

## **PROTOCOL**

The Government of the People's Republic of China and the Government of the State of Kuwait on signing at Kuwait on this 27th day of Jumada I, 1410H, corresponding to 25th day of December, 1989, the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital have agreed upon the following provisions which shall form an integral part of the said Agreement.

1. With reference to Article 4:

It is agreed that government institutions of Kuwait within the meaning of paragraph 2 (b) of this Article are the following corporate entities created under special law which are wholly owned and controlled by the State of Kuwait:

-the Central Bank of Kuwait,

-public corporations,

-authorities,

-government agencies,

-foundations,

-development funds.

Subject to the provisions of paragraph 2 sub-paragraph (b) of this Article, further institutions can be recognized as government institutions by agreement of the competent authorities of the Contracting States from time to time.

2. With respect to Article 6:

Notwithstanding paragraph 1 of this Article, individuals who are residents of a Contracting State and have at their disposal one or more residences for their private use in the other Contracting State without having their permanent domicile therein under the law of that other Contracting State shall be exempt from tax on income from immovable property in that other Contracting State.

3. With respect to Article 7:

A company which is owned by the Government of China, that engages in labour supply projects in Kuwait, shall be taxable in Kuwait only on the profits which are attributable to that company. This implies that when computing the taxable profits of the company, all payments to Chinese workers “according to internal contracts” for their services rendered in Kuwait, shall be deductible as expenese, provided that these expenese do not include any profits which are attributable to the company and that the company gives evidence to that effect.

4. With respect to Article 15:

Employees who are sent by the air and shipping transportation enterprises of a Contracting State to the other Contracting State shall be only taxed on their remuneration in the first-mentioned Contracting State.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Protocol.

DONE at Kuwait in duplicate, this 27th day of Jumada I, 1410 H, corresponding to 25th day of December, 1989, in the Chinese, Arabic and English languages, all texts being equally authentic. In case of divergency, the English text shall prevail.

**For the Government**

**of the People's Republic of China**

**For the Government**

**of the State of Kuwait**