(a) in Slovenia:

(i) with respect to taxes withheld at source, to income derived on or after 1 January of the calendar year next following the year in which the notice is given; and

(ii) with respect to other taxes, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which the notice is given; and

(b) in Japan:

(i) with respect to taxes levied on the basis of a taxable year, for taxes for any taxable years beginning on or after 1 January in the calendar year next following that in which the notice is given; and

(ii) with respect to taxes levied not on the basis of a taxable year, for taxes levied on or after 1 January in the calendar year next following that in which the notice is given.

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

DONE in duplicate at Tokyo this thirtieth day of September, 2016 in the English language.

For Japan:

岸　信夫

For the Republic of Slovenia:

Leskovar

PROTOCOL

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

1. With reference to paragraph 2 of Article 1 of the Convention:

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 as if that income or part thereof were directly derived by such persons at the time when that income or part thereof is realised whether or not that income or part thereof is distributed by that entity or arrangement to such persons.

2. With reference to paragraph 2 of Article 10 of the Convention:

Notwithstanding the provisions of that paragraph, dividends paid by a company which is a resident of a Contracting State and, according to the laws of that Contracting State, is:

(a) entitled to a deduction for dividends paid to its beneficiaries in computing its taxable income in that Contracting State; or

(b) liable to tax on its income at the reduced rate if it distributes its profits,

may be taxed in that Contracting State according to the laws of that Contracting State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends. The provisions of paragraph 4 of Article 10 of the Convention shall apply *mutatis mutandis* to the dividends paid by the company referred to in this paragraph.