PROTOCOL

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

1. With reference to subparagraph (c) of paragraph 3 of Article 11 of the Convention:

The term "financial institution" means:

(a) a person who is established and regulated under the laws of Japan as:

(i) a bank;

(ii) an insurance company;

(iii) a securities dealer; or

(iv) any other enterprise, provided that, in the three taxable years preceding the taxable year in which the interest is paid, the enterprise derives more than 50 per cent of its liabilities from the issuance of bonds in the financial markets or from taking deposits at interest, and more than 50 per cent of the assets of the enterprise consist of debt-claims against persons that are not closely related to the enterprise pursuant to the provisions of paragraph 9 of Article 5 of the Convention; or

(b) a person who falls within the scope of Article 1 of Law No. 15.322 of 17 September of 1982 of Uruguay (as it may be amended from time to time without changing the general principle thereof).

2. With reference to clause (ii) of subparagraph (c) of paragraph 3 of Article 11 of the Convention:

The term "investment projects" means projects which fall within the scope of Law No. 16.906 of 7 January of 1998 of Uruguay (as it may be amended from time to time without changing the general principle thereof).

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

The term "recognised stock exchange" means:

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

(b) any other stock exchange agreed upon by the competent authorities of the Contracting States.

4. With reference to Article 15 of the Convention:

It is understood that the term "a similar organ" includes an administrative or supervisory council of a company which is a resident of Uruguay as provided for in Article 397 of Law No. 16.060 of 4 September of 1989 of Uruguay (as it may be amended from time to time without changing the general principle thereof).

5. With reference to Article 20 of the Convention:

It is understood that, in the case of Japan, the term "silent partnership" means Tokumei Kumiai provided for in Chapter 4 of Part 2 of the Commercial Law (Law No. 48 of 1899) of Japan (as it may be amended from time to time without changing the general principle thereof).

6. With reference to paragraph 5 of Article 24 of the Convention:

(a) (i) Where the competent authority of a Contracting State has suspended the procedure for resolving a case by mutual agreement pursuant to paragraphs 1 and 2 of Article 24 of the Convention (hereinafter in this paragraph referred to as the "mutual agreement procedure") with respect to a case because a case with respect to one or more of the same issues is pending before a court or administrative tribunal, the period provided in subparagraph (b) of paragraph 5 of Article 24 of the Convention shall stop running until the case pending before the court or administrative tribunal has been suspended or withdrawn.