

## PROTOCOL

between  
the Government of the Czech Republic  
and  
the Government of the Republic of Uzbekistan  
amending the Agreement between  
the Government of the Czech Republic  
and  
the Government of the Republic of Uzbekistan  
for the avoidance of double taxation and the prevention of fiscal evasion  
with respect to taxes on income and on property

The Government of the Czech Republic and the Government of the Republic of Uzbekistan,

Desiring to conclude a Protocol amending the Agreement between the Government of the Czech Republic and the Government of the Republic of Uzbekistan 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 March 2<sup>nd</sup>, 2000 (hereinafter referred to as “the Agreement”),

Have agreed as follows:

### ARTICLE I

Paragraph 1 of Article 7 of the Agreement shall be modified as follows:

“1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.”.

### ARTICLE II

1. Paragraph 2 of Article 10 of the Agreement shall be modified as follows:

“2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends;

b) 10 per cent of the gross amount of the dividends in all other cases.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.”.

2. Paragraph 3 of Article 10 of the Agreement shall be modified by replacing the phrase “making the distribution” by the phrase “making the payment”.

### ARTICLE III

1. Subparagraph a) of paragraph 3 of Article 11 of the Agreement shall be modified as follows:

“a) derived and beneficially owned by:

(i) the Government of the other Contracting State, an administrative-territorial subdivision or a local authority thereof, the Central Bank of that other State or any financial institution owned or controlled by the Government of the other State; or

(ii) a resident of the other Contracting State in connection with a loan or a credit guaranteed or insured by the Government of the other Contracting State, the Central Bank of that other State or any financial institution owned or controlled by that Government;”.

2. One sentence shall be added to paragraph 4 of Article 11 of the Agreement that shall read as follows:

“The term “interest” shall not include any item of income which is considered as a dividend under the provisions of paragraph 3 of Article 10.”.

### ARTICLE IV

Paragraph 3 of Article 12 of the Agreement shall be modified by replacing the phrase “video cassette” by the phrase “any other means of image or sound reproduction”.

### ARTICLE V

Paragraph 4 of Article 13 of the Agreement shall be modified as follows:

“4. Gains derived by a resident of a Contracting State from the alienation of shares or other interests in a company which is a resident of the other Contracting State may be taxed in that other State.”.

## ARTICLE VI

Subparagraph b) of paragraph 1 of Article 14 of the Agreement shall be modified as follows:

”b) if his stay in the other State is for a period or periods amounting to or exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from his activities performed in that other State may be taxed in that other State.”.

## ARTICLE VII

Article 23 of the Agreement shall be modified as follows:

### **“ARTICLE 23 Elimination of double taxation**

1. In the case of a resident of Uzbekistan, double taxation shall be eliminated as follows:

Where a resident of Uzbekistan derives income or owns property which, in accordance with the provisions of this Agreement, may be taxed in the Czech Republic, Uzbekistan shall allow:

a) as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in the Czech Republic;

b) as a deduction from the tax on the property of that resident, an amount equal to the property tax paid in the Czech Republic.

Such deduction in either case shall not, however, exceed that part of the income tax or property tax, as computed before the deduction is given, which is attributable, as the case may be, to the income or the property which may be taxed in the Czech Republic.

2. Subject to the provisions of the laws of the Czech Republic regarding the elimination of double taxation, in the case of a resident of the Czech Republic, double taxation shall be eliminated as follows:

The Czech Republic, when imposing taxes on its residents, may include in the tax base upon which such taxes are imposed the items of income or of property which according to the provisions of this Agreement may also be taxed in Uzbekistan, but shall allow as a deduction from the amount of tax computed on such a base an amount equal to the tax paid in Uzbekistan. Such deduction shall

not, however, exceed that part of the Czech tax, as computed before the deduction is given, which is appropriate to the income or property which, in accordance with the provisions of this Agreement, may be taxed in Uzbekistan.

3. Where in accordance with any provision of the Agreement income derived or property owned by a resident of a Contracting State is exempt from tax in that State, such State may nevertheless, in calculating the amount of tax on the remaining income or property of such resident, take into account the exempted income or property.

4. For the purposes of paragraphs 1, 2 and 3 of this Article income derived by and property owned by a resident of a Contracting State which may be taxed in the other Contracting State in accordance with this Agreement shall be deemed to be derived from sources in that other Contracting State and to be owned in that other State.”.

## ARTICLE VIII

Article 27 of the Agreement shall be modified as follows:

### “Article 27 Exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their administrative-territorial subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 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, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. 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.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (ordre public).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.”.

## ARTICLE IX

Each of the Contracting States shall notify to the other, through diplomatic channels, the completion of the procedures required by its law for the bringing into force of this Protocol. This Protocol, which shall form an integral part of the Agreement, 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 authorized thereto, have signed this Protocol.**

**Done in duplicate at Prague this 8<sup>th</sup> day of December 2011 in the Czech, Uzbek and English languages, all texts being equally authentic.**

**In the case of any divergence, the English text shall prevail.**

**For the Government of the  
Czech Republic**  
Miroslav Kalousek  
Minister of Finance

**For the Government of the  
Republic of Uzbekistan**  
Botir Rachmatovič Parpiev  
Chief of the State Tax Committee