（右条約の英文）

AGREEMENT
BETWEEN JAPAN AND THE FEDERAL REPUBLIC OF GERMANY FOR THE ELIMINATION OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND TO CERTAIN OTHER TAXES AND THE PREVENTION OF TAX EVASION AND AVOIDANCE

Japan and the Federal Republic of Germany,

Desiring to further develop their economic relationship and to enhance their cooperation in tax matters,

Intending to conclude a new Agreement for the elimination of double taxation with respect to taxes on income and to certain other taxes without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States),

Have agreed as follows:

Article 1
Persons Covered

1. This Agreement shall apply to persons who are residents of one or both of the Contracting States.

2. For the purposes of this Agreement, income derived by or through an entity or arrangement that is treated as wholly or partly fiscally transparent under the tax law of either Contracting State shall be considered to be income of a resident of a Contracting State but only to the extent that the income is treated, for purposes of taxation by that Contracting State, as the income of a resident of that Contracting State. In no case shall the provisions of this paragraph be construed so as to restrict in any way a Contracting State's right to tax the residents of that Contracting State. For the purposes of this paragraph, the term "fiscally transparent" means situations where, under the tax law of a Contracting State, income, or part thereof, of an entity or arrangement is not taxed at the level of the entity or arrangement but at the level of the persons who have an interest in that entity or arrangement.

Article 2
Taxes Covered

1. This Agreement shall apply to the following taxes:

(a) in the case of Japan:

(i) the income tax;

(ii) the corporation tax;

(iii) the special income tax for reconstruction;

(iv) the local corporation tax;

(v) the local inhabitant taxes; and

(vi) the enterprise tax

(hereinafter referred to as "Japanese tax"); and

(b) in the case of the Federal Republic of Germany:

(i) the income tax (*Einkommensteuer*);

(ii) the corporate income tax (*Körperschaftsteuer*);

(iii) the trade tax (*Gewerbesteuer*); and

(iv) the solidarity surcharge (*Solidaritätszuschlag*)

(hereinafter referred to as "German tax").

2. This Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, those referred to in paragraph 1. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws, within a reasonable period of time after such changes.

Article 3
General Definitions

1. For the purposes of this Agreement, unless the context otherwise requires: