PROTOCOL

At the signing of the Convention between Japan and the Kingdom of Morocco for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance (hereinafter referred to as "the Convention"), Japan and the Kingdom of Morocco have agreed upon the following provisions which shall form an integral part of the Convention.

1. With reference to Article 5 of the Convention:

It is understood that each of the places of business listed in paragraph 2 of that Article constitutes a permanent establishment as defined in paragraph 1 of that Article only if it meets the requirements of paragraph 1 of that Article.

2. With reference to paragraph 3 of Article 7 of the Convention:

It is understood that, when computing the taxable income of a permanent establishment for the tax purposes of the Contracting State in which the permanent establishment is situated, the conditions for the deductibility of expenses which are attributable to the permanent establishment in accordance with the provisions of that paragraph are matters to be determined by the laws of that Contracting State, subject to the provisions of Article 24 of the Convention.

3. With reference to subparagraph (a) of paragraph 2 and paragraph 3 of Article 12 of the Convention:

It is understood that industrial equipment includes agricultural equipment and industrial experience includes agricultural experience.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Protocol.

DONE in duplicate at Rabat this eighth day of January, 2020 in the Japanese, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For Japan:

鈴木馨祐

For the Kingdom of Morocco:

M.J