

PROTOCOL

At the signing of the Convention between the Government of the Union of Soviet Socialist Republics and the Government of Japan for the Avoidance of Double Taxation with respect to Taxes on Income (hereinafter referred to as “the Convention”), the undersigned have agreed upon the following provisions which form an integral part of the Convention:

1. With reference to paragraph 3 of Article 1 of the Convention, where an individual is a resident of both Contracting States the question shall be settled by mutual agreement taking into consideration the following rules:

(a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (centre of vital interests);

(b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;

(c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national.

2. With reference to Articles 4 and 5 of the Convention, profits derived by a resident of a Contracting State from the sale of goods or merchandise to a resident of the other Contracting State through a representative office situated in that other Contracting State shall not be attributed to the said representative office as long as the activities involved in such sale of the said representative office fall within those activities mentioned in paragraph 3 of Article 4 of the Convention.

3. With reference to paragraph 2 of Article 10 of the Convention, the term “immovable property” shall include in the case of Japan usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed this Protocol.

Done at Tokyo on the day of January 18, 1986, in duplicate in the Russian, Japanese and English languages, all three texts being equally authentic. In case of any

divergence of interpretations, the interpretation shall be made in accordance with the English text.

**For the Government
of the Union of Soviet
Socialist Republics**

**For the Government
of Japan**