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convention

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**between the Swiss Confederation and the Republic of Tajikistan for the avoidance of double taxation
with respect to taxes on income and on capital**

Signed June 23, 2010

Approved by the Federal Parliament 17 June 2011

Instruments of ratification exchanged October 26, 2011

Entered into force October 26, 2011

(Status as of 26 October 2011)

The Swiss Confederation and

the Government of Tajikistan

wishing to develop and strengthen economic , scientific and technical cooperation between the two countries , and for this purpose to conclude a convention for the avoidance of double taxation with respect to taxes on income and on capital,

have agreed as follows :

Art . 1 Persons Covered

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

Art . 2 Taxes Covered

- 1. The present Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State, its political subdivisions or local authorities, irrespective of the collection system .**
- 2 . Shall be regarded as taxes on income and on capital all taxes imposed on total income , on total capital, or on elements of income or of capital , including taxes on gains from the alienation of mobile or immovable property , taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital gains .**

. 3 The existing taxes to which the Convention shall apply are:

a) Tajikistan :

- Taxes on income of legal persons ,**
- Taxes on personal income ,**

RO 2011 5055 ; FF 2010 5295

1 Translation of the original German text (AS 2011 5055) .

2 RO 2011 5053

- Taxes on wealth of natural and legal persons (hereinafter referred to as " Tajik tax ");

b) in Switzerland:

federal, cantonal and communal taxes

- Income (total income , work product , return on assets , industrial and commercial profits , capital gains and other income) and

- The capital (total , movable and immovable property , business assets , capital and reserves and other elements of capital)

(hereinafter referred to as " Swiss tax ").

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place . The competent authorities of the Contracting States shall notify substantial changes in their respective taxation laws.

The Convention 5. Shall not apply to withholding taxes levied on lottery winnings.

Art . 3 General Definitions

1. The purposes of this Convention, unless the context requires a different interpretation ,

a) the terms "a Contracting State" and "the other Contracting State" mean , as the context requires , Tajikistan and Switzerland ;

b) the term " Tajikistan " means the Republic of Tajikistan , and used in a geographical sense, the territory of the Republic of Tajikistan in accordance with international law;

c) the term "Switzerland" means the Swiss Confederation;

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

e) the term "company" means any body corporate or entity which is treated as a body 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 operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated that between places in the other Contracting State ;

h) the term "national" means :

- Any individual possessing the nationality of a Contracting State ,

- Any legal person, partnership and other group of persons organized under the laws in force in a Contracting State;

i) the term "competent authority" means:

- Tajikistan Ministry of Finance or his authorized representative ,
- In Switzerland the Director of the Federal Tax Administration or his authorized representative.

2 . For the purposes of the Convention at any time by a Contracting State, any term which is not defined has , unless the context requires a different interpretation , the meaning that it has at that time under the law of that State concerning the taxes to which the Convention applies, the meaning assigned to such term under the tax laws of that State prevailing over a meaning given to the other branches of the law of that State.

Art . 4 Resident

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 , 1. For the purposes of this Convention of residence, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. However, this term does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein .

2 . Where, under the provisions of s. 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 ; if he has a permanent home available in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (center of vital interests);

b) if the State in which he has his center of vital interests can not be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode for more than 90 days;

c) if the individual has an habitual abode in both States or if it has an habitual abode in any of them , it is considered a resident only of the State of which he is a national ;

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

3. Where under the provisions of s. 1 a person other than an individual is a resident of both Contracting States, he shall be deemed to be a resident of the State in which its place of effective management is situated.

Art . 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 ; and**
- f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources .**

3 . A building site or construction or installation project or supervisory activities related to these sites does not constitute a permanent establishment only if it lasts more than 12 months.

. 4 Notwithstanding the preceding provisions of this article, we consider that there is no " permanent establishment" :

- a) The use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;**
- b) merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;**
- c) merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;**
- d) a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;**
- e) a fixed place of business solely for the purpose of making publicity for the company to provide information , to scientific research or for similar activities which are preparatory or auxiliary activities ;**
- f) an installation is performed by an enterprise of a Contracting State in the other Contracting State in connection with the delivery of machinery or equipment produced by this State;**
- g) a fixed place of business solely for any combination of activities mentioned in letters . a) to f) , provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character .**

5 Notwithstanding the provisions of . Para. 1 and 2, where a person - other agent of an independent status as an agent to which s. 6 - acting on behalf of an enterprise and has in a Contracting State and habitually exercises authority to conclude contracts in the name of the enterprise , that enterprise shall be deemed to have a permanent establishment in that State in any activities which that person undertakes for the enterprise , unless the activities of such person are limited to those mentioned in s. 4 which, if exercised through a fixed place of business , would not make this fixed place of business a permanent establishment under the provisions of this paragraph.

Is not deemed to have a permanent establishment in a Contracting State merely because it carries on business through a court -tier , general commission agent or any other agent agent 6 . A business an independent status , provided that such persons are acting in the ordinary course of their business.

Company 7 . The fact that that is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business (whether by means of state a permanent establishment or otherwise) is not sufficient in itself to make any company a permanent establishment of the other.

Art . 6 Income Property

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 .

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

3 . Provisions of s. 1 shall apply to income derived from the direct use, letting or leasing , as well as any other form of exploitation of real estate.

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

Art . 7 Business Profits

- 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, State located . 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 .**
- 2 . Subject to the provisions of s. 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, this property steady profits he could make if it were a distinct and separate enterprise engaged in the same or similar activities under the conditions identical or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment .**
- 3 . Determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment , in-cluding the allocation of executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.**
- 4. It has been customary in a Contracting State to determine the profits attributable to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph . 2 shall preclude that Contracting State from determining taxable according to the distribution in use state benefits ; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this article.**
- 5. No profits shall be attributed to a permanent establishment by reason of the mere purchase of goods for the company.**
- 6 . Purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined each year by the same method , unless there is good and sufficient reason to the contrary.**

The provisions of those Articles shall not be affected by the provisions of this Article 7. Where profits include items of income which are dealt with separately in other Articles of this Convention.

Art . 8 International Traffic

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

2 . If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State where the home port of the vessel, or failing homeport , in the Contracting State of which the operator of the ship is a resident.

3 . Provisions of s. 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

Art . 9 Associated Enterprises

When 1 . :

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 which conditions are made or imposed , which differ from those which would be made between independent enterprises, then any profits which would , but for those conditions , have been made by one of the companies but could be by reason of those conditions, may be included in the profits of that enterprise and taxed accordingly.

2 . Where profits on which an enterprise of a Contracting State has been charged to tax in that State are also included in the profits of an enterprise of the other Contracting State and taxed accordingly , and the profits so included are profits which would have accrued to that enterprise of the other State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, the competent authorities of the Contracting States may consult together to reach agreement on adjustments to benefits in both Contracting States.

Art . 10 Dividends

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

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% of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 20% of the capital of the company paying the dividends;
- b) 15% of the gross amount of the dividends in all other cases .

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

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

3 . The term "dividends " as used in this Article means income from shares or other beneficiaries to share in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company is a resident.

4. The provisions of s. 1 and 2 shall not apply if the beneficial owner of the dividends , being a resident of a Contracting State , carries on business in the other Contracting State of which the company paying the dividends is a resident, through a trade or business through a permanent establishment situated therein , or an independent personal services from a fixed base situated therein, and the generator participation dividends are paid is effectively connected . In this case, the provisions of art . 7 (Business Profits) or art . 14 (Professions inde-pendent) , as the case may be, shall apply .

Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State 5. , That other State may not impose any tax on the dividends paid by the company, except insofar as these dividends are paid to a resident of that other State or insofar as the holding in paid is effectively connected with a permanent establishment or a fixed base situated in that other State , nor subject , under the tax earnings, on the undistributed profits 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.

Art . 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 .

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 10% of the gross amount of the interest.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3 . Notwithstanding the provisions of s. 2, interest arising in a Contracting State and paid to a resident of the other Contracting State is the beneficial owner thereof shall be taxable only in that other State to the extent that such interest is paid :

- a) in connection with the sale on credit of any industrial, commercial or scientific equipment;**
- b) in connection with the sale on credit of goods from one company to another company ;**
- c) on any loan granted by a bank ; or**
- d) in the other Contracting State, any of its political subdivisions or local authorities.**

4. The term " interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage or a right to participate in the debtor's profits , and in particular, income from government securities and bonds debentures, including premiums and prizes attaching to such securities. Penalty charges for late payment shall not be regarded as interest for the purposes of this article.

The provisions of paragraphs . 5. 1, 2 and 3 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 of which the interest arises , an industrial or commercial activity through a permanent establishment situated therein , an inde-pendent personal services from a fixed base situated therein , and the debt-claim interest is effectively connected . In this case, the provisions of art . 7 (business profits) or art . 14 (Independent Personal Services), as the case may be, shall apply .

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 he is a resident of a Contracting State, has in a Contracting State a permanent establishment state, or a fixed base in which the debt giving rise to the interest payment was incurred and borne by those interests, they are considered as originating in the State in which the permanent establishment or fixed base is situated.

7 . Where, by reason of a special relationship between the payer and the actual beneficiary or both of them and some other person, third person, the amount of the interest , having regard to the claim for which they are paid , exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last . In this case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard to the provisions of this Convention.

Art . 12 Royalties

- 1. Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State may be taxed in that other State .**
- . 2 However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State; but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 5% of the gross amount of the royalties.**

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3 . The term "royalties" as used in this Article means payments of any kind for use, the right to use a copyright in a literary, artistic or scientific work including films cinematographic goods and films or tapes for radio and television, a patent, trademark or trade mark, design or model , plan , secret formula or secret formula or process , or for information relating to an experience in the commercial or industrial, scientific .

4. The provisions of s. 1 and 2 shall not apply if the holder of the licen this resident of a Contracting State, carries on business in the other Contracting provien - NEET the royalties or a trade or business through a permanent establishment situated therein, or performs professional services from a fixed base situated therein and the right or property in respect of royalties is effectively connected . In this case, the provisions of art . 7 (Business Profits) or art . 14 (Independent Personal Services), as the case may be, shall apply .

5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. However, the person paying the royalties, whether he is a resident of a Contracting State , has in a Contracting State a permanent establishment or a fixed base , which attaches the obligation to pay the fees and support charge fees , they are deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

6 . Where, by reason of a special relationship between the payer and the actual beneficiary or both of them and some other person, third person, the amount of the royalties , having regard to the information for which they are exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last . In this case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard to the provisions of this Convention.

Art . 13 Capital gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in art . 6 (Income from Real Property) and situated in the other Contracting State may be taxed in that other State.

2 . 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 base fixed 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 of the enterprise) or of such fixed base, may be taxed in that other State.

3 . Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or air- ships , shall be taxable only in the Contracting State in which the place of effective management the company is located .

4. Gains from the alienation of shares in a company whose fortune consists directly or indirectly principally of immovable property situated in a Contracting State may be taxed in that State.

Gains from the alienation of any property other than that referred to in paragraphs 5. . 1 ,

2, 3 and 4 shall be taxable only in the Contracting State of which the alienator is a resident.

Art . 14 Independent Personal Services

1 . Income derived by a resident of a Contracting State of professional services or other activities of an independent character shall be taxable only in that State unless the resident has the usual way in the other State Contracting a fixed base for the conduct of its business . If he has such a fixed base, the income may be taxed in the other State but only so much of them as is attributable to that fixed base .

2 . The term "professional services" includes especially inde-pendent scientific, literary, artistic , educational or teaching activities as well as the independent activities of physicians, lawyers , engineers, architects , dentists and accountants .

Art . 15 Income from employment

1. Subject to the provisions of art . 16 (Directors' Fees) , 18 (Pensions) and 19 (public func -tions) , 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 s. 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 aggregate 183 days in the fiscal 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.**

3 . 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 the company is located .

Art . 16 Directors' Fees

Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or supervisory board or a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State .

Art . 17 Artistes and Athletes

- 1. Notwithstanding the provisions of art . 14 (Independent Personal Services) and 15 (Reve - naked employment), income derived by a resident of a Contracting State from his personal activities as such exercised in the other Contracting State as an entertainer state, such that an artist of theater, film , radio or television , or a musician , or as an athlete , may be taxed in that other State .**
- 2 . Where income in respect of an entertainer or athlete are exercised personally and in his capacity as such accrues not to the entertainer or sportsman himself but to another person , that income may, notwithstanding the provisions of art . 7 (Business Profits), 14 (Independent Personal Services) and**

3. **15 (Employment) in the Contracting State in which the activities of the entertainer or sportsman are exercised. The provisions of this paragraph shall not apply if**
4. **is established that neither the entertainer or the sportsperson nor persons associated with him are taking part directly in the profits of that person.**

Art . 18 Pensions

14 (Independent Personal Services) and 15 (Reve - naked employment) , income derived by a resident of a Contracting State from his personal activities as such exercised in the other Contracting State as an entertainer state, such that an artist of theater, film , radio or television , or a musician , or as an athlete , may be taxed in that other State .

2 . Where income in respect of an entertainer or athlete are exercised personally and in his capacity as such accrues not to the entertainer or sportsman himself but to another person , that income may, notwithstanding the provisions of art . 7 (Business Profits), 14 (Independent Personal Services) and

15 (Employment) in the Contracting State in which the activities of the entertainer or sportsman are exercised. The provisions of this paragraph shall not apply if

is established that neither the entertainer or the sportsperson nor persons associated with him are taking part directly in the profits of that person.

Art . 18 Pensions

Subject to the provisions of s. 2 of Art . 19 (Government Service), pensions and other similar remuneration paid to a resident of a Contracting State in respect of past employment shall be taxable only in that State .

Art . 19 public functions

1. A) Salaries, wages and other similar remuneration , other than a pension , paid by a Contracting State or one of its policies subdivisions or local authorities to a natural person in respect of services rendered to that State or subdivision or authority shall be taxable only 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:

- A national of that State;**
- Did not become a resident of that State solely for the purpose of rendering the services .**

2 . A) Any pension paid by a Contracting State or a political subdivision or a local authority , either directly or by means of funds created to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

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

3 . Provisions of art . 15 (employment income) , 16 (Directors' Fees) and 18 (Pensions) shall apply to salaries , wages and other similar remuneration and to pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or local communities State.

Art . 20 Students

Payments which a student or business apprentice 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 receives for the purpose of his maintenance, education or training shall not be taxed in that State , provided that they come from sources outside that State.

Art . 21 Other income

1. Items of income of a resident of a Contracting State , wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

2 . Provisions of s. 1 shall not apply to income , other than income from immovable property as defined in s. 2 of Art . 6 (Income from Real Property) , if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a trade or business through a permanent establishment situated therein , or performs independent using a fixed base situated therein and the right or property generator of income is effectively connected . In this case, the provisions of art . 7 (Business Profits) or art . 14 (Independent Personal Services) shall apply .

Art . 22 Fortune

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

2 . Capital represented by 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 by movable property pertaining to a fixed base a resident of a Contracting State in the other Contracting State for the performance of independent personal services , may be taxed in that other State .

3 . Capital represented by ships and aircraft operated in international traffic and by movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of effective management carried tive of the enterprise is situated .

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Art . 23 Elimination of double taxation

1. Regarding Tajikistan , double taxation shall be avoided as follows:

a) Where a resident of Tajikistan derives income or owns fortune which, in accordance with the provisions of this Convention , may be taxed in Switzerland , Tajikistan grants :

- The tax it levies on the income of that resident , a deduction of an amount equal to the income tax paid in Switzerland ;
- The tax it levies on the capital of that resident, a deduction of an amount equal to the capital tax paid in Switzerland.

This deduction may not exceed the portion of the income tax or capital tax as computed before the deduction corresponding to the income or taxable wealth in Switzerland .

b) Where, pursuant to this Convention , income derived by a resident of Tajikistan derived or capital owned by tax exempt in this state , Tajikistan may nevertheless, in calculating the amount of tax remaining income or capital of such resident, take into account the income or capital exempted.

. 2 As regards Switzerland , double taxation shall be avoided as follows:

a) Where a resident of Switzerland derives income or owns capital which, in accordance with the provisions of this Convention , may be taxed in Tajikistan , Switzerland shall exempt such income or capital , subject to the provisions of let . b), but may, in calculating the amount of tax on the remaining income or capital of such resident apply the same rate as if the income or assets concerned had not been exempted. However, this exemption does not apply to gains under s. 4 of Art . 13 (Capital Gains) after justification of the effective taxation of these gains in Tajikistan.

b) Where a resident of Switzerland derives dividends, interest or royalties, which, in accordance with art . 10 (Dividends)

11 (Interest) or 12 (Royalties) shall be taxable in Tajikistan , Switzerland grant relief to such resident upon request. the relief

is :

- A deduction of the tax paid in Tajikistan in accordance with the provisions of art . 10 (Dividends) , **11 (Interest) and 12 (Royalties)** , the tax on the income of that resident ; such deduction shall not, however , exceed that part of the Swiss tax, as computed before the deduction corresponding to taxable income in Tajikistan, or
- A lump sum reduction of the Swiss tax , or
- A partial exemption of dividends, interest or royalties for the Swiss tax, at least in a deduction of the tax paid in Tajikistan the gross amount of dividends, interest or royalties .

Switzerland shall determine the applicable relief and regulate the procedure in accordance with the Swiss provisions relating to the implementation of international agreements concluded by the Confederation for the avoidance of double taxation .

c) A company which is a resident of Switzerland derives dividends from a company which is a resident of Tajikistan shall, for the purposes of Swiss tax on such dividends, the same advantages as those which would be granted if the company paying the dividends were a resident of Switzerland .

Art . 24 Non- 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 those which are or may be subjected nationals of that other State who are in the same situation,

particularly with regard to the residence. This provision shall, notwithstanding the provisions of art . 1 (Personal Scope) persons who are not residents of one or both of the Contracting States.

2 . The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be levied in that other State less favorably than the taxation levied on enterprises of that other State carrying on the same activities. 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 on account of civil status or family responsibilities which it grants to its own residents state .

3 . Unless the provisions of s. 1 of Art . 9 (Associated Enterprises) , s. 7 of art . 11 (Interest) , or paragraph . 6 of art . 12 (Royalties) are applicable , interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the determination of the taxable profits of such enterprise, under the same conditions as if they had been paid to a resident of the first State. Similarly , any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for determining the taxable capital of such enterprise , under the same conditions as if they had been contracted to a resident the first State.

4. Enterprises of a Contracting State, the capital of which is wholly or in part, directly or indirectly owned or controlled by one or more residents of the other Contracting State shall not be subjected in the first-mentioned State to any taxation or requirement connected therewith which is other or more burdensome than are or may be subjected other similar enterprises of the first State .

The provisions of this Article 5. Shall, notwithstanding the provisions of art . 2 (Taxes Covered), to taxes of every kind and description.

Art . 25 Mutual Agreement Procedure

When a person 1. Considers that the measures taken by a Contracting State or both of the Contracting States result or will result for him not in accordance with the provisions of this Convention taxation, it may, 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 . 1 of Art . 24 (Non- discrimination) , to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

2 . The competent authority shall endeavor , if the objection appears to be based and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the authority competent authority of the other Contracting State, in order to avoid a non- compliance with the Convention taxation.

3 . 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 the Convention. They may also consult together for the elimination of double taxation in cases not provided for by the Convention.

4. The competent authorities of the Contracting States may communicate directly with each other to reach an agreement as described in the preceding paragraphs.

Art . 26 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.

Art . 27 Entry into force

1. This Convention shall be ratified and the instruments of ratification shall be exchanged as soon as possible.

. 2 This Convention shall enter into force upon the exchange of instruments of ratification and its provisions shall apply:

a) in respect of taxes withheld at source on income credited or paid on or after 1 January in the calendar year following the entry into force of the Convention, or after that date;

b) in respect of other taxes for any tax year beginning

January 1 of the calendar year following the entry into force of the Convention, or after that date.

Art . 28 Termination

This Convention shall remain in force until it has been terminated by a Contracting State. Each Contracting State may terminate the Convention , through diplomatic channels at least six

months' notice before the end of each calendar year. In this case, the Convention shall cease to have effect:

a) in respect of taxes withheld at source on income credited or paid on or after 1 January in the calendar year following the termination, or after that date;

b) in respect of other taxes for any tax year beginning

January 1 of the calendar year following the termination or after that date.

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

Convention.

Done in duplicate at Duschanbe , June 23, 2010 , Russian and German languages English , Tajik , each text being equally authentic. In case of different interpretations the German, Tajik and Russian texts, the English text shall prevail.

for

Swiss Confederation:

for

Republic of Tajikistan :

Stephan Nellen Safarali Mahsuddinovich Najmiddinov

protocol

The Swiss Confederation and

the Republic of Tajikistan

agreed at the signing in Duschanbe , June 23, 2010 , the Agreement between the two States for the avoidance of double taxation with respect to taxes on income and on capital, the following provisions shall form an integral part of this Convention:

1. Ad art . 7

With regard to para. 1 and 2 of Art . 7 (Business Profits) , it is understood that where an enterprise of a Contracting State sells goods or merchandise or carries on business in the other Contracting State through a permanent establishment is located , the profits of that permanent establishment shall not be determined based on the total amount received by the company, but only on the part of the amount attributable to the actual activity of the permanent establishment for such sales or this activity.

In the case of contracts for the survey , supply , installation or construction equipment or industrial, commercial or scientific , or public works, when the enterprise has a permanent establishment , the profits of the permanent establishment are not determined based on the total amount of the contract , but only on the basis of the proportion of the contract which is effectively carried out by the permanent establishment in the Contracting State in which the permanent establishment is situated.

The profits related to that part of the contract executed by the main office of the company shall be taxable only in the Contracting State of which the enterprise is a resident.

2 . Ad art . 7 and 12

It is understood that the remuneration in respect of the use or right to use industrial , commercial or scientific equipment constitute business profits within the meaning of art . 7 .

3 . Ad art . 18 and 19

It is understood that the term "pensions " used in art . 18 and 19 not only covers periodic payments but the lump sum payments.

Done in duplicate at Duschanbe , June 23, 2010 , Russian and German languages English , Tajik , each text being equally authentic. If could interpret : differente ion German , Tajik and Russian texts, the English text shall prevail.

for

Confederation Suisse Stephan Nellen

for

Republic of Tajikistan:

Safarali Mahsuddinovich NajmiddinovSubject to the provisions of s. 2 of Art . 19 (Government Service), pensions and other similar remuneration paid to a resident of a Contracting State in respect of past employment shall be taxable only in that State .

14 (Independent Personal Services) and 15 (Reve - naked employment) , income derived by a resident of a Contracting State from his personal activities as such exercised in the other Contracting State as an entertainer state, such that an artist of theater, film , radio or television , or a musician , or as an athlete , may be taxed in that other State .

2 . Where income in respect of an entertainer or athlete are exercised personally and in his capacity as such accrues not to the entertainer or sportsman himself but to another person , that income may, notwithstanding the provisions of art . 7 (Business Profits), 14 (Independent Personal Services) and

5 (Employment) in the Contracting State in which the activities of the entertainer or sportsman are exercised. The provisions of this paragraph shall not apply if

s established that neither the entertainer or the sportsperson nor persons associated with him are taking part directly in the profits of that person.

Art . 18 Pensions

Subject to the provisions of s. 2 of Art . 19 (Government Service), pensions and other similar remuneration paid to a resident of a Contracting State in respect of past employment shall be taxable only in that State .

Art . 19 public functions

. A) Salaries, wages and other similar remuneration , other than a pension , paid by a Contracting State or one of its policies subdivisions or local authorities to a natural person in respect of services rendered to that State or subdivision or authority shall be taxable only 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:

- A national of that State;

- Did not become a resident of that State solely for the purpose of rendering the services .

2 . A) Any pension paid by a Contracting State or a political subdivision or a local authority , either directly or by means of funds created to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

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

3 . Provisions of art . 15 (employment income) , 16 (Directors' Fees) and 18 (Pensions) shall apply to salaries , wages and other similar remuneration and to pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or local com-munities State.

Art . 20 Students

Payments which a student or business apprentice 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 receives for the purpose of his maintenance, education or training shall not be taxed in that State , provided that they come from sources outside that State.

Art . 21 Other income

1. Items of income of a resident of a Contracting State , wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

2 . Provisions of s. 1 shall not apply to income , other than income from immovable property as defined in s. 2 of Art . 6 (Income from Real Property) , if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a trade or business through a permanent establishment situated therein , or performs independent using a fixed base situated therein and the right or property generator of income is effectively connected . In this case, the provisions of art . 7 (Business Profits) or art . 14 (Independent Personal Services) shall apply .

Art . 22 Fortune

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

2 . Capital represented by 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 by movable property pertaining to a fixed base a resident of a Contracting State in the other

Contracting State for the performance of independent personal services , may be taxed in that other State .

3 . Capital represented by ships and aircraft operated in international traffic and by movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of effective management carried tive of the enterprise is situated .

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Art . 23 Elimination of double taxation

1. Regarding Tajikistan , double taxation shall be avoided as follows:

a) Where a resident of Tajikistan derives income or owns fortune which, in accordance with the provisions of this Convention , may be taxed in Switzerland , Tajikistan grants :

- The tax it levies on the income of that resident , a deduction of an amount equal to the income tax paid in Switzerland ;**
- The tax it levies on the capital of that resident, a deduction of an amount equal to the capital tax paid in Switzerland.**

This deduction may not exceed the portion of the income tax or capital tax as computed before the deduction corresponding to the income or taxable wealth in Switzerland .

b) Where, pursuant to this Convention , income derived by a resident of Tajikistan derived or capital owned by tax exempt in this state , Tajikistan may nevertheless, in calculating the amount of tax remaining income or capital of such resident, take into account the income or capital exempted.

. 2 As regards Switzerland , double taxation shall be avoided as follows:

a) Where a resident of Switzerland derives income or owns capital which, in accordance with the provisions of this Convention , may be taxed in Tajikistan , Switzerland shall exempt such income or capital , subject to the provisions of let . b), but may, in calculating the amount of tax on the remaining income or capital of such resident apply the same rate as if the income or assets concerned had not been exempted. However, this exemption does not apply to gains under s. 4 of Art . 13 (Capital Gains) after justification of the effective taxation of these gains in Tajikistan.

b) Where a resident of Switzerland derives dividends, interest or royalties, which, in accordance with art . 10 (Dividends)

11 (Interest) or 12 (Royalties) shall be taxable in Tajikistan , Switzerland grant relief to such resident upon request. the relief

is :

- A deduction of the tax paid in Tajikistan in accordance with the provisions of art . 10 Dividends) , 11 (Interest) and 12 (Royalties) , the tax on the income of that resident ; such deduction shall not, however , exceed that part of the Swiss tax, as computed before the deduction corresponding to taxable income in Tajikistan, or**
- A lump sum reduction of the Swiss tax , or**
- A partial exemption of dividends, interest or royalties for the Swiss tax, at least in a deduction of the tax paid in Tajikistan the gross amount of dividends, interest or royalties .**

Switzerland shall determine the applicable relief and regulate the procedure in accordance with the Swiss provisions relating to the implementation of international agreements concluded by the Confederation for the avoidance of double taxation .

c) A company which is a resident of Switzerland derives dividends from a company which is a resident of Tajikistan shall, for the purposes of Swiss tax on such dividends, the same advantages as those which would be granted if the company paying the dividends were a resident of Switzerland .

Art . 24 Non- 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 those which are or may be subjected nationals of that other State who are in the same situation, particularly with regard to the residence. This provision shall, notwithstanding the provisions of art . 1 (Personal Scope) persons who are not residents of one or both of the Contracting States.

2 . The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be levied in that other State less favorably than the taxation levied on enterprises of that other State carrying on the same activities. 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 on account of civil status or family responsibilities which it grants to its own residents state .

3 . Unless the provisions of s. 1 of Art . 9 (Associated Enterprises) , s. 7 of art . 11 (Interest) , or paragraph . 6 of art . 12 (Royalties) are applicable , interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the determination of the taxable profits of such enterprise, under the same conditions as if they had been paid to a resident of the first State. Similarly , any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for determining the taxable capital of such enterprise , under the same conditions as if they had been contracted to a resident the first State.

4. Enterprises of a Contracting State, the capital of which is wholly or in part, directly or indirectly owned or controlled by one or more residents of the other Contracting State shall not be subjected in the first-mentioned State to any taxation or requirement connected therewith which is other or more burdensome than are or may be subjected other similar enterprises of the first State .

The provisions of this Article 5. Shall, notwithstanding the provisions of art . 2 (Taxes Covered), to taxes of every kind and description.

Art . 25 Mutual Agreement Procedure

When a person 1. Considers that the measures taken by a Contracting State or both of the Contracting States result or will result for him not in accordance with the provisions of this Convention taxation, it may, 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 . 1 of Art . 24 (Non- discrimination) , to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

2 . The competent authority shall endeavor , if the objection appears to be based and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the authority competent authority of the other Contracting State, in order to avoid a non-compliance with the Convention taxation.

3 . 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 the Convention. They may also consult together for the elimination of double taxation in cases not provided for by the Convention.

4. The competent authorities of the Contracting States may communicate directly with each other to reach an agreement as described in the preceding paragraphs.

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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.

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January 1 of the calendar year following the entry into force of the Convention, or after that date.

Art . 28 Termination

This Convention shall remain in force until it has been terminated by a Contracting State. Each Contracting State may terminate the Convention , through diplomatic channels at least six months' notice before the end of each calendar year. In this case, the Convention shall cease to have effect:

a) in respect of taxes withheld at source on income credited or paid on or after 1 January in the calendar year following the termination, or after that date;

b) in respect of other taxes for any tax year beginning

January 1 of the calendar year following the termination or after that date.

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

Done in duplicate at Duschanbe , June 23, 2010 , Russian and German languages English , Tajik , each text being equally authentic. In case of different interpretations the German, Tajik and Russian texts, the English text shall prevail.

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Swiss Confederation:

for

Republic of Tajikistan :

Stephan Nellen Safarali Mahsuddinovich Najmuddinov

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The Swiss Confederation and

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1. Ad art . 7

With regard to para. 1 and 2 of Art . 7 (Business Profits) , it is understood that where an enterprise of a Contracting State sells goods or merchandise or carries on business in the other Contracting State through a permanent establishment is located , the profits of that permanent establishment shall not be determined based on the total amount received by the company, but only on the part of the amount attributable to the actual activity of the permanent establishment for such sales or this activity.

In the case of contracts for the survey , supply , installation or construction equipment or industrial, commercial or scientific , or public works, when the enterprise has a permanent establishment , the profits of the permanent establishment are not determined based on the total amount of the contract , but only on the basis of the proportion of the contract which is effectively carried out by the permanent establishment in the Contracting State in which the permanent establishment is situated.

The profits related to that part of the contract executed by the main office of the company shall be taxable only in the Contracting State of which the enterprise is a resident.

2 . Ad art . 7 and 12

It is understood that the remuneration in respect of the use or right to use industrial , commercial or scientific equipment constitute business profits within the meaning of art . 7 .

3 . Ad art . 18 and 19

It is understood that the term "pensions " used in art . 18 and 19 not only covers periodic payments but the lump sum payments.

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for

Confederation Suisse Stephan Nellen

6. for
7. Republic of Tajikistan:
- 8.
9. Safarali Mabsuddinovich NajmiddinovArt . 19 public functions
10. 1. A) Salaries, wages and other similar remuneration , other than a pension , paid by a Contracting State or one of its policies subdivisions or local authorities to a natural person in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
11. 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:
12. - A national of that State;
13. - Did not become a resident of that State solely for the purpose of rendering the services .
- 14.
- 15.
16. 2 . A) Any pension paid by a Contracting State or a political subdivision or a local authority , either directly or by means of funds created to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
17. b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of that state and has the nationality state.
18. 3 . Provisions of art . 15 (employment income) , 16 (Directors' Fees) and 18 (Pensions) shall apply to salaries , wages and other similar remuneration and to pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or local com-munities State.
- 19.
20. Art . 20 Students
21. Payments which a student or business apprentice 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 receives for the purpose of his maintenance, education or training shall not be taxed in that State , provided that they come from sources outside that State.

22.

23. Art . 21 Other income

24. 1. Items of income of a resident of a Contracting State , wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

25. 2 . Provisions of s. 1 shall not apply to income , other than income from immovable property as defined in s. 2 of Art . 6 (Income from Real Property) , if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a trade or business through a permanent establishment situated therein , or performs inde-pendent using a fixed base situated therein and the right or property generator of income is effectively connected . In this case, the provisions of art . 7 (Business Profits) or art . 14 (Independent Personal Services) shall apply .

26.

27. Art . 22 Fortune

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

29.

30.

31. 2 . Capital represented by 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 by movable property pertaining to a fixed base a resident of a Contracting State in the other Contracting State for the performance of independent personal services , may be taxed in that other State .

32. 3 . Capital represented by ships and aircraft operated in international traffic and by movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of effective management carried tive of the enterprise is situated .

33. 4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

34.

35. Art . 23 Elimination of double taxation

36. 1. Regarding Tajikistan , double taxation shall be avoided as follows:

37. a) Where a resident of Tajikistan derives income or owns fortune which, in accordance with the provisions of this Convention , may be taxed in Switzerland , Tajikistan grants :

38. - The tax it levies on the income of that resident , a deduction of an amount equal to the income tax paid in Switzerland ;

39. - The tax it levies on the capital of that resident, a deduction of an amount equal to the capital tax paid in Switzerland.

40. This deduction may not exceed the portion of the income tax or capital tax as computed before the deduction corresponding to the income or taxable wealth in Switzerland .
41. b) Where, pursuant to this Convention , income derived by a resident of Tajikistan derived or capital owned by tax exempt in this state , Tajikistan may nevertheless, in calculating the amount of tax remaining income or capital of such resident, take into account the income or capital exempted.
42. . 2 As regards Switzerland , double taxation shall be avoided as follows:
43. a) Where a resident of Switzerland derives income or owns capital which, in accordance with the provisions of this Convention , may be taxed in Tajikistan , Switzerland shall exempt such income or capital , subject to the provisions of let . b), but may, in calculating the amount of tax on the remaining income or capital of such resident apply the same rate as if the income or assets concerned had not been exempted. However, this exemption does not apply to gains under s. 4 of Art . 13 (Capital Gains) after justification of the effective taxation of these gains in Tajikistan.
- 44.
- 45.
46. b) Where a resident of Switzerland derives dividends, interest or royalties, which, in accordance with art . 10 (Dividends)
47. 11 (Interest) or 12 (Royalties) shall be taxable in Tajikistan , Switzerland grant relief to such resident upon request. the relief
48. is :
49. - A deduction of the tax paid in Tajikistan in accordance with the provisions of art . 10 (Dividends) , 11 (Interest) and 12 (Royalties) , the tax on the income of that resident ; such deduction shall not, however , exceed that part of the Swiss tax, as computed before the deduction corresponding to taxable income in Tajikistan, or
50. - A lump sum reduction of the Swiss tax , or
51. - A partial exemption of dividends, interest or royalties for the Swiss tax, at least in a deduction of the tax paid in Tajikistan the gross amount of dividends, interest or royalties .
52. Switzerland shall determine the applicable relief and regulate the procedure in accordance with the Swiss provisions relating to the implementation of international agreements concluded by the Confederation for the avoidance of double taxation .
53. c) A company which is a resident of Switzerland derives dividends from a company which is a resident of Tajikistan shall, for the purposes of Swiss tax on such dividends, the same advantages as those which would be granted if the company paying the dividends were a resident of Switzerland .
- 54.
55. Art . 24 Non- discrimination
56. 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 those which are or may be subjected nationals of that other State who are in the same situation, particularly with regard to the residence. This provision shall, notwithstanding the

provisions of art . 1 (Personal Scope) persons who are not residents of one or both of the Contracting States.

57. 2 . The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be levied in that other State less favorably than the taxation levied on enterprises of that other State carrying on the same activities. 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 on account of civil status or family responsibilities which it grants to its own residents state .

58.

59.

60. 3 . Unless the provisions of s. 1 of Art . 9 (Associated Enterprises) , s. 7 of art . 11 (Interest) , or paragraph . 6 of art . 12 (Royalties) are applicable , interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the determination of the taxable profits of such enterprise, under the same conditions as if they had been paid to a resident of the first State. Similarly , any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for determining the taxable capital of such enterprise , under the same conditions as if they had been contracted to a resident the first State.

61. 4. Enterprises of a Contracting State, the capital of which is wholly or in part, directly or indirectly owned or controlled by one or more residents of the other Contracting State shall not be subjected in the first-mentioned State to any taxation or requirement connected therewith which is other or more burdensome than are or may be subjected other similar enterprises of the first State .

62. The provisions of this Article 5. Shall, notwithstanding the provisions of art . 2 (Taxes Covered), to taxes of every kind and description.

63.

64. Art . 25 Mutual Agreement Procedure

65. When a person 1. Considers that the measures taken by a Contracting State or both of the Contracting States result or will result for him not in accordance with the provisions of this Convention taxation, it may, 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 . 1 of Art . 24 (Non- discrimination) , to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

66. 2 . The competent authority shall endeavor , if the objection appears to be based and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the authority competent authority of the other Contracting State, in order to avoid a non- compliance with the Convention taxation.

67. 3 . 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 the

Convention. They may also consult together for the elimination of double taxation in cases not provided for by the Convention.

68. 4. The competent authorities of the Contracting States may communicate directly with each other to reach an agreement as described in the preceding paragraphs.

69.

70.

71. Art . 26 Members of diplomatic missions and consular posts

72. 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.

73.

74. Art . 27 Entry into force

75. 1. This Convention shall be ratified and the instruments of ratification shall be exchanged as soon as possible.

76. . 2 This Convention shall enter into force upon the exchange of instruments of ratification and its provisions shall apply:

77. a) in respect of taxes withheld at source on income credited or paid on or after 1 January in the calendar year following the entry into force of the Convention, or after that date;

78. b) in respect of other taxes for any tax year beginning

79. January 1 of the calendar year following the entry into force of the Convention, or after that date.

80.

81. Art . 28 Termination

82. This Convention shall remain in force until it has been terminated by a Contracting State.

Each Contracting State may terminate the Convention , through diplomatic channels at least six months' notice before the end of each calendar year. In this case, the Convention shall cease to have effect:

83. a) in respect of taxes withheld at source on income credited or paid on or after 1 January in the calendar year following the termination, or after that date;

84. b) in respect of other taxes for any tax year beginning

85. January 1 of the calendar year following the termination or after that date.

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

89. Convention.

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92. Done in duplicate at Duschanbe , June 23, 2010 , Russian and German languages English , Tajik , each text being equally authentic. In case of different interpretations the German, Tajik and Russian texts, the English text shall prevail.

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- 95.
96. for
97. Swiss Confederation:
- 98.
99. for
100. Republic of Tajikistan :
- 101.
- 102.
103. Stephan Nellen Safarali Mahsuddinovich Najmiddinov
- 104.
- 105.
106. protocol
- 107.
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- 111.
- 112.
113. The Swiss Confederation and
114. the Republic of Tajikistan
115. agreed at the signing in Duschanbe , June 23, 2010 , the Agreement between the two States for the avoidance of double taxation with respect to taxes on income and on capital, the following provisions shall form an integral part of this Convention:
- 116.
117. 1. Ad art . 7
118. With regard to para. 1 and 2 of Art . 7 (Business Profits) , it is understood that where an enterprise of a Contracting State sells goods or merchandise or carries on business in the other Contracting State through a permanent establishment is located , the profits of that permanent establishment shall not be determined based on the total amount received by the company, but only on the part of the amount attributable to the actual activity of the permanent establishment for such sales or this activity.
119. In the case of contracts for the survey , supply , installation or construction equipment or industrial, commercial or scientific , or public works, when the enterprise has a permanent establishment , the profits of the permanent establishment are not determined based on the total amount of the contract , but only on the basis of the proportion of the contract which is effectively carried out by the permanent establishment in the Contracting State in which the permanent establishment is situated.
120. The profits related to that part of the contract executed by the main office of the company shall be taxable only in the Contracting State of which the enterprise is a resident.
- 121.
122. 2 . Ad art . 7 and 12

123. It is understood that the remuneration in respect of the use or right to use industrial , commercial or scientific equipment constitute business profits within the meaning of art . 7 .
- 124.
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- 130.
- 131.
- 132.
133. for
134. Confederation Suisse Stephan Nellen
- 135.
136. for
137. Republic of Tajikistan:
- 138.
139. Safarali Mahsuddinovich Najmiddinov