

MEMORANDUM OF UNDERSTANDING
ON THE TAX AGREEMENT BETWEEN
THE GOVERNMENTS OF THE PEOPLE’S REPUBLIC OF
CHINA AND THE REPUBLIC OF KOREA

The competent authorities of the Government of the Republic of Korea and the Government of the People’s Republic of China held negotiation with respect to paragraph 3 of Article 11 and paragraphs 1 and 2 of Article 19 and agreed upon the followings with a view to prompt and appropriate implementation of the Agreement between the Government of the Republic of Korea and the Government of the People’s Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income:

1. For the purpose of paragraph 3 of Article 11, the term “the central bank and financial institution performing functions of a governmental nature” means:

(a) in the case of China:

- (i) the People’s Bank of China;
- (ii) the State Development Bank of China;
- (iii) the Export-Import Bank of China;
- (iv) the Agricultural Development Bank of China; and
- (v) other financial institutions which are agreed by the competent authorities of the Contracting States through mutual agreement;

(b) in the case of Korea:

- (i) the Bank of Korea;
- (ii) the Korea Development Bank;
- (iii) the Korea Export-Import Bank; and
- (iv) other financial institutions which are agreed by the competent authorities of the Contracting States through mutual agreement.

2. The provisions of paragraphs 1 and 2 of Article 19 shall likewise apply in respect of remuneration or pensions paid by:

- (a) in the case of China:
 - (i) the People's Bank of China;
 - (ii) the State Development Bank of China;
 - (iii) the Export-Import Bank of China;
 - (iv) the Agricultural Development Bank of China;
 - (v) the China Council for the Promotion of International Trade; and
 - (vi) the equivalent organizations to "the Korea National Tourism Corporation" in terms of their ownerships and functions;
- (b) in the case of Korea:
 - (i) the Bank of Korea;
 - (ii) the Korea Development Bank;
 - (iii) the Korea Export-Import Bank;
 - (iv) the Korea Trade Promotion Corporation; and
 - (v) the Korea National Tourism Corporation.

DONE in duplicate at BEIJING this 28 day of March, 1994 in the English language, each text being equally authentic.

For the Government
of the People's Republic of China

For the Government
of the Republic of Korea