PROTOCOL

BETWEEN

THE REPUBLIC OF POLAND

AND

THE SLOVAK REPUBLIC

AMENDING THE AGREEMENT BETWEEN THE REPUBLIC OF POLAND AND THE SLOVAK REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL, SIGNED AT WARSAW ON THE 18TH DAY OF AUGUST 1994

The Republic of Poland and the Slovak Republic desiring to conclude a Protocol amending the Agreement between the Republic of Poland and the Slovak Republic for the Avoidance of Double Taxation with Respect to Taxes on Income and on Capital, signed at Warsaw on the 18th day of August 1994 (hereinafter referred to as "the Agreement"),

Have agreed as follows:

ARTICLE 1

Article 9 (Associated enterprises) of the Agreement shall be deleted and replaced by the following Article:

"Article 9
Associated enterprises

1. Where:

a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or

b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the profits of an enterprise of that Contracting State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Contracting State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.".

ARTICLE 2

Paragraph 2 of the Article 10 (Dividends) of the Agreement shall be deleted and replaced by the following paragraph:

"2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

a) 0 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 10 per cent of the capital of the company paying the dividends on the date the dividends are paid and has done so or will have done so for an uninterrupted 24-month period in which that date falls;

b) 5 per cent of the gross amount of the dividends in all other cases.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.".

ARTICLE 3

Paragraph 2 of the Article 11 (Interest) of the Agreement shall be deleted and replaced by the following paragraph:

"2. However, interest referred to in paragraph 1 of this Article may also be taxed in the Contracting State in which it arises, and according to the laws of that Contracting State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 5 per cent of the gross amount of the interest.".

ARTICLE 4

Paragraph 3 of Article 12 (Royalties) of the Agreement shall be deleted and replaced by the following:

"3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright (encompassing literary, artistic or scientific work including cinematograph films and films or tapes for television or radio broadcasting), any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use any industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.".

ARTICLE 5

In the Article 13 (Capital Gains) of the Agreement the following changes should be applied:

1. Paragraph 4 shall be deleted and replaced by the following paragraph:

"4. Gains derived by a resident of a Contracting State from the alienation of shares deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other Contracting State.".

2. Paragraph 5 shall be added as follows:

"5. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4 shall be taxable only in the Contracting State of which the alienator is a resident.".

ARTICLE 6

In the Article 24 (Elimination of double taxation) of the Agreement the following changes should be applied:

1. The paragraph 1 shall be deleted and replaced by the following paragraph:

"1. In the case of a resident of Poland, double taxation shall be avoided as follows:

a) Where a resident of Poland derives income or owns capital which, in accordance with the provisions of this Agreement may be taxed in Slovakia, Poland shall, subject to the provisions of letters b) and c), exempt such income or capital from tax. Poland may in calculating the amount of tax on the remaining income or capital of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

b) Where a resident of Poland derives income or capital gains which, in accordance with the provisions of Articles 7, 10, 11, 12, 13, 14 or 16 may be taxed in Slovakia, Poland shall allow as a deduction from the tax on the income or capital gains of that resident an amount equal to the tax paid in Slovakia. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such income or capital gains derived from Slovakia.

c) The provisions of paragraph 1 letter a) shall not apply to income derived or capital owned by a resident of Poland where Slovakia applies the provisions of this Agreement or its domestic provisions to exempt such income or capital from tax or applies the provisions of paragraph 2 of Article 10, or of Article 11 or 12 to such income.".

2. The paragraph 3 shall be deleted.

ARTICLE 7

Article 27 (Exchange of information) of the Agreement shall be deleted and replaced by the following:

"Article 27
Exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that Contracting State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the

enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both Contracting States and the competent authority of the supplying Contracting State authorises such use.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (ordre public).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other Contracting State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.".

ARTICLE 8

Immediately after Article 28 of the Agreement, the following Article 28A is inserted:

"Article 28A
Limitation of benefits

Nothing in this Agreement shall prevent tax administration from identifying the substance of transaction. The benefits of this Agreement shall not apply if income is paid or derived in connection with an artificial arrangement.".

ARTICLE 9

1. Each of the Contracting States shall notify through diplomatic channels to the other the completion of the procedures required by its law for the bringing into force of this Protocol. The Protocol shall enter into force on the first day of the third month following the date of receipt of the latter of the notifications referred to above and shall have effect in both Contracting States:

a) in respect of the taxes withheld at source – to amounts of income derived on or after the first of January of the calendar year next following the year in which the Protocol enters into force;

b) in respect of other taxes on income - to amounts of income derived on or after the first of January of the calendar year next following the year in which the Protocol enters into force.

2. This Protocol shall remain in force as long as the Agreement remains in force.

In witness whereof, the undersigned, duly authorized thereto, have signed this Protocol.

Done in duplicate at Bratislava, this 1th 8. day of 2013 in the Polish, Slovak and English languages, each text being equally authentic. In case there is any divergence of interpretation the English text shall prevail.

For The Republic of Poland	**For The Slovak Republic**