(c) If the benefits under the Convention are denied pursuant to the provisions of subparagraph (a) with respect to an item of income derived by a resident of a Contracting State, the competent authority of the other Contracting State may, nevertheless, grant these benefits with respect to that item of income if, in response to a request by such resident, such competent authority determines that granting such benefits is justified in light of the reasons such resident did not satisfy the requirements of subparagraphs (a) and (b) (such as the existence of losses). The competent authority of the Contracting State to which a request has been made under the preceding sentence by a resident of the other Contracting State may consult with the competent authority of that other Contracting State before either granting or denying the request.

2. Notwithstanding the other provisions of this Convention, a benefit under the Convention shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the Convention.

Article 30
ENTRY INTO FORCE

1. Each of the Contracting States shall send in writing and through diplomatic channels to the other Contracting State the notification confirming that its internal procedures necessary for the entry into force of this Convention have been completed. The Convention shall enter into force on the thirtieth day after the date of receipt of the latter notification.

2. This Convention shall have effect:

(a) in Azerbaijan:

(i) with respect to taxes withheld at source, for income derived on or after 1 January in the calendar year next following that in which the Convention enters into force;

(ii) with respect to other taxes, for taxes chargeable for any fiscal year beginning on or after 1 January in the calendar year next following that in which the Convention enters into force;

(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 Convention enters into force;

(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 Convention enters into force.

3. Notwithstanding the provisions of paragraph 2, the provisions of Articles 26 and 27 shall have effect from the date of entry into force of this Convention without regard to the date on which the taxes are levied or the taxable year to which the taxes relate.

4. The Convention between the Government of Japan and the Government of the Union of Soviet Socialist Republics for the Avoidance of Double Taxation with respect to Taxes on Income, with Protocol, signed at Tokyo on 18 January, 1986 (hereinafter referred to as "the prior Convention") shall between Japan and Azerbaijan cease to be applicable from the date upon which this Convention applies in respect of the taxes to which this Convention applies in accordance with the provisions of paragraphs 2 and 3.

5. Notwithstanding the entry into force of this Convention, an individual who is a resident of either Contracting State and entitled to the benefits of Article 17 of the prior Convention at the time of the entry into force of this Convention shall continue to be entitled to such benefits until such time as the individual would have ceased to be entitled to such benefits if the prior Convention had remained in force.

6. The prior Convention shall between Japan and Azerbaijan terminate on the last date on which it applies in accordance with the provisions of the preceding paragraphs of this Article.