PROTOCOL

At the moment of signing the Convention between Japan and the Republic of Serbia 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 Republic of Serbia have agreed upon the following provisions, which shall form an integral part of the Convention.

1. With reference to Articles 11 and 12 of the Convention:

If, after the date of signature of the Convention, Serbia signs a tax treaty for the avoidance of double taxation with respect to taxes on income with a third jurisdiction which contains more favourable treatment of taxation on interest (other than interest referred to in paragraph 3 of Article 11 of the Convention) or royalties referred to in Article 11 or 12, respectively, of the Convention than that provided for in the respective Article, the Contracting States shall, at the request of Japan, enter into negotiations with a view to incorporating such more favourable treatment into the Convention. The competent authority of Serbia shall notify the competent authority of Japan of such event in a timely manner after it has happened.

2. With reference to paragraph 4 of Article 13 of the Convention:

(1) It is understood that the term "comparable interests" includes interests in limited liability companies which are established under the laws of Serbia.

(2) For the purposes of that paragraph, the term "recognised stock exchange" means:

(I) any stock exchange established and regulated as such under the laws of either Contracting State; and

(II) any other stock exchange as may be agreed upon by the competent authorities of the Contracting States.

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

DONE in duplicate at Belgrade this twenty-first day of July, 2020 in the English language.

For Japan:

Junichi Maruyama

For the Republic of Serbia:

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