

AGREEMENT BETWEEN THE REPUBLIC OF PERU AND THE UNITED MEXICAN STATES FOR THE
AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION

RELATION TO INCOME TAX

The Republic of Peru and the United Mexican States, desiring to conclude a Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income .

Have agreed as follows:

Article 1 Persons Covered

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2 Taxes Covered

1. The present Convention shall apply to taxes on income payable by each of the States

Contracting , whatever system they are levied.

Two . Taxes on income all taxes imposed on total income or any part thereof , including taxes on gains from the alienation of movable or immovable property and taxes on capital gains are considered.

. 3 existing taxes to which this Convention shall apply are in particular:

(a) in Peru , the taxes imposed on the "Law of Income Tax " ; (hereinafter called the "Peruvian tax") .

(b) in Mexico :

(i) the federal income tax ;

(ii) the business flat tax ;

(hereinafter referred to as the "Mexican tax") .

April . Convention shall apply also to any identical or similar nature which are imposed after the date of signature, to replace the taxes to which

Paragraph 3 or in addition to these concerns . The competent authorities of the Contracting States the significant changes which have been made in their respective taxation laws shall exchange .

Article 3: General Definitions

. 1 For the purposes of this Convention, unless the context otherwise requires a different interpretation :

a) the term " Peru " for purposes of determining the geographical scope of the Convention ,

means the mainland , islands , maritime areas and air space above them ,

under the sovereignty or sovereign rights and jurisdiction of Peru , according to its domestic law and international law ;

b) the term " Mexico " means the United Mexican States; used in a geographical sense, means the territory of the United Mexican States, of the component parts comprising

Federation; the islands, including the reefs and keys, in adjacent seas ; the islands of Guadalupe and Revillagigedo , the continental shelf and the seabed and the submarine shelf of such islands, keys and reefs; the waters of the territorial seas and inland maritime and beyond them, the areas on which, in accordance with international law , Mexico may exercise sovereign rights of exploration and exploitation of natural resources of the seabed ,

subsoil and superjacent waters and air space located above the national territory , in extent and under the conditions established by international law ;

c) the terms "a Contracting State" and "the other Contracting State" mean , as required context, Peru or Mexico ;

d) the term "person" includes an individual , a company and any other body of persons ;

e) the term " company" means any body corporate or any entity which is treated corporate for tax purposes;

f) the terms "enterprise of a Contracting State" and " enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

g) the term "international traffic" means any transport by a ship or aircraft by an ex - plotado enterprise of a Contracting State, except when such transport is

solely between places in the other Contracting State;

h) the term "competent authority" means:

(i) in Peru , the Minister of Finance or his authorized representative; (ii) in Mexico , the Ministry of Finance and Public Credit ;

i) the term "national" means :

(i) any individual possessing the nationality of a Contracting State; or

(ii) any legal person or association incorporated under the legislation of a State

Employer.

Two . For the implementation of the Convention by a Contracting State at any given time, any term not defined therein shall, unless the context, or otherwise requires, the meaning at that time under the law of that State concerning the taxes to which the Convention applies, any meaning ascribed by legislation or tax on that term under other laws of that State.

Article 4 Resident

1. The purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority. However, this term does not include any person who is liable to tax in that State in respect only of income from sources situated in that State.

Two . Where by reason of the provisions of paragraph 1 an individual is a resident of both

Contracting States, then his status shall be determined as follows:

a) shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, shall be considered

resident of the State with which his personal and closer economic relations

(center of vital interests);

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

c) if habitual abode in both States or in neither did any of them be a resident only of the State of nationality;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement procedure.

Three . Where by reason of the provisions of paragraph 1 a person other than natural person is a resident of both Contracting States, Contracting States shall endeavor, by a process of mutual agreement to resolve the case. In the absence of mutual agreement between the competent authorities of the Contracting States, such person shall not be entitled to claim any relief or exemption from tax provided by this Agreement.

Article 5: Permanent Establishment

1. The purposes of this Convention, the term "permanent establishment" means a fixed place of business through which an enterprise is wholly or part of its business.

. 2 The term "permanent establishment" includes especially :

- a) a place of management ;
- b) branches ;
- c) an office;
- d) a factory;
- e) a workshop ;
- f) a mine, an oil or gas well, a quarry or any other place relating to the exploration , exploitation or extraction of natural resources.

. 3 The term "permanent establishment" also includes:

- a) a building or construction project or installation and supervisory activities in connection therewith, but only where such site , project construction or installation or activity , has a greater than 6 months;

- b) the provision of services by a company , including consulting services , through employees or other individuals engaged by the enterprise for such purpose , but only where such activities continue (for the same project or a related) project in a Contracting State for a period or periods aggregating more than 183 days within any twelve-month period ; and

- c) the technical assistance provided by a company , through employees or other individuals engaged by it for that purpose, but only where such activities continue (for the same project or a connected project) in a Contracting State for a period or periods aggregating more than 90 days within any period of twelve months.

For the purpose of computing the time limits referred to in this paragraph , activities performed by an enterprise associated with another enterprise within the meaning of Section 9 , will be added to the period during which they are carried out activities by the company of which he is associated , if the activities of both companies are identical or substantially similar.

April . Notwithstanding the preceding provisions of this Article , it is considered that the term

"Permanent establishment " does not include :

- a) the use of facilities solely for the purpose of storage or display of goods or merchandise belonging to the enterprise;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely so that processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;

e) the maintenance of a fixed place of business solely dedicated to perform , on behalf of the enterprise, any other activity of a preparatory or auxiliary character.

May . Notwithstanding the provisions of paragraphs 1 and 2, where a person , unless it be an independent agent to whom paragraph 7 applies , acting in a Contracting State on behalf of an enterprise of the other Contracting State, consider that the company has a permanent establishment in the first-mentioned Contracting State in respect of any activities which that person undertakes for the enterprise , if that person has, and habitually exercises in that State an authority to

enter into contracts on behalf of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business , would not make this fixed place of business establishment standing under the provisions of that

paragraph .

6. Notwithstanding the preceding provisions of this Article, an insurance enterprise considers resident of a Contracting State shall, except in regard to reinsurance a

permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks situated therein through a person other than an independent agent to whom paragraph 7 applies.

7. Shall not be deemed an enterprise of a Contracting State has a permanent establishment in the other Contracting State merely because it carries on in that other State business activities by means of a broker, general commission agent or other independent agent , provided that such persons are acting in the ordinary performance of their business. not

However , when that agent to perform all or most of its activities on behalf of such company , and between that enterprise and the agent in their commercial and financial relations or imposed conditions which differ from those which would have been made between independent enterprises, such agent will not be considered as an independent agent within the meaning of this paragraph.

8. The fact that a company resident of a Contracting State controls or is controlled by a resident of the other Contracting State, or which carries on business in that other

State (whether through a permanent establishment or otherwise) , shall not of itself

itself constitute either company a permanent establishment of the other .

ARTICLE 6 Income from Real Estate

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

Two . The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used on farms or

forestry , rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments for the farm or the right to work , mineral deposits, sources and other applicable natural resources. Ships and aircraft shall not be regarded as immovable property .

Three . The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or as any other form of immovable property .

4 . The provisions of paragraphs 1 and 3 shall also apply to income from immovable property of an enterprise and property used for the performance of independent personal services.

ARTICLE 7 Business Profits

1. Profits of an enterprise of a Contracting State may be taxed 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.

Two . Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it could obtain a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment .

Three . To determine the benefits of a permanent establishment deduction of necessary expenses incurred for the purposes of the permanent establishment shall be permitted , including expenses and general administrative direction for the same purposes , whether incurred in the State in which the permanent establishment is situated or elsewhere .

April . No benefit to a permanent establishment shall be attributed by the mere fact that permanent establishment of goods or merchandise for the enterprise .

May . Purposes of the preceding paragraphs , the profits attributable to the permanent establishment shall be calculated each year by the same method , unless there is good and sufficient reason to otherwise proceed .

6. Where profits include items of income dealt with separately in other Articles of this Convention , the provisions of those Articles shall not be affected by this Article . Section 8 Shipping and Air Transport

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2 For the purposes of this Article . :

a) the term "benefits" includes especially :

(i) the gross income derived directly from the operation of ships or aircraft in international traffic; and

(ii) interest on sums generated directly from the operation of ships or aircraft in international traffic provided that such interest is inherent and incidental to the operation .

b) the term "operation of ship or aircraft " by an enterprise comprising: (i) the charter or lease of ship or aircraft on a bareboat ;

(ii) the rental of containers and related equipment ; if that charter or rental is incidental to the operation by that enterprise of ships or aircraft in international traffic .

For purposes of this Article, profits from the use of ground transportation are not included.

Three . The provisions of paragraph 1 shall also apply to profits from the

participation in a "pool" , a joint business or an international operating agency but only to the extent that the benefits thus obtained are attributable to the participant in proportion to their share in the joint operation .

Section 9 Associates

1. When

a) an enterprise of a Contracting State participates directly or indirectly in the management , control or capital of an enterprise of the other Contracting State; or

b) the same persons participate directly or indirectly in the management , control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State;

and in either case the two enterprises in their commercial or financial relations conditions are made or imposed which differ from those which would be made between independent enterprises , income that would have been obtained by one of the companies in the absence of such conditions, and in fact have not been performed because of the same , may be included in the profits of that enterprise and taxed accordingly.

Two . Where a Contracting State includes in the profits of an enterprise of that State , and taxes accordingly taxed the profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included is income that would have been made by the company 's first-mentioned State if the conditions made between the two enterprises had been those which would have made between independent enterprises , then that other State , if you agree , the appropriate adjustment to the amount tax that has

charged therein on those profits. In determining such adjustment the other provisions of this Convention shall be considered and the competent authorities of the Contracting States shall if necessary consult .

Three . The provisions of paragraph 2 shall not apply in cases of fraud , fault or negligence .

Article 10th Div

1. Dividends paid by a company resident in a Contracting State to a resident of the other Contracting State may be taxed in that other State.

Two . Such dividends may also be taxed in the Contracting State of which the company paying the dividends and under the laws of this State . However, if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

a) 10 percent of the gross amount of the dividends if the beneficial owner is a company

controls directly or indirectly at least 25 percent of the voting shares of the company paying the dividends;

b) 15 per cent of the gross amount of the dividends in all other cases .

The provisions of this paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

Three . The term " dividends" as used in this Article means income from shares or other

rights, not credit , participating in profits, as well as income from other corporate rights , income from other rights and other income subject to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident .

4 . The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends,

resident of a Contracting State, carries on in the other Contracting State of which he is a resident company paying the dividends, a business through a permanent establishment situated therein, or performs in that other State independent personal services from a base fixed situated therein, and the participation of which the dividends are effectively connected with such permanent establishment or fixed base. In such case the provisions of Article are applicable

7th or Article 14 °, as appropriate .

5 . When a company resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident that

another State or the participation of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the undistributed profits of the company to a tax on undistributed profits, even if the dividends paid or the undistributed profits distributed consist wholly or partly of profits or income arising in such other State.

6. Notwithstanding the taxes based on the permanent establishment, where a company

resident of a Contracting State has a permanent establishment in the other Contracting State, the profits of the company attributable to that permanent establishment may be subjected in the other Contracting State to a withholding tax. However, that duty may not exceed the limit established in paragraph a) of paragraph 2 of this Article. Article 11 ° Interests

1. Interest arising in a Contracting State and paid to a resident of the other State

Contracting State may be taxed in that other State.

. 2 However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner is a resident of the other

Contracting State, the tax so charged shall not exceed 15 percent of the gross amount of the interest.

March . Notwithstanding the provisions of paragraph 2, interest referred to in paragraph 1 be taxable only in the Contracting State of which the beneficial owner is a resident of

interest if :

a) the beneficial owner is a Contracting State or a political subdivision, the Central Bank of a Contracting State, and banks whose capital is one hundred percent owned by the Contracting State, which granted loans a period not less to 3 years. In the latter case, the interest they receive such banks should be taxed in the country of residence;

b) the interest is paid by any of the entities referred to in paragraph a) .

4 . The term "interest" as used in this Article means income or income from debt claims of every kind, whether or not secured by mortgage or right to participate in the debtor's profits , and in particular those from public funds and bonds or debentures, including premiums and prizes attaching to such securities , and any other item that is assimilated to income or income from money lent under the law of the Contracting State in which these. The term "interest " does not include income deemed dividends under paragraph 3 of Article 10 ° .

May . The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest , being a resident of a Contracting State , carries on business in the other Contracting State in which the interest arises, a business through a permanent establishment situated therein, or performs independent personal services from a fixed base situated therein, and the credit

the interest is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 ° apply , as appropriate .

6. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. However, the person paying the interest, whether or not a resident of the Contracting State , has in a Contracting State a permanent establishment or a fixed base and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State Contracting where are the permanent establishment or fixed base.

7. Where, by reason of a special relationship between the payer and the beneficial owner or of them and some other person , the amount of interest paid exceeds, for whatever reason, what would have been agreed by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the latter amount . In this case, the amount in excess shall remain taxable according to the laws of each Contracting State, due to the other provisions of this Convention.

Article 12 ° Royalties

1. Royalties arising in a Contracting State and paid to a resident of the other State

Contracting State may be taxed in that other State.

. 2 However , such royalties may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner is a resident of the other Contracting State , the tax so charged shall not exceed 15 percent of the gross amount of the royalties.

Three . The term " royalties" as used in this Article means payments of any kind received by the use , or the right to use copyright of literary, artistic and scientific works or other works protected by copyright , including films or films, tapes and other means of reproducing sound , patent, trade mark, design or model, plan , secret formula or process , or for the use or right to use industrial, commercial or scientific equipment , or for information concerning industrial, commercial or experiences

scientific .

Notwithstanding the provisions of Article 13 ° , the term "royalties " also includes gains derived from the alienation of any such right or property which are contingent on the productivity , use or further disposition thereof .

4 . The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties , being a resident of a Contracting State, carries on the Contracting State in which the royalties , a business through a permanent establishment situated therein , or provides services

Domestic through a fixed base situated therein, and the good or right for which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 ° apply , as appropriate .

May . Royalties arising in a Contracting State when the payer is a resident of that State . However, the person paying the royalties, whether or not a resident of a Contracting State, has in a Contracting State a permanent establishment or a fixed base which the load of the same , they are deemed to arise in the State in which is situated the permanent establishment or fixed base .

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of royalties exceeds, for whatever reason, what would have been agreed by the payer and the beneficial in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount . In this case, the amount in excess shall remain taxable according to the laws of each Contracting State, due to the other provisions of this Convention.

Article 13: Capital Gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property , as defined in Section 6 , situated in the other Contracting State may be taxed in that other State.

February . Gains from the alienation of movable property forming part of the assets of a

permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State has in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base , may be taxed in that other State.

March . Gains from the alienation of shares or other similar rights in a company whose assets consist , directly or indirectly, more than 50 % in real estate located in

a Contracting State may be taxed in that State.

4 . The addition to taxable income in accordance with the provisions of the preceding paragraphs, the profits derived by a resident of a Contracting State from the alienation of shares of stock or other rights in the capital of a resident of the other Contracting State may be taxed in that other State , provided that the receiver

5 percent of the gross amount of the dividends in all other cases .

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gain at any time during the 12 months preceding such sale , together with all those involved in the receptor, have had a stake of at least 20 % in the capital of that company .

May . Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft only

may be taxed in the Contracting State of which the alienator .

6. Gains other than those mentioned in the preceding paragraphs of this Article the capital may be taxed in both Contracting States .

Article 14 ° Independent Personal Services

1. Income derived by an individual resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available in the other Contracting State for the purpose of carrying out activities or if their presence in the other Contracting State is for a period or periods amounting to or exceeding in the whole 183 days in any twelve month period ; in these cases , can only be taxed in the other Contracting State the portion of income that are attributable to that fixed base or is derived from his activities performed in that other State .

Two . The term "professional services " includes especially independent activities

scientific, literary, artistic, educational or teaching character as well as the independent activities of physicians, lawyers, engineers , architects, dentists , accountants and auditors .

Article 15 Dependent Personal Services

1. Notwithstanding the provisions of Articles 16 ° , 18 ° and 19 ° , salaries , wages and other remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless unless the employment is exercised in the other Contracting State. If the job is done that way , remuneration derived therefrom may be taxed in that other State.

. 2 Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the whole 183 days in any twelve month period ; and

b) the remuneration is paid by, or on behalf of a person who is not a resident of the other State ; and

c) the remuneration is not borne by a permanent establishment or a fixed base which a person has in the other State.

March . Notwithstanding the preceding provisions of this Article , remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft operated in international traffic shall be taxable only in that State.

Section 16 Directors'

Directors' fees and similar payments derived by a resident of a Contracting State as a member of a board of directors or similar body of a company resident of the other Contracting State may be taxed in that other State.

Section 17 Artists and Athletes

1. Notwithstanding the provisions of Articles 7 ° , 14 ° and 15 ° , income derived by a resident of a Contracting State in the exercise of their personal activities in the other Contracting State as an entertainer , such as a theater , film , radio or television, or a musician, or as an athlete , may be taxed in that other State. The income referred to in this paragraph shall include the income derived from any such personal activities exercised in the other Contracting State relating to its popularity as an entertainer or athlete .

2 . Notwithstanding the provisions of Articles 7 ° , 14 ° and 15 ° , where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised .

Article 18 ° Pensions

Notwithstanding the provisions of paragraph 2 of Article 19 ° , pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

Section 19 Public Functions

1. A) Salaries, wages and other similar remuneration , other than a pension , paid by a Contracting State or a political subdivision or local authority thereof to an individual in respect of services rendered to that State or subdivision or authority only may be taxed in that State.

b) However , such salaries , wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:

(i) is a national of that State; or

(ii) did not become a resident of that State solely for the purpose of rendering the services.

Two . A) Notwithstanding the provisions of paragraph 1, any pension or other similar remuneration paid, or made under , by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall only be taxed in that State funds.

b) However , such pension or other similar remuneration shall be taxable only taxed in the other Contracting State if the individual is a resident and national of that State .

Three . The provisions of Articles 15 ° , 16 ° , 17 ° and 18 ° shall apply to salaries, wages, pensions and other similar remuneration in respect of services rendered in connection with a business carried on by a Contracting State , or a political subdivision or local authority thereof . Article 20 ° Students

The amounts received to cover their living expenses, education or training a student , apprentice or business trainee who is, or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training , not

may be taxed in that State, provided that arise from sources outside that

State .

Article 21: Other Income

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 Contracting State.

Article 22 Limitation on Benefits

1. The provisions of Articles 10 ° , 11 ° and 12 ° shall not apply if the purpose or one of the main purposes of any person concerned with the creation or assignment of the shares or other rights in respect of which the dividends , interest and royalties are paid is to get the benefits of these items means of that creation or assignment.

Two . The provisions of this Convention shall not prevent a Contracting State from applying its

provisions relating to thin capitalization and controlled foreign companies (in the case of Mexico , preferential tax regimes) .

Article 23 Elimination of Double Taxation

. 1 In the case of Peru, the double taxation shall be avoided as follows:

a) residents of Peru may credit against the Peruvian Tax revenues, income or profits from Mexico the income tax paid in Mexico , up to an amount

not to exceed the tax that would be paid in Peru on the same income , revenue or profit ; b) where a company which is a resident of Mexico pays a dividend to a company which is

resident of Peru and it controls directly or indirectly at least 10 percent of the voting power in the company , the credit shall take into account the tax paid in Mexico by the company in respect of profits on which such dividend is paid , but only to the extent in which the Peruvian tax exceeds the amount of the credit determined without regard to this subparagraph.

. 2 In accordance with the provisions and subject to the limitations set forth in the legislation of Mexico , according to occasional changes of this legislation do not affect its general principles, Mexico permit its residents to demonstrate against the Mexican tax :

a) the Peruvian tax paid by revenues from Peru , in an amount not exceeding the tax payable on such income in Mexico ; and

b) in the case of a company which holds at least 10 percent of the capital of a company resident in Peru and of which the first-mentioned company receives dividends , the tax

Peruvian paid by the company distributing the dividends in respect of the profits out of which the dividends are paid.

Three . Where in accordance with any provision of the Convention income derived by a resident of a Contracting State is exempt from tax in that State , that State may , however , take into account the exempted income for purposes of calculating the amount of tax the

remaining income of such resident .

Article 24 ° Nondiscrimination

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or that are more stringent than those which are or may be subject nationals of that other State are in the same conditions, in particular with respect to residence . Notwithstanding the provisions of Article 1 , this provision also applies to individuals who are not residents of one or both of the Contracting States.

February . Permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be subjected in that State to a less favorable treatment than undertakings of

that other State carrying on the same activities imposition . This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes to its own residents on account of civil status or family responsibilities .

March . Unless the provisions of paragraph 1 of Section 9 applies, paragraph 7 of Article

11th , or paragraph 6 of Article 12 ° , interest , royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for

purposes of determining the taxable profits of such enterprise, in the same conditions as if they had been paid to a resident of the first.

April . Enterprises of a Contracting State, the capital of which is wholly or partly owned or

controlled, directly or indirectly, by one or more residents of the other Contracting State shall not be subjected in the first-mentioned State in any taxation or any requirement connected therewith which is required or that are more onerous than those which are or may be subject other similar enterprises of the first-mentioned State .

May . Notwithstanding the provisions of Article 2 ° , the provisions of this Article shall apply to taxes of every kind and description .

Article 25 Mutual Agreement Procedure

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, notwithstanding the remedies provided by the domestic law of those States , present his case to the competent authority of the Contracting State of which he is a resident or , if his case comes under paragraph 1 of Article 24 ° , that of the Contracting State of which he is a national. The case must be presented within three years from the first notification

measurement to produce a taxation not in accordance with the provisions of this Convention.

Two . 's Competent authority , if the objection appears justified and if it is not itself a satisfactory solution, to endeavor to resolve the case by mutual agreement procedure with the competent authority of the other Contracting State to avoid in taxation not in accordance with this Agreement.

March . Competent authorities of the Contracting States shall endeavor to resolve any difficulties or doubts arising as to the interpretation or application of the Convention by

mutual agreement procedure .

4 . The competent authorities of the Contracting States may communicate directly in order to reach an agreement in the sense of the preceding paragraphs.

Article 26 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 Convention or of the domestic laws of the Contracting States concerning taxes of every kind and description imposed on behalf of the Contracting States , insofar as the taxation thereunder is not contrary to the Convention . The exchange of information is not restricted by Articles 1 and 2 ° .

Two . The information received by a Contracting State under paragraph 1 shall be kept secret in the same manner as information obtained under the domestic laws of that State and

only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of the taxes referred to in paragraph 1 of the enforcement or prosecution in respect on them, the will be communicated determination of appeals in relation to the same or the oversight of the above functions . 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 as obliging a Contracting State to :

a) adopt administrative measures at variance with the laws or administrative practice of that or of the other Contracting State;

b) to supply information which is not obtainable on the basis of 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, commercial , trade secret or professional or trade process, or information which would be contrary to public policy.

April . If information is requested by a Contracting State in accordance with this Article , the other Contracting State shall endeavor to obtain the information which the request relates in the same way as if it were their own taxation regardless that other State , at that time, need such information. The foregoing obligation is limited by the provisions of paragraph 3, provided that this paragraph shall not be construed to

prevent a Contracting State to supply information solely because it has no domestic interest in such information .

May . In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because it is held by banks , other financial institutions , or any person acting in an agency or fiduciary capacity

or because it refers to the share of ownership of a person.

Article 27 Members of diplomatic missions and consular posts

The provisions of this Convention shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

Article 28 Entry into Force

Each of the Contracting States shall notify the other through diplomatic channels that have complied with the procedures required by its law for the entry into force of this Convention . The Convention shall enter into force thirty days after the date of receipt of the later of these notifications and its provisions shall take effect :

a) in respect of taxes withheld at source , to income paid or credited on or after the first day of January of the calendar year following that in which comes into force this Convention ;

b) in respect of other taxes, in any fiscal year beginning on or after the first day of January

the calendar year following that in which comes into force this Convention.

Section 29 Report

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention , through diplomatic channels communicating at least six months before the end of any year following the expiration of a period of five years counted from the date of its entry into force calendar.

In such event, the Convention shall cease to apply :

a) In Mexico ,

respect of taxes withheld at source , to income paid or credited on the first day of January of the calendar year following that in which the notice of termination is given ;

respect of other taxes , in any fiscal year beginning on or after the first day of January of the calendar year following that in which the notice of termination is given .

b) In Peru ,

Peruvians regarding taxes, from the first day of January of the calendar year next following that in which the Agreement is terminated .

Made in Lima, on April 27 , two thousand eleven , in two originals in Spanish, both texts being equally authentic.

THE UNITED MEXICAN STATES FOR THE REPUBLIC OF PERU :

PROTOCOL

At the time of signing the Agreement between the Republic of Peru and the United Mexican States to avoid double taxation and prevent fiscal evasion with respect to income tax , the undersigned agree that the following provisions are an integral part of this Agreement .

1. Article 3:

With reference to subparagraph (d) of paragraph 1 of article 3 of the term "person" in the case of Peru ,

includes marital partnerships and undivided .

Two . Section 5

With reference to paragraph 3 of Article 5 , the term technical assistance transmission of expertise, not patentable, which are necessary in the production process of

marketing , servicing or any other activity performed by the user. Technical assistance also includes the training of persons for implementing the aforementioned expertise .

Three . Article 7

It is understood that the provisions of paragraph 3 of Article 7 shall apply only if the expenses can be attributed to the permanent establishment under the provisions of the taxation law of the State in which the permanent establishment is situated.

April . Sections 10 ° , 11 ° and 12 °

If any agreement or agreement between Peru and a third State which enters into force on a date subsequent to the entry into force of this Convention limited the lien date in

the Peru on dividends , interest and royalties at a rate lower than that provided for in Articles 10 ° , 11 ° and 12 ° of this Agreement, such lower rate shall automatically apply on dividends , interest and royalties from Peru and whose beneficiary effective a resident

of Mexico and on dividends , interest and royalties from Mexico and beneficially owned by a resident of Peru , under the same conditions as if such lower rate had been specified in those Articles. The competent authority of Peru must inform the competent authority without delay of Mexico have met the conditions for the application of this paragraph.

In the case of interest and royalties , the rate automatically applied in any case be less than

10% .

May . Sections 11 ° and 13 °

The provisions of these Articles shall not apply if the recipient of the income , being a resident of a Contracting State is not subject to tax or exempted in relation to that income in accordance with the laws of that Contracting State. In this case, this income may be subject to tax in the other Contracting State .

6. Article 12 °

The payments for the computer -software- applications are within the scope of Article when transferred only part of the picture on the program , whether the payments are in consideration for the use of a copyright on a

application -software- for commercial use (other than payments for the right to distribute copies of standardized applications that does not involve the right of customization and the play) as if they are per - application - software acquired for business or professional use of the purchaser , being, in this case , applications - software - not quite standard but somehow adapted to the purchaser .

7. Article 14 °

For Mexico , the principles of permanent establishment shall apply to the fixed term basis .

8. Article 26

With reference to paragraph 2 of Article 26 , the information received by a Contracting State may be used for other purposes when such information may be used for other purposes in accordance with the laws of both States and the competent authority of the supplying State authorizes such use.

In the application of paragraph 5 of Article 26 , the Contracting States may take consideration the constitutional limitations and relevant legal procedures. generally

9. In the case of Peru , the provisions of this Convention shall not affect the application of the provisions of Legislative Decree N ° s . 662, 757, 109 , Law N ° s . 26221 , 27342 , 27343 , 27909 and all other amendments and regulations of the Peruvian legislation on tax stability are in full force at the date of execution of this Agreement and as they may be amended without changing the general principle . Those with agreements that grant

Tax numbers Stability under those standards , can not benefit from the fees provided for in this Convention.

10. Notwithstanding any other international agreement (including the General Agreement on Trade Services) , disputes arising between the Contracting States concerning taxes covered by a Convention shall be subject only to the provisions of the Convention.

Made in Lima, on April 27 , two thousand eleven , in two originals in Spanish , with

both texts being equally authentic.

THE UNITED MEXICAN STATES FOR THE REPUBLIC OF PERU :