Protocol

At the signing of the Agreement between the Government of Japan and the Government of the State of Qatar for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (hereinafter referred to as "the Agreement"), the Government of Japan and the Government of the State of Qatar have agreed upon the following provisions, which shall form an integral part of the Agreement.

1. With reference to paragraph 3 of Article 2 of the Agreement:

It is understood that, in the case of Qatar, the term "Taxes on income" means Income Tax imposed by the Income Tax Law and Corporation Tax imposed by Qatar Financial Centre Tax Regulations.

2. With reference to Article 4 of the Agreement:

It is understood that the term "resident of a Contracting State" includes:

(a) a pension fund established under the laws of that Contracting State; and

(b) an organisation established under the laws of that Contracting State and operated exclusively for a religious, charitable, educational, scientific, artistic, cultural or public purpose, only if all or part of its income may be exempt from tax under the laws of that Contracting State.

3. With reference to paragraph 3 of Article 7 of the Agreement:

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.

4. With reference to Article 8 of the Agreement, it is understood that:

(a) interest on funds temporarily deposited in banks in connection with the operation of ships or aircraft in international traffic shall be regarded as profits from the operation of ships or aircraft referred to in Article 8 and not as interest referred to in Article 11 of the Agreement; and

(b) profits from the operation of ships or aircraft in international traffic shall include profits from:

(i) the rental of ships or aircraft on a full basis in international traffic whether a time charter basis or a voyage charter basis;

(ii) the rental of ships or aircraft on a bare-boat basis, where such rental is incidental to the operation of ships or aircraft in international traffic;

(iii) the use, maintenance or rental of containers (including trailers and related equipment used for transport of containers), where such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic; and

(iv) the sale of tickets for international traffic on behalf of other enterprises, where such sale is incidental to the operation of ships or aircraft in international traffic.