

## **PROTOCOL**

At the moment of signing the Agreement Between the People's Republic of China and the Republic of Turkey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income, the undersigned have agreed upon the following provisions which shall constitute an integral part of the Agreement.

1. With reference to paragraph 3 of Article 4:

It is understood that the term "legal head office" means:

In term of Turkey, registered office of any legal entity which is incorporated in Turkey according to the Turkish Code of Commerce;

In term of China, the central organization, established in China by an enterprise with foreign investment incorporated as a separate legal entity under the laws of China, which is responsible for the management and control of the entire business operations of the enterprise.

2. With reference to paragraph 3 of Article 10:

It is understood that the dividends shall also include the income from investment funds and investment trusts.

3. With reference to paragraph 5 of Article 10:

It is understood that the provisions of paragraph 5 of Article 10 of the Agreement shall not affect the right to tax the profits (of a company of a Contracting State carrying on business in the other Contracting State through a permanent establishment situated therein) which remained after having been taxed under Article 7, but the amount of tax so charged shall not exceed the percentage stipulated in paragraph 2 of Article 10 of the Agreement.

4. With reference to paragraph 4 of Article 10, paragraph 5 of Article 11 and paragraph 4 of Article 12:

In the case of residents of a Contracting State, performing in the other Contracting State independent personal services from a fixed base, situated therein, and holding debt-claim and the right or property in respect of which the dividends, interest and royalties are paid, are effectively connected with such fixed base, in such case, the provisions of Article 14 shall not apply, but that of Articles 10, 11 and 12, as the case may be, shall apply respectively.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Protocol.

DONE in duplicate at Beijing this 23rd day of May 1995 in the Chinese, Turkish, and English Languages, all three texts being equally authentic. In case of divergence in interpretation the English text shall prevail.

**For the Government  
of the People's Republic of China**

**For the Government  
of the Republic of Turkey**