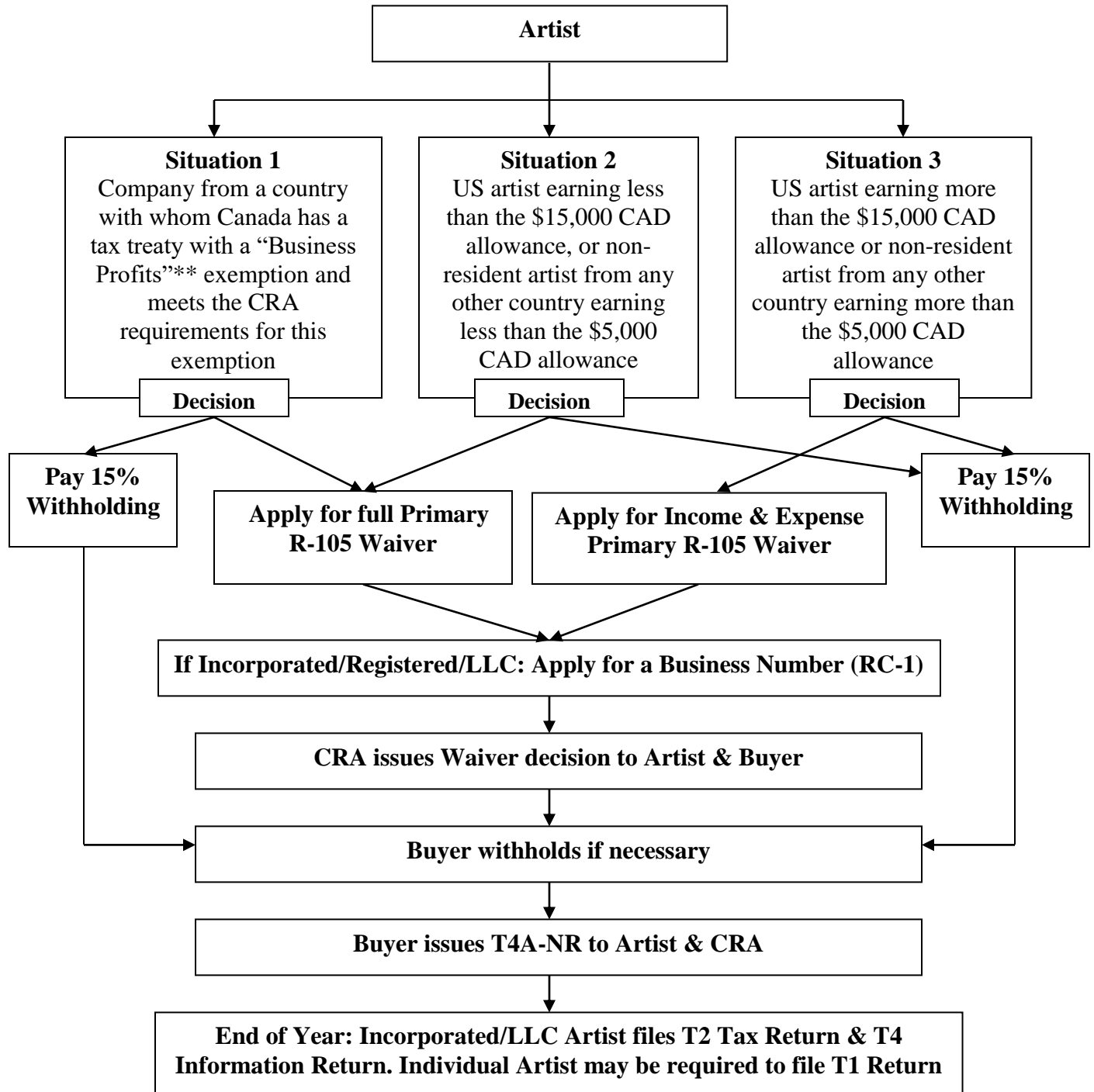


Canadian Taxes for Non-Resident Artists

15% Federal Withholding at the Source

There are three different situations applicable to a non-resident artist subject to Canadian withholding taxes. Each of the situations and their associated tax planning options are listed below.

*The Province of Quebec imposes an additional 9% withholding at the source.

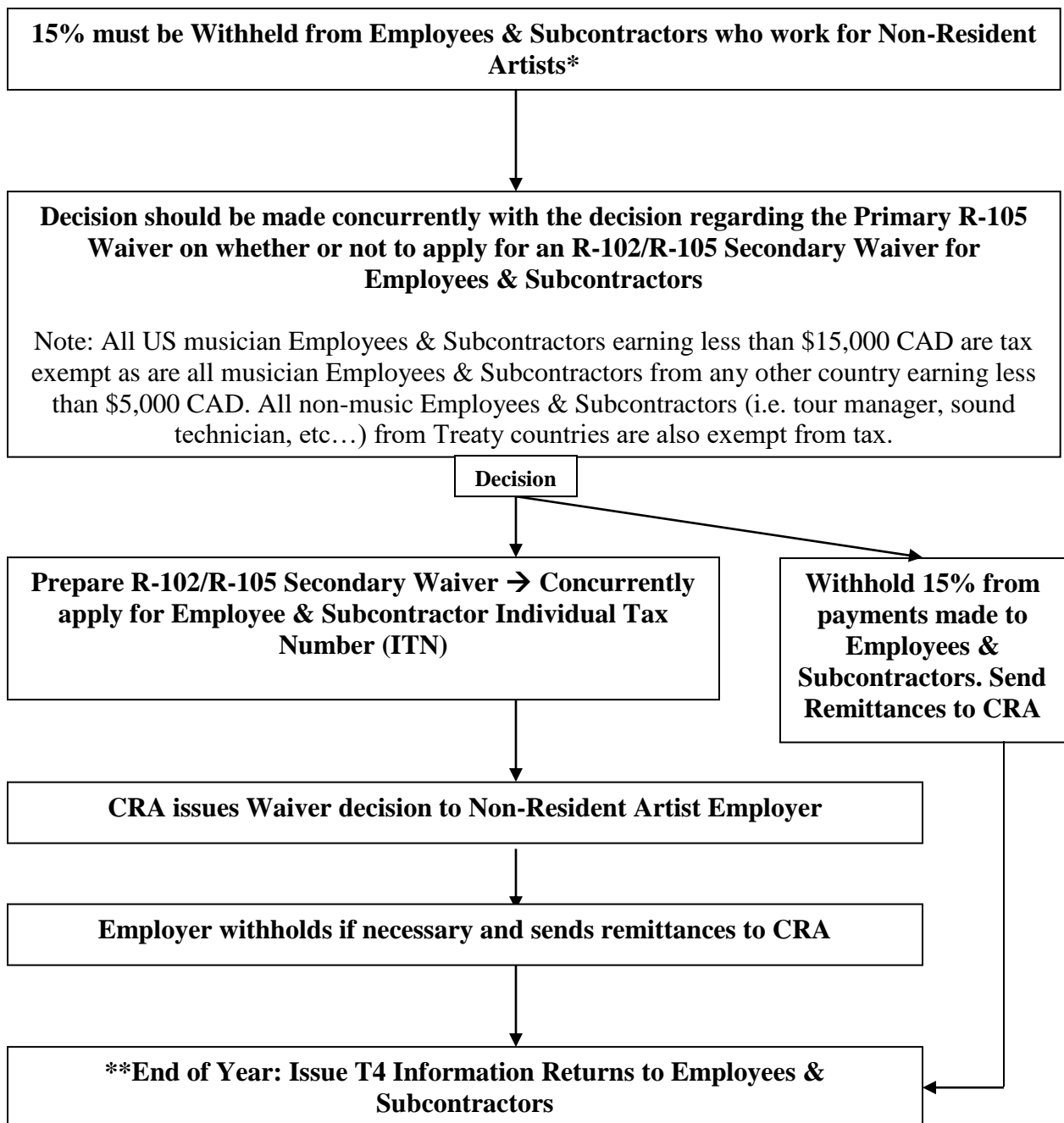


*The 9% Quebec Withholding Tax can be eliminated by applying for a Quebec Provincial Tax Waiver.

**Business Profits – Income derived by a non-resident corporation (or registered entity) and profits are not distributed to the artist, but to another person, whether directly or indirectly. Therefore, a corporation or entity owned by the Artist does not qualify.

Canadian Taxes for the Employees & Subcontractors of Non-Resident Artists

“Secondary Withholding”



*There is now draft legislation in Canada that may eliminate the need to apply for an R-102 Tax Waiver in certain instances.

** This same draft legislation may eliminate the need to issue T4 Information Returns in certain instances.