ARTICLE 21
SILENT PARTNERSHIP

Notwithstanding any other provisions of this Convention, any income derived by a silent partner who is a resident of a Contracting State in respect of a silent partnership (in the case of Japan, "Tokumei Kumiai" and in the case of Peru, "Asociación en Participación") contract or another similar contract may be taxed in the other Contracting State according to the laws of that other Contracting State, provided that such income arises in that other Contracting State and is deductible in computing the taxable income of the payer in that other Contracting State.

ARTICLE 22
OTHER INCOME

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

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the beneficial owner of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other Contracting State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other Contracting State.

ARTICLE 23
ELIMINATION OF DOUBLE TAXATION

1. In Japan, double taxation shall be eliminated as follows:

Subject to the provisions of the laws of Japan regarding the allowance as a credit against Japanese tax of tax payable in any country other than Japan, where a resident of Japan derives income from Peru which may be taxed in Peru in accordance with the provisions of this Convention, the amount of Peruvian tax payable in respect of that income shall be allowed as a credit against the Japanese tax imposed on that resident. The amount of credit, however, shall not exceed the amount of the Japanese tax which is appropriate to that income.

2. In Peru, double taxation shall be eliminated as follows:

(a) residents of Peru may credit against Peruvian tax the Japanese tax paid on income which may be taxed in accordance with the laws of Japan and the provisions of this Convention. Such credit shall not, in any case, exceed that part of the Peruvian tax which is attributable to the income which may be taxed in Japan;

(b) where a company which is a resident of Japan pays dividends to a company which is a resident of Peru that owns directly or indirectly at least 10 per cent of the voting power of the first-mentioned company, the credit shall take into account the Japanese tax paid in Japan by the first-mentioned company in respect of the profits out of which such dividends are paid but only to the extent that the Peruvian tax exceeds the amount of the credit determined without reference to this subparagraph;

(c) where in accordance with any provision of the Convention income derived by a resident of Peru is exempt from tax in Peru, Peru may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.