modified by a mutual written decision entered into between the Competent Authorities of Canada and the United States: (1) to include additional Entities, accounts, and products that present a low risk of being used by U.S. Persons to evade U.S. tax and that have similar characteristics to the Entities, accounts, and products identified in this Annex as of the date of signature of the Agreement. . . .” The Competent Authority of the United States of America and the Competent Authority of Canada (the “Competent Authorities”) have reached the following arrangement (the “Arrangement”). Terms used in this Arrangement that are not defined herein have the same meanings as in the IGA.

The Competent Authorities intend to update Annex II of the IGA by adding new subsection “M” to Section IV (Accounts Excluded from Financial Accounts) of Annex II of the IGA to include an additional account that is treated as excluded from the definition of Financial Account, and therefore not treated as a U.S. Reportable Account under the IGA.

“M. Tax-Free First Home Savings Account (FHSA) – as defined under subsection 146.6(1) of the *Income Tax Act*.”

For the Competent Authority of  
the United States of America:

For the Competent Authority of  
Canada:

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Holly O. Paz  
U.S. Competent Authority  
Internal Revenue Service

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Tracy Annett  
Director General, Legislative Policy  
Directorate, Legislative Policy and  
Regulatory Affairs Branch, Canada Revenue  
Agency

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February 1, 2024  
Date

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December 27, 2023  
Date

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Place

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Place