

INSTRUMENT of Ratification of March 12, 1981 the Agreement between Spain and the Socialist Republic of Czechoslovakia to avoid double taxation and prevent fiscal evasion with respect to taxes on income and on capital , signed at Madrid on May 8, 1980 . (" Official Gazette " of July 14, 1981) .

DON JUAN CARLOS I, KING OF SPAIN

Because on May 8, 1980 , the Plenipotentiary of Spain signed in Madrid , together with the Plenipotentiary of the Czechoslovak Socialist Republic , named both in good and due form for this purpose, the Convention between Spain and the Czechoslovak Socialist Republic to avoid double taxation and prevention of fiscal evasion with respect to taxes on income and on capital .

Viewed and examined twenty-nine Articles of the Convention .

Granted by Parliament the authorization provided for in Article 94.1 of the
Constitution

Come to pass and ratify as it is available , as under this I approve and ratify , and promised to obey , observe and enforce it and note on time in all its parts , for which purpose , for further validation and firmly command issue the instrument of ratification signed by me duly sealed and restrained by the undersigned Minister of Foreign Affairs.

Given in Madrid on March 12 of 1981 . JUAN CARLOS R. - The Minister for Foreign Affairs , José Pedro Pérez- Llorca and Rodrigo.

AGREEMENT BETWEEN SPAIN AND CSSR TO AVOID DOUBLE TAXATION YPREVENIR FISCAL EVASION
IMPUESTOSSOBRE ON INCOME AND ON CAPITAL

Spain and aware of the need to facilitate trade and promote economic cooperation in accordance with the Final Act of the Conference on Security and Cooperation in Europe Czechoslovak Socialist Republic,

Have decided to conclude a Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and on capital . To this end have agreed as follows :

article 1

SUBJECTIVE SCOPE

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

article 2

Taxes covered

1. The present Convention shall apply to taxes on income and on capital imposed by each Contracting State , irrespective of the system they are levied.

Two . Was regarded as taxes on income and on capital all taxes imposed on total income or assets or any part thereof , including taxes on gains from the alienation of movable or immovable property , taxes amount of wages or salaries paid by enterprises , as well as taxes on capital appreciation.

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

a) In Spain :

I. Income Tax for Individuals ; II . The corporate income tax ;
III . The wealth tax (hereinafter referred to as " Spanish tax") .

b) In Czechoslovakia :

I. The income tax (" odvod zisku to give ze ze zisku "); II . The payroll tax (" give mzdy ze ");

III . The tax revenue from literary and artistic activities
(" Give prijmu z z Literarni to umelecke cinnosti ");

IV. The agricultural tax (" zemedelska give ");

V. The tax incomes ("dan mu obyvateľstva pry z "); VI . The tax shelter (" domovni give "); and

VII. The tax on capital (" odvod jmeni z "); (hereinafter
" Czechoslovak tax") ;

4 . The present Convention shall apply also to any identical or substantially similar nature which are imposed after the date of signature of the Convention in addition or in place of , the existing taxes .
Authorities

authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

article 3

GENERAL DEFINITIONS

. 1 In this Agreement, unless the context otherwise requires a different interpretation :

a) The term " Spain " means the Spanish State , including any area outside the territorial sea of Spain , in accordance with international law has been designated or may hereafter be designated , under the Spanish legislation on the continental shelf as a zone in which rights may be exercised with regard to Spain seabed, the seabed and its resources ;

b) The term " Czechoslovakia " means the Czechoslovak Socialist Republic ;

c) the terms "a Contracting State" and "the other Contracting State" mean Spain and Czechoslovakia , as the context requires ;

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 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 "national" means :

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

ii) any legal person , partnership and association incorporated under the laws in force in a Contracting State .

h) The term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State in which is situated the place of effective management of the company, except when the ship or aircraft operated solely between places situated in the other Contracting State;

i) The term "competent authority " means:

i) In Spain , the Minister of Finance or any authority he delegates the Minister;

ii) In Czechoslovakia , the Finance Minister of the Socialist Republic
Czechoslovak or his authorized representative.

Two . For the purposes of this Convention by a Contracting State, any term that is not otherwise defined shall, unless the context otherwise requires a different interpretation , the meaning it has under the law of that Contracting State relating the taxes to which this Convention.

article 4

RESIDENT

1. The purposes of this Convention, the term "resident of a Contracting State" means any person who, under the law of that State, is liable to tax therein by reason of his domicile , residence, place of management or

any other criterion of a similar nature. However, this term does not include persons who are taxable only in that State for the income derived from sources in that State or capital having therein.

. 2 When , under the provisions of paragraph 1 an individual is a resident of both Contracting States shall be determined as the following rules:

a) This person is considered a resident of the Contracting State where you have a permanent home . If I had a permanent home in both Contracting States shall be a resident of the Contracting State with which his personal and closer economic relations (center of vital interests);

b) If the Contracting State in which he has his center of vital interests or should not have a permanent home in any of the Contracting States can not be determined shall be deemed a resident of the Contracting State where you regularly live .

c) If an habitual abode in both Contracting States or not to do any of them states, be a resident of the Contracting State of nationality .

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

3 . Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States shall be a resident of the Contracting State in which its place of effective management is situated .

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 partly carried on .

. 2 The term "permanent establishment" includes especially :

a) a place of management ;

b) A branch;

c) An office ; d) A factory ; e) A workshop ;

f) a mine, quarry or any other place of extraction of natural resources.

Three . 's Construction or assembly or installation project constitutes a permanent establishment only if it lasts more than twelve months.

. 4 The term " permanent establishment" shall be deemed not to include:

a) The use of facilities solely for the purpose of storage, display or delivery 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, display or delivery;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of 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 for the purpose of advertising , supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character for the enterprise.

May . A person acting in a Contracting State on behalf of an enterprise of the other Contracting State , except in the case of an independent agent contained in paragraph 6, be deemed to constitute independent establishment in the first-mentioned State if he has , and habitually exercises in this State an authority to conclude contracts on behalf of the enterprise , unless his activities are limited to those mentioned in paragraph 4.

6. Shall not be deemed an enterprise of a Contracting State has a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business .

7. 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 of itself constitute either company a permanent establishment of the other .

article 6

ESTATE RENTALS

1. Income from immovable property including income from agriculture or forestry may be taxed in the Contracting State in which such property is situated .

Two . A) Subject to paragraphs b) and c) , the term "immovable property " shall be defined in accordance with the legislation of the Contracting State in which the property in question is situated .

b) The term "immovable property " shall in any case include property accessory to immovable property , livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting apply to real estate , usufruct of immovable property and rights to variable or fixed payments as consideration for the working or the right to work , mineral deposits, sources and other natural resources.

c) 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 use any other form of immovable property .

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

article 7

BUSINESS PROFITS

1. 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. In the latter case , the profits of the enterprise may be taxed in the other State but only to the extent attributable to the permanent establishment .

Two . 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 shall be allocated to the permanent establishment the beneficial result if it constituted a distinct and separate enterprise to develop the requisite same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment .

3 . For the determination of the profits of a permanent establishment deduction of expenses incurred in carrying out the purposes of the permanent establishment , including costs of executive and general administrative expenses for such purposes will be allowed either in the State in which is situated the permanent establishment or elsewhere.

4 . Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its

various parts , the provisions of paragraph 2 shall preclude that Contracting State from determining the benefits to be taxed under this distribution made pursuant to established custom . However, the method of apportionment adopted shall be such that the result is in accordance with the principles laid down in this Article .

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

6. For the purposes of the preceding paragraphs , the profits that are to be attributed to the permanent establishment shall be determined by the same method year unless there is a valid and sufficient reason to proceed otherwise .

7. 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.

article 8

NAVIGATION MARITIME AND AVIATION

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which is situated the place of effective management of the company.

Two . If the place of effective management of a shipping enterprise is aboard a ship , it follows that it is situated in the Contracting State in which the said ship port is located , or, if no such home harbor , in the Contracting State in which the operator of the ship is a resident .

Three . The provisions of paragraph 1 shall also apply to profits from the participation of a "pool " in a joint business or an international operating agency.

article 9

ASSOCIATES

. 1 While :

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 both an enterprise of a Contracting State and an enterprise of the other Contracting State ,

and in either case , when both companies are linked in their commercial or financial relations , conditions are made or imposed which differ from those which would have been made between independent enterprises, the benefits of the companies would have obtained in the absence of these conditions and in fact have not been obtained in respect thereof , shall be included in the profits of that enterprise and subject to tax.

Two . Where profits of an enterprise of a Contracting State which have been subject to tax in that State are included also included in the profits of an enterprise of the other Contracting State and are subject to the levy of the taxes , and those benefits included representing benefits that would have accrued to the enterprise of the other State if the conditions made between the enterprises had been those which would have been made between independent enterprises , the first-mentioned State shall make the appropriate adjustment to the amount of VAT charged on those profits in the first-mentioned State . In determining such adjustment other provisions of this Convention shall be duly taken into account in relation to the nature of income, and to this end the authorities of the Contracting States shall consult each other if necessary .

Three . A Contracting State not make the adjustment of profits of an enterprise in the circumstances referred to in paragraph 1, where the limitation period has expired under the law of that State.

article 10

DIVIDENDS

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 .

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

a) from 5 per 100 gross amount of the dividends if the beneficiary is a company (other than a partnership) which holds the least 25

100 capital of the company which pays dividends ;

b) from 15 per 100 of the gross amount of the dividends in all other cases .

March . Competent Authorities of the Contracting States shall agree on the modalities of implementation of paragraph 2 .

4 . The provisions of paragraph 2 shall not affect the tax levy of the company on the profits out of which dividends are paid.

May . The term "dividends " as used in this Article means

income from shares , or bonds, parts of mines or other right to participate in profits excluding credit as well as income from other corporate rights which is subject to the same taxation treatment as income from shares by the tax laws of the State of which the company making the distribution .

6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends , being a resident of a Contracting State carries on in the other Contracting State of which he is a resident company paying the dividends either an industrial or commercial activity through a permanent establishment situated in that State , whether independent work from a fixed base situated therein , and when the share which the dividends are paid is effectively connected with such permanent establishment or fixed base. In this case the provisions of Article 7 or Article 14 shall apply as appropriate.

7. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not receive any tax on the dividends paid by the company in the first-mentioned State residents not impose any tax on concept of taxation of earnings, retained earnings of the company , even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

article 11

INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

Two . The term " interest" as used in this Article means income from debt claims of every kind, whether or not secured by mortgage , or entitled to participate in the debtor's profits , and in particular, income from government securities and income from bonds or bonds , debentures including premiums and lots attributed to such bonds or obligations.

Three . The provisions of paragraph 1 shall not apply when the recipient of the interest , being a resident of a Contracting State , exercised in the other Contracting State in which the interest arises , either an industrial or commercial activity through a permanent establishment situated in that State or professional services from a fixed base situated therein , and the debt for which the interest is paid is effectively connected with such permanent establishment or fixed base. In this case, the provisions of Article 7 or Article 14 shall apply as appropriate.

April . Where, owing to a special relationship between the payer of the interest and the beneficiary thereof, or between both of them and any other person , the amount of interest paid , taking into account the credit for which they are paid , exceeds the amount that would have been agreed between

the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount . In this case, the excess will be taxed in accordance with the laws of each Contracting State, due to the other provisions of this Agreement.

article 12

DUES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

. 2 However, such royalties may be taxed in the Contracting State in which it arises and according to the laws of that other State ; but the tax so charged shall not exceed the fees when they are taxed in the other Contracting State , five percent of the gross amount of the royalties.

March . Notwithstanding paragraph 2 , charges for copyright and other similar payments in respect of the production or reproduction of literary , dramatic, musical or artistic works (excluding charges for film and work on movies films or video tapes for use in connection with television) arising in a Contracting State derived by a resident of the other Contracting State, having to pay taxes , they may only be taxed in that other State.

4 . The term " royalties" as used in this Article means payments of any kind received by the use or right to use, copyright of literary, artistic or scientific work including cinematograph films, any patent , trademark or trade , design or model, plan, secret formula or process , as well as the use or concession of use of industrial , commercial or scientific equipment or for information concerning industrial, commercial or scientific experience.

May . The provisions of paragraphs 1, 2 and 3 shall not apply if the recipient of the royalties , being a resident of a Contracting State , carries in the other Contracting State in which the canons of industrial

or commercial activity through a property that is permanently situated therein , or performs professional services through a fixed base situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In this case the provisions of Article 7 or Article 14 shall apply as appropriate.

6. Shall be considered charges will come from a Contracting State when the payer is that State itself , a political subdivision, a local authority or a resident of that State . However, the person paying the royalties , whether resident or not of a Contracting State, has in a Contracting State a permanent establishment which is linked to the provision by which such royalties are paid, and responsible for the payment of such royalties shall be deemed to come from the same Contracting State in which the permanent establishment is situated.

7. Where, owing to a special relationship between the payer of the fee and the beneficiary thereof or between them and any other person, the amount of fees paid , taking into account the use, right or information for which they are paid, exceeds the amount which would have been agreed between the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount . In this case, the excess will be taxed in accordance with the laws of each Contracting State, due to the other provisions of this Agreement.

article 13

CAPITAL GAINS

1. Gains derived by a resident of a Contracting State from the alienation of immovable property, as defined in Article 6, and are

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 business property 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 State contracting in the other Contracting State for the provision of professional services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of that fixed base may be taxed in the other State. However, gains from the alienation of movable property of the kind mentioned in paragraph 3 of Article 22 may only be taxed in the Contracting State in which the personal property are taxable in accordance with that Article.

March . Gains from the alienation of any property other than that referred to in paragraphs 1 and 2 may only be taxed in the Contracting State of which the transferor .

article 14

FREELANCE WORK

1. Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless the regularly available as a fixed base in the other Contracting State to develop its activities. If he has such a fixed base, the income earned will be taxed in the other Contracting State , but only to the extent that it is attributable to that fixed base.

Two . The term "professional services " includes especially independent activities of scientific, literary, artistic, educational or training purposes as well as the independent activities of physicians , lawyers, engineers , architects, dentists and accountants.

article 15

DEPENDENT WORK

1. Notwithstanding the provisions of Articles 16, 18 and 19, salaries , wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is 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 may be taxed in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate one hundred and eighty three days in the course of the calendar year concerned ; and

b) the remuneration is paid by, or on behalf of , an employer 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 the employer has in the other State.

March . Notwithstanding the preceding provisions of this Article remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed in the Contracting State in which the place of effective management of the company is located .

article 16

DIRECTORS '

Shares and similar payments derived by a resident of a Contracting State receives 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.

article 17

Artistes and Athletes

1. Notwithstanding the provisions of Articles 14 and 15, income derived by public entertainers, such as theater artists , motion picture, radio or television, and musicians , and by athletes from their personal activities in that capacity , may be taxed in the Contracting State in which to act.

2 . Where income in respect of personal activities of an entertainer or an athlete in qualities such the perceived no personal entertainer or athlete but someone else own this income may be taxed , notwithstanding the provisions of articles 7 , 14 and 15 , in the Contracting State in which the act entertainer or athlete.

article 18

PENSION

Notwithstanding the provisions of paragraph 1of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in the performance of past employment shall be taxable only in that State.

article 19

PUBLIC SERVICE

1. A) Remuneration, other than a pension, paid by a Contracting State or a political subdivision or local authority thereof to an individual for services rendered to that State , political subdivision or local authority , shall be taxable only in this State .

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

i) Possess a national of that State; or

ii) has not become a resident of that State solely for the purpose of providing these services.

Two . A) Any pension paid by a Contracting State or a political subdivision or local authority thereof to an individual for services rendered to that State , political subdivision or local authority may only be taxed in that State.

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

Three . The provisions of Articles 15, 16 and 18 shall apply to remuneration and pensions in respect of services rendered in connection with an industrial or

trade by a Contracting State or a political subdivision or local authority .

article 20

STUDENTS

Payments which a student or a person trainees temporarily when in a Contracting State solely for the purpose of his education or training and who is or would have been immediately before that visit a resident of the other Contracting State , receives for maintenance, education or training shall not be taxed in the Contracting State referred to in the first place if such amounts paid from sources outside that State.

article 21

OTHER INCOME

1. Income of a resident of a Contracting State , whatever the origin thereof, not mentioned in the foregoing Articles of this Convention shall be taxable only in that State.

2 . The provisions of paragraph 1 shall not apply to income , other than from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State , carries on the other Contracting State an industrial or commercial activity through a permanent establishment situated therein, or performs professional services from a fixed base situated therein with which the right or property in which the rent is paid is effectively connected. In this case the provisions of Article 7 or Article 14 shall apply as appropriate.

article 22

HERITAGE

1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State may be taxed in that other State.

February . Capital represented by movable property forming part of the business property of a permanent establishment of a company or by movable property pertaining to a fixed used for the provision of independent work may be taxed in the Contracting State in which they are based located the permanent establishment or fixed base .

March . Capital represented by ships and aircraft that are subject to exploitation in international traffic and movable property attached to the operation of such ships or aircraft may only be taxed in the Contracting State in which is situated the place of effective management company .

4 . All other elements of capital of a resident of a Contracting State may be taxed in that State.

article 23

METHOD FOR THE AVOIDANCE OF DOUBLE TAXATION

. 1 Spain , double taxation shall be avoided as follows :

a) Where a resident of Spain derives income or owns assets that , in accordance with the provisions of this Convention , may be taxed in Czechoslovakia , Spain , subject to the provisions of paragraph b) of this paragraph , exempt such income or assets that

taxes, but when calculating the tax base of the remaining income or capital of that person , apply the rate of tax which would have been applicable if the exempted income or assets had not been exempted.

b) Spain , in setting tax residents may be included in the taxable amount of such taxes, the items of income which, in accordance with the provisions of Articles 10 and 12 of this Convention may also be taxed in Czechoslovakia. But Spain deducted from the amount of tax computed on that basis an amount equal to the tax paid in Czechoslovakia . However, the amount deducted shall not exceed the portion of the Spanish tax, as computed before the deduction corresponding to the income in accordance with the provisions of Articles 10 and 12 of this Convention, may have been taxed in Spain .

. 2 From Czechoslovakia the double taxation shall be avoided as follows :

a) Where a resident of Czechoslovakia derives income or owns assets that , in accordance with the provisions of this Convention , may be taxed in Spain , Czechoslovakia , subject to the provisions of paragraph b) of this paragraph , exempt the same income or the assets of taxes, but in calculating the tax base of the remaining income or capital of that person , apply the rate of tax which would have been applicable if the exempted income or assets have not been exempted .

b) Czechoslovakia , in setting taxes its residents , may include in the taxable amount of such taxes, the items of income which, in accordance with the provisions of Articles 10, 12 , 16 and 17 of this Convention may undergo Likewise taxed in Spain . But Czechoslovakia deducted from the amount of tax computed on that basis an amount equal to the tax paid in Spain . However, the amount deducted shall not exceed the portion of the Czechoslovak tax, as computed before the deduction attributable to the income which , in accordance with the provisions of Articles 10, 12 , 16 and 17 of this Convention , may have been taxed in Spain .

article 24

NO DISCRIMINATION

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 more burdensome than the taxation to which they are or may be subjected in the other State in the same circumstances .

February . Stateless persons who are residents of a Contracting State shall not be subjected in either Contracting State to any taxation or any requirement connected therewith which is more burdensome than those to which they are or may be subjected in the State concerned that they are in the same circumstances.

Three . A permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be taxed in that State less favorably than companies of that other State carrying on the same activities in the same manner.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal deductions , rebates and tax cuts that apply to its own residents on account of their civil status or family responsibilities .

April . Enterprises of a Contracting State , the capital, in whole or in

part, is owned or controlled , directly or indirectly , by one or more residents of the other Contracting State shall not be subject in the Contracting State referred to in paragraph 1 to any taxation or any requirement at the same other or more burdensome than the taxation to which they are or may be subjected in similar enterprises of the first-mentioned State .

May . Except that the provisions of paragraph 1 of Article applicable

9, paragraph 4 of Article 11, or paragraph 7 of Article 12 apply, interest , royalties and other payments paid by an enterprise of a Contracting State to a resident of the other Contracting State, shall, for the purpose of determining the taxable profits of the company, in the same conditions as if they had been

paid to a resident of the first. Analogously , the debts a company of a Contracting State has contracted with a resident of the other Contracting State shall, for the purposes of determining the taxable capital of such enterprise, in the same conditions as if they had been contracted by a resident of first-mentioned State .

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

article 25

Mutual Agreement Procedure

1. Where a resident of a Contracting State 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 these states , you can submit your case to the competent authority of the Contracting State of which he is a resident.

Two . This competent authority , if the objection appears but is unable to arrive at a satisfactory solution , will endeavor to resolve the case by mutual agreement with the competent authority of the other Contracting State , in order to avoid taxation not in accordance with this Convention.

March . Competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Convention. They may also consult together for the elimination of double taxation in cases not provided for in this Convention.

4 . The competent authorities of the Contracting States may communicate directly with each other , to achieve the agreements the previous paragraphs. When you consider that this agreement can be facilitated by personal contacts exchange of views shall be administered by a committee composed of representatives of the competent authorities of both Contracting States.

article 26

INFORMATION EXCHANGE

1. The competent authorities of the Contracting States shall exchange information necessary to implement the provisions of this Convention and the domestic law of the Contracting States concerning taxes covered by this Convention insofar as the taxation to required for it is not contrary to the Convention . Any information so exchanged shall be treated as secret and shall not be disclosed to any person or authority including holders of justice that is not concerned with the assessment or collection of the taxes covered by this Convention.

. 2 The provisions of paragraph 1, may in no circumstances be interpreted as imposing one another Contracting State the obligation:

a) Adopt contrary to law or administrative practice not to of either Contracting State administrative measures;

b) Communicate details that could not be obtained under normal legislation or administrative practice of either Contracting State. ;

c) Providing information that reveals trade , industrial , professional or commercial or industrial process, or information which would be contrary to public policy secrets.

article 27

DIPLOMATIC AND CONSULAR AGENTS

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

article 28

ENTRY INTO FORCE

1. The present Convention shall be ratified and the instruments of ratification shall be exchanged as soon as possible in Prague .

. 2 The Convention shall enter into force after the exchanged instruments of ratification and its provisions shall have effect :

a) in respect of taxes withheld at source , to amounts payable on or after January first of the calendar year next following that in which the Convention enters into force .

b) In respect of other taxes on income and taxes on capital, to taxes chargeable for the fiscal year beginning on or after January first of the calendar year following the one immediately in which the Convention enters into force .

article 29

COMPLAINT

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate this Convention , through diplomatic channels , by written notice of termination with at least six months before the end of any calendar year , after three years of the date of entry into force of this Convention. In such event, the Convention shall cease to have effect :

a) With regard to taxes levied by withholding tax in respect of amounts payable on or after January 1 of the calendar year following the year in which the notification was made ;

b) As regards other taxes on income and taxes on capital , for taxes chargeable for any fiscal year beginning on or after January 1 of the calendar year following the year in which the notification was made .

In witness whereof the undersigned, being duly authorized thereto, have signed this Convention.

Done in duplicate at Madrid on May 8, 1980 , in Spanish and Czech , both being equally authentic.

Pursuant to Article 28.2 thereof, this Convention entered into force on June 5, 1981 , the date of exchange of instruments of ratification held in Prague .

What is done to the general public knowledge. -Madrid , June 25, 1981 . - The

Technical Secretary General of the Ministry of Foreign Affairs, José Cuenca Anaya .