

## **PROTOCOL**

### **TO THE CONVENTION BETWEEN THE REPUBLIC OF MOLDOVA AND THE CZECH REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND ON PROPERTY**

The Republic of Moldova and the Czech Republic,

Desiring to conclude a Protocol to the Convention between the Republic of Moldova and the Czech Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on property signed at Prague on May 12, 1999 (in this Protocol referred to as “the Convention”),

Have agreed as follows:

#### **ARTICLE I**

Article 13 of the Convention shall be amended by inserting immediately after paragraph 3 the following new paragraph:

“4. Gains derived by a resident of a Contracting State from the alienation of shares or other similar rights in a company deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.”

#### **ARTICLE II**

Paragraph 4 of Article 13 of the Convention shall be renumbered and its provision shall be modified as follows:

“5. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4, shall be taxable only in the Contracting State of which the alienator is a resident.”

#### **ARTICLE III**

Article 21 of the Convention shall be amended by inserting immediately after paragraph 2 the following new paragraph:

“3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other State.”

#### **ARTICLE IV**

Article 24 of the Convention shall be amended by inserting immediately after paragraph 5 the following new paragraph:

“6. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description”.

## **ARTICLE V**

Paragraph 1 of Article 26 of the Convention shall be modified as follows:

“1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to the taxes referred to in the first sentence. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.”

## **ARTICLE VI**

Each of the Contracting States shall notify to the other, through the diplomatic channels, the completion of the procedures required by its domestic law for the bringing into force of this Protocol. The Protocol, which shall form an integral part of the Convention, shall enter into force on the date of the latter of these notifications and shall have effect in both States for taxable periods beginning on or after 1<sup>st</sup> January in the calendar year next following that in which the Protocol enters into force.

In witness whereof the undersigned, being duly authorised thereto, have signed this Protocol.

Done in duplicate at Prague this 14<sup>th</sup> day of October 2004 in the Moldovan, Czech and English languages, all texts being equally authentic. In the case of any divergence, the English text shall prevail.

**For the Republic of Moldova**

**For the Czech Republic**