4.　With reference to Article 7 of the Convention,

Where an enterprise of a Contracting State which has carried on business in the other Contracting State through a permanent establishment situated therein, receives, after the enterprise has ceased to carry on business as aforesaid, profits attributable to the permanent establishment, such profits may be taxed in that other Contracting State in accordance with the principles stated in Article 7 of the Convention.

5.　With reference to Article 10 of the Convention,

(a)　Where in any other convention Chile agrees to limit the application of the Additional Tax payable in Chile, the Contracting States shall consult with each other with a view to amending the Convention in order to re-establish the balance of benefits under the Convention.

(b)　Where

(i)　the rate of the Additional Tax imposed under the domestic law of Chile exceeds 35 per cent; or

(ii)　the First Category Tax ceases to be fully creditable in determining the amount of Additional Tax to be paid,

then paragraph 4 of Article 10 of the Convention shall not apply and the tax charged under subparagraphs (a) and (b) of paragraph 2 of Article 10 of the Convention shall not exceed 20 per cent of the gross amount of dividends paid by a company which is a resident of a Contracting State and beneficially owned by a resident of the other Contracting State.　In this case the Contracting States shall consult with each other with a view to amending the Convention in order to re-establish the balance of benefits under the Convention.

6.　With reference to paragraph 4 of Article 11 of the Convention,

It is understood that the term "arrangement involving back-to-back loans" would cover, inter alia, any kind of arrangement structured in such a way that a financial institution which is a resident of a Contracting State receives interest arising in the other Contracting State and the financial institution pays an equivalent interest to another person which, if the person received the interest directly from the other Contracting State, would not be entitled to limitation of tax under subparagraph (a) of paragraph 2 of Article 11 of the Convention with respect to that interest in that other Contracting State.

7.　With reference to Articles 11, 12 and 13 of the Convention,

If Chile concludes a convention with a state other than Japan and the provisions of the convention impose a limit on taxes on payments of interest or royalties lower than those imposed under paragraph 2 of Article 11 or paragraph 2 of Article 12 of the Convention or that contains terms that further limit the right of the Contracting States to tax gains under Article 13 of the Convention, the Contracting States shall, at the request of Japan, consult with a view to amending the Convention to incorporate such lower taxes or limiting terms into the Convention.

8.　With reference to paragraph 3 of Article 25 of the Convention,

It is understood that the term "difficulties or doubts arising as to the interpretation or application of this Convention" in paragraph 3 of Article 25 of the Convention includes cases where the provisions of the Convention are used in a manner as to provide benefits not contemplated or not intended, considering that the object and purpose of the Convention is to avoid international double taxation.

9.　With reference to paragraphs 5 and 6 of Article 25 of the Convention,

It is understood that paragraph 6 of Article 25 of the Convention only applies where the competent authorities of the Contracting States have agreed, in accordance with paragraph 5 of Article 25 of the Convention, to submit the unresolved issues to arbitration.