
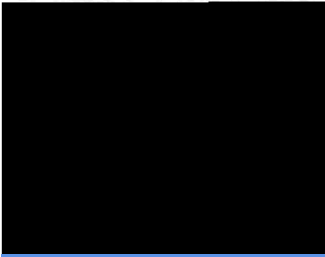
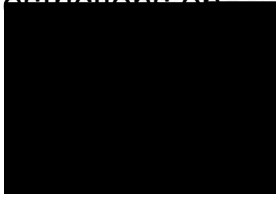

Preserving domestic law restrictions on
the deduction of rent or ro



Preserving domestic law restrictions on



>

Addressing the concerns of the state of source

- The commentary of the OECD and potential abuses that may result from "shares" "debt-claims" rights or property establishments set up solely for that purpose in countries that offer preferential treatment to the income from such

idence exempts profits of such a permanent establishment situated in a third state the tax authorities may be concerned about having to tax such profits with respect to the income derived from such permanent establishment attributable to that permanent

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Provision on rent and royalties in a third state

- As a result of the work on (EP) + tax abuse rule provision has been included in the & ' models in order to protect the tax authorities from having to grant treaty benefits where income obtained by a permanent establishment situated in a third state is

>):*

included in the commentary

7.

' ew +rt(2>):*

:0 a* - here

)i* an enterprise of a contracting state deriving income from a permanent establishment situated in a third jurisdiction and the first-mentioned state as attributable to a permanent establishment situated in a third jurisdiction" and

)ii* the profits attributable to that permanent establishment are exempt from tax in the first-mentioned state"

4 (e) 4 . 27%9 (m) - 11 . 8282 (a) 4 . 27%7%7 (e) 4 . 27%7 () - 1:1 . 8%1 (i) - 2 . 62%2 (71849 (22ca282 (a) 4 . 274 4 . 27%43%0 39 23)2 . 13834 (i) - 2 . 13834 (r) 5 . 41319 (st) 2 . 1379 (-) 5 . 4211

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'ew +rt(2>):*

c* If benefits under this #onvention are de

