Agreement

between

the Republic of Armenia

and

the Federal Republic of Germany

for the Avoidance of Double Taxation
and the Prevention of Fiscal Evasion
with respect to Taxes on Income and on Capital

The Republic of Armenia

and

the Federal Republic of Germany,

desiring to further develop their economic relationship, to enhance their cooperation in tax matters and to ensure an effective and appropriate collection of tax,

intending to allocate their respective taxation rights in a way that avoids both double taxation as well as non-taxation,

have agreed as follows:

Article 1
Persons Covered

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

Article 2
Taxes Covered

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Agreement shall apply are in particular:

a) in Armenia:

(i) the profit tax;

(ii) the income tax;

(iii) the property tax;

(hereinafter referred to as "Armenian tax");

b) in the Federal Republic of Germany:

(i) the income tax (Einkommensteuer);

(ii) the corporate income tax (Körperschaftsteuer);

(iii) the trade tax (Gewerbesteuer), and

(iv) the capital tax (Vermögensteuer);

including the supplements levied thereon

(hereinafter referred to as "German tax").

4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

Article 3

General Definitions

1. For the purposes of this Agreement, unless the context otherwise requires:

   a) the terms "a Contracting State" and "the other Contracting State" mean, as the context requires, the Republic of Armenia or the Federal Republic of Germany;

   b) the term "Armenia" means the Republic of Armenia and, when used in the geographical sense, means the territory, including land, waters, subsoil and air spaces upon which the Republic of Armenia exercises its sovereign rights and jurisdiction according to national legislation and international law;

   c) the term "the Federal Republic of Germany" means the Federal Republic of Germany and, when used in a geographical sense, the territory of the Federal Republic of Germany, as well as the area of the sea-bed, its subsoil and the superjacent water column adjacent to the territorial sea, wherein the Federal Republic of Germany exercises sovereign rights and jurisdiction in conformity with international law and its national legislation for the purpose of exploring, exploiting, conserving and managing the living and non-living natural resources or for the production of energy from renewable sources;

   d) the term "person" includes an individual, a company and any other body of persons;

   e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

   f) the term "enterprise" applies to the carrying on of any business;

   g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

i) the term "competent authority" means:

(i) in Armenia, the Ministry of Finance, the State Revenue Committee or their authorised representatives;

(ii) in the Federal Republic of Germany, the Federal Ministry of Finance or the agency to which it has delegated its powers;

j) the term "national" means:

(i) in relation to Armenia, any individual possessing the nationality of Armenia and any legal person, partnership or association deriving its status as such from the laws in force in Armenia;

(ii) in relation to the Federal Republic of Germany, any German within the meaning of the Basic Law for the Federal Republic of Germany and any legal person, partnership and association deriving its status as such from the laws in force in the Federal Republic of Germany;

k) the term "business" includes the performance of professional services and of other activities of an independent character.

2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4
Resident

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar nature, and also includes that State, any of its "Länder" and any of their political subdivisions or local authorities. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);

b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;

c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then the competent authorities of the Contracting States shall endeavor to determine by mutual agreement the Contracting State of which that person shall be

deemed to be a resident for the purposes of this Agreement. In the absence of a mutual agreement by the competent authorities of the Contracting States the person shall not be considered a resident of either Contracting State for the purposes of claiming any benefits provided by the Agreement.

Article 5

Permanent Establishment

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" includes especially:

a) a place of management;

b) a branch;

c) an office;

d) a factory;

e) a workshop, and

f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. A building site or construction, assembly, or installation project or supervisory activities in connection therewith, constitute a permanent establishment but only where such site, project or activities continue for a period of more than 9 months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;

e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;

f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person — other than an agent of an independent status to whom paragraph 6 applies — is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

Income from Immovable Property

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise.

Article 7
Business Profits

1. Profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits that are attributable to the permanent establishment in accordance with the provisions of paragraph 2 may be taxed in that other State.

2. For the purposes of this Article and Article 22, the profits that are attributable in each Contracting State to the permanent establishment referred to in paragraph 1 are the profits it might be expected to make, in particular in its dealings with other parts of the enterprise, if it were a separate and independent enterprise engaged in the same or similar activities under the same or similar conditions, taking into account the functions performed, assets used and risks assumed by the enterprise through the permanent establishment and through the other parts of the enterprise.

3. Where, in accordance with paragraph 2, a Contracting State adjusts the profits that are attributable to a permanent establishment of an enterprise of one of the Contracting States and taxes accordingly profits of the enterprise that have been charged to tax in the other State, the other Contracting State shall, to the extent necessary to eliminate double taxation, make an appropriate adjustment if it agrees with the adjustment made by the first-mentioned State; if the other Contracting State does not so agree, the Contracting States shall endeavour to eliminate any double taxation resulting therefrom by mutual agreement.

4. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8
Shipping and Air Transport

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

2. For the purposes of this Article, profits from the operation of ships or aircraft shall include income from

a) the occasional rental of ships or aircraft on a bare-boat basis, and

b) the use or rental of containers (including trailers and ancillary equipment used for transporting the containers),

if such income is attributable to the profits from the operation of ships or aircraft.

3. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.

4. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

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 State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits, where that other State considers the adjustment justified. 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 10

Dividends

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

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 beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

a) 7 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 25 per cent of the capital of the company paying the dividends;

b) 10 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.

3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, founders' shares or other income which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 11
Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 5 percent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2,

   a) interest arising in the Federal Republic of Germany and paid to the Government of Armenia and to the Central Bank of Armenia shall be exempt from German tax;

   b) interest arising in Armenia and paid in consideration of a loan guaranteed by the Federal Republic of Germany in respect of export or foreign direct investment or paid to the Government of the Federal Republic of Germany, the Deutsche Bundesbank, the Kreditanstalt für Wiederaufbau or the DEG–Deutsche Investitions- und Entwicklungsgesellschaft mbH shall be exempt from Armenian tax.

4. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein and the debt-claim in

respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the State in which the permanent establishment is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 12
Royalties

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 6 percent of the gross amount of the royalties.

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 of literary, artistic or scientific work including cinematograph films or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 13
Capital Gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), may be taxed in that other State.

3. Gains from the alienation of ships or aircraft operated in international traffic, or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

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.

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.

6. Where an individual was a resident of a Contracting State for a period of 5 years or more and has become a resident of the other Contracting State, paragraph 5 shall not prevent the first-mentioned State from taxing under its domestic law the capital appreciation of shares in a company resident in the first-mentioned State for the period of residency of that individual in the first-mentioned State. In such case, the appreciation of capital taxed in the first-mentioned State shall not be included in the determination of the subsequent appreciation of capital by the other State.

Article 14

Income from Employment

1. Subject to the provisions of Articles 15, 17 and 18, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and

b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

c) the remuneration is not borne by a permanent establishment which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic, may be taxed in the Contracting State in which the place of effective management of the enterprise which operates the ship or aircraft is situated.

Article 15
Directors' Fees

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 16
Artistes and Sportspersons

1. Notwithstanding the provisions of Articles 7 and 14, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from his or her personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities within the meaning of paragraph 1 exercised by an entertainer or a sportsperson in his or her capacity as such accrues not to the entertainer or sportsperson himself or herself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.

3. Paragraphs 1 and 2 shall not apply to income accruing from the exercise of activities by artistes or sportspersons in a Contracting State where the visit to that State is financed entirely or mainly from public funds of the other Contracting State, one of its "Länder", or one of their political subdivisions or local authorities, or by an organization which in that other State is recognized as a charitable organization. In such a case the income may be taxed only in the Contracting State of which the individual is a resident.

Article 17

Pensions, Annuities and similar Payments

1. Subject to the provisions of paragraph 2 of Article 18 pensions, annuities and other similar remuneration paid to a resident of a Contracting State shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1, benefits paid under the social security legislation of a Contracting State shall be taxable only in that State.

3. Notwithstanding the provisions of paragraph 1, recurrent or non-recurrent payments made by one of the Contracting States, one of its "Länder", or one of their political subdivisions or local authorities to a resident of the other Contracting State as compensation for political persecution (including restitution payments) or for injustice or damage sustained as a result of war or for damage as a result of military or civil alternative service or of a crime, a vaccination or for similar reasons shall be taxable only in the first-mentioned State.

4. The term "annuities" means certain amounts payable periodically at stated times, for life or for a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money´s worth.

Article 18

Government Service

1.

a) Salaries, wages and other similar remuneration, paid by a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities to an individual in respect of services rendered to that State, "Land" or political subdivision or local authority shall be taxable only in that State.

b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:

(i) is a national of that State; or

(ii) did not become a resident of that State solely for the purpose of rendering the services.

2.

a) Notwithstanding the provisions of paragraph 1, pensions and other similar remuneration paid by, or out of funds created by, a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities to an individual in respect of services rendered to that State, "Land" or political subdivision or local authority shall be taxable only in that State.

b) However, such pensions and other similar remuneration shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.

3. The provisions of paragraphs 1 and 2 shall likewise apply to salaries, wages, pensions and other similar remuneration paid by a legal entity under public law which carries out functions of a governmental nature if it is mutually agreed by the competent authorities for this legal entity under public law.

4. The provisions of Articles 14, 15, 16, and 17 shall apply to salaries, wages, pensions, and other similar remuneration in respect of services rendered in connection with a business carried on by a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities or another legal person under the public law of that State.

5. The provisions of paragraphs 1 and 2 shall also apply to salaries, wages, pensions, and other similar remuneration paid to an individual in respect of services rendered to the Goethe Institute and the German Academic Exchange Service ("Deutscher Akademischer Austauschdienst"), or to other comparable institutions if mutually agreed by the competent authorities. Where this remuneration is not taxed in the State of establishment of the institution, Article 14 shall apply.

6. The provisions of paragraph 1 shall likewise apply in respect of remuneration paid, under a development assistance programm of a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities, out of funds exclusively supplied by that State, "Land", political subdivision or local authority, to a specialist or volunteer seconded to the other Contracting State with the consent of that other State.

Article 19

Visiting Professors, Teachers and Students

1. An individual who, at the invitation of a Contracting State or of a university, college, school, museum or other cultural or educational institution of that Contracting State or under an official programme of cultural exchange, visits that Contracting State for a period not exceeding two years for the purpose of teaching, lecturing or engaging in research at that institution and who is, or was immediately before that visit, a resident of the other Contracting State shall be exempt from tax in the first-mentioned State on his remuneration for such activity, provided that such remuneration is derived by him from outside that State.

2. Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

Article 20
Other Income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

Article 21
Capital

1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.

2. Capital represented by movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State may be taxed in that other State.

3. Capital represented by ships or aircraft operated in international traffic, and by movable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 22
Elimination of Double Taxation

1. In Armenia, double taxation shall be avoided as follows:

   a) where a resident of Armenia derives income or owns capital which, in accordance with the provisions of this Agreement, may be taxed in the Federal Republic of Germany, Armenia shall allow:

      (i) as a deduction from the tax on the income of that resident, an amount equal to the tax on income paid in the Federal Republic of Germany;

      (ii) as a deduction from the tax on the capital of that resident, an amount equal to the tax on capital paid in the Federal Republic of Germany.

      Such deduction in either case shall not, however, exceed that part of the Armenian tax on income or capital, as computed before the deduction is given, which is attributable, as the case may be, to the income or the capital which may be taxed in the Federal Republic of Germany.

   b) Where in accordance with any provision of this Agreement, income derived or capital owned by a resident of Armenia is exempt from tax in Armenia, Armenia may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital.

2. Where a resident of the Federal Republic of Germany derives income or owns capital which, in accordance with the provisions of this Agreement, may be taxed in Armenia, the following shall apply:

a) Except as provided in subparagraph c), the income shall be exempted from the basis upon which German tax is imposed. In the case of dividends, this applies only to such dividends as are paid to a company (not including partnerships) resident in the Federal Republic of Germany by a company resident in Armenia at least 10 per cent of the capital of which is owned directly by the company resident in the Federal Republic of Germany. The exemption from the basis provided by the first sentence of this subparagraph shall not apply to dividends paid by a tax exempt company or to dividends that the distributing company may deduct for Armenian tax purposes or to dividends that are attributed under the law of the Federal Republic of Germany to a person that is not a company resident in the Federal Republic of Germany. There shall be exempted from the assessment basis of the German taxes on capital such capital as is taxable in Armenia under paragraphs 1 and 2 of Article 21, as well as any shareholding the dividends of which, if paid, would be exempted from the tax base, according to the foregoing sentences.

b) The Federal Republic of Germany retains the right to take into account in the determination of its rate of tax the items of income and capital which under the provisions of this Agreement are exempted from German tax.

c) With respect to the following items of income, there shall be allowed as a credit against German tax on income, subject to the provisions of German tax law regarding credit for foreign tax, Armenian tax paid under the laws of Armenia and in accordance with the provisions of this Agreement on such items of income:

(i) dividends within the meaning of Article 10 to which subparagraph a) does not apply;

(ii) interest;

(iii) royalties;

(iv) capital gains to which paragraph 4 of Article 13 applies;

(v) income to which Article 15 applies;

(vi) income to which Article 16 applies;

(vii) income to which Article 17 applies.

d) The provisions of subparagraph a) are to be applied to items of income within the meaning of Article 7 and Article 10 and to profits from the alienation of property within the meaning of paragraph 2 of Article 13 only to the extent that the items of income or profits were derived from the production, processing, working or assembling of goods and merchandise, the exploration and extraction of natural resources, banking and insurance, trade or the rendering of services or if the items of income or profits are economically attributable to these activities. This applies only if a business undertaking that is adequately equipped for its business purpose exists. This applies accordingly to capital underlying the income within the meaning of Article 7 and Article 10. If subparagraph a) is not to be applied, double taxation shall be eliminated by means of a tax credit as provided for in subparagraph c).

e) Notwithstanding subparagraph a), double taxation shall be eliminated by a tax credit as provided for in subparagraph c), if

(i) in the Contracting States items of income or capital, or elements thereof, are placed under different provisions of this Agreement and if, as a consequence of this different placement, such income or capital would be subject to double taxation, non-taxation or lower taxation and in the case of double taxation this conflict cannot be resolved by a procedure pursuant to paragraphs 2 or 3 of Article 24;

(ii) Armenia may, under the provisions of the Agreement, tax items of income or capital, or elements thereof, but does not actually do so;

(iii) after consultation, the Federal Republic of Germany notifies the Republic of Armenia through diplomatic channels of items of income or capital, or elements thereof, to which it intends to apply the provisions on tax credit under subparagraph c). Double taxation is then eliminated for the notified items of income or capital, or elements thereof, by allowing a tax credit from the first day of the calendar year following that in which the notification was made.

Article 23

Non-Discrimination

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

2. Stateless persons who are residents of a Contracting State shall not be subjected in either Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of the State concerned in the same circumstances, in particular with respect to residence, are or may be subjected.

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Except where the provisions of paragraph 1 of Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

5. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

6. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

Article 24
Mutual Agreement Procedure

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 23, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Contracting States may communicate with each other directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

5. Where, under paragraph 1, a person has presented a case to the competent authority of a Contracting State on the basis that the actions of one or both of the Contracting States have resulted for that person in taxation not in accordance with the provisions of this Agreement, and the competent authorities are unable to reach an agreement to resolve that case pursuant to paragraph 2 within three years from the presentation of the case to the competent authority of the other Contracting State, any unresolved issues arising from the case shall be submitted to arbitration if either competent authority so requests. The person who has presented the case shall be notified of the request. These unresolved issues shall not, however, be submitted to arbitration if a decision on these issues has already been rendered by a court or administrative tribunal of either Contracting State. The arbitration decision shall be binding on both Contracting States and shall be implemented notwithstanding any time limits in the domestic laws of these States unless both competent authorities agree on a different solution within six months after the decision has been communicated to them or unless a person directly affected by the case does not accept the mutual agreement that implements the arbitration decision. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this paragraph.

Article 25
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 a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities, insofar as the taxation there under 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 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. For these purposes information may be disclosed in administrative or criminal investigations, in public court proceedings or in judicial decisions, if this is provided for in the respective laws of the Contracting States. 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 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 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 26

Assistance in the Collection of Taxes

1. The Contracting States shall lend assistance to each other in the collection of revenue claims. This assistance is not restricted by Articles 1 and 2. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Article.

2. The term "revenue claim" as used in this Article means an amount owed in respect of taxes of every kind and description imposed on behalf of a Contracting State, one of its "Länder", or one of their political subdivisions or local authorities, insofar as such taxation is not contrary to this Agreement or any other instrument to which the Contracting States are parties, as well as interest, administrative penalties and costs of collection or conservancy related to such amount.

3. When a revenue claim of a Contracting State is enforceable under the laws of that State and is owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, that revenue claim shall, at the request of the competent authority of that State, be accepted for purposes of collection by the competent authority of the other Contracting State. That revenue claim shall be collected by that other State in accordance with the provisions of its laws applicable to the enforcement and collection of its own taxes as if the revenue claim were a revenue claim of that other State.

4. When a revenue claim of a Contracting State is a claim in respect of which that State may, under its law, take measures of conservancy with a view to ensure its collection, that revenue claim shall, at the request of the competent authority of that State, be accepted for purposes of taking measures of conservancy by the competent authority of the other Contracting State. That other State shall take measures of conservancy in respect of that revenue claim in accordance with the provisions of its laws as if the revenue claim were a revenue claim of that other State even if, at the time when such measures are applied, the revenue claim is not enforceable in the first-mentioned State or is owed by a person who has a right to prevent its collection.

5. Notwithstanding the provisions of paragraphs 3 and 4, a revenue claim accepted by a Contracting State for purposes of paragraph 3 or 4 shall not, in that State, be subject to the time limits or accorded any priority applicable to a revenue claim under the laws of that State by reason of its nature as such. In addition, a revenue claim accepted by a Contracting State for the purposes of paragraph 3 or 4 shall not, in that State, have any priority applicable to that revenue claim under the laws of the other Contracting State.

6. Proceedings with respect to the existence, validity or the amount of a revenue claim of a Contracting State shall not be brought before the courts or administrative bodies of the other Contracting State.

7. Where, at any time after a request has been made by a Contracting State under paragraph 3 or 4 and before the other Contracting State has collected and remitted the relevant revenue claim to the first-mentioned State, the relevant revenue claim ceases to be

a) in the case of a request under paragraph 3, a revenue claim of the first-mentioned State that is enforceable under the laws of that State and is owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, or

b) in the case of a request under paragraph 4, a revenue claim of the first-mentioned State in respect of which that State may, under its laws, take measures of conservancy with a view to ensure its collection

the competent authority of the first-mentioned State shall promptly notify the competent authority of the other State of that fact and, at the option of the other State, the first-mentioned State shall either suspend or withdraw its request.

8. In no case shall the provisions of this Article 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 carry out measures which would be contrary to public policy (ordre public);

c) to provide assistance if the other Contracting State has not pursued all reasonable measures of collection or conservancy, as the case may be, available under its laws or administrative practice;

d) to provide assistance in those cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the other Contracting State.

Article 27

Procedural Rules for Taxation at Source

1. If in one of the Contracting States the taxes on dividends, interest, royalties, or other items of income derived by a resident of the other Contracting State are levied by withholding at source, then the right to apply the withholding of tax at the rate provided for under the domestic law of the first-mentioned State is not affected by the provisions of this Agreement.

2. The tax so withheld at source shall be refunded on the taxpayer's application to the extent that its levying is limited or eliminated by this Agreement. The period for application for a refund of the tax withheld is four years from the end of the calendar year in which the dividends, interest, royalties, or other items of income have been received.

3. Notwithstanding paragraph 1, each Contracting State shall provide for procedures to the effect that payments of dividends, interest, royalties or any other items of income which are subject under this Agreement to no tax or only to reduced tax in the State of source may be made without deduction of tax or with deduction of tax only at the rate provided in the relevant Article.

4. The Contracting State in which the income arises may require the taxpayer to provide certification of his residence in the other Contracting State issued by the competent authority of that other State.

5. The competent authorities of the Contracting States may determine the mode of implementation of this Article by mutual agreement and if necessary establish other procedures for the implementation of tax reductions or exemptions provided for under this Agreement.

Article 28

Application of the Agreement in Special Cases

This Agreement shall not be interpreted as preventing a Contracting State from applying its domestic legal provisions on the prevention of tax evasion or tax avoidance. If the foregoing provisions result in double taxation, the competent authorities shall consult each other pursuant to paragraph 3 of Article 24 on how to avoid double taxation.

Article 29

Members of Diplomatic Missions and Consular Posts

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

Article 30

Protocol

The attached Protocol shall be an integral part of this Agreement.

Article 31

Entry into Force

1. This Agreement shall be ratified and the instruments of ratification shall be exchanged as soon as possible.

2. This Agreement shall enter into force on the day of the exchange of the instruments of ratification and shall have effect in both Contracting States:

a) in the case of taxes withheld at source, in respect of amounts paid on or after the first day of January in the calendar year next following the year in which this Agreement enters into force;

b) in the case of other taxes, in respect of taxes levied for periods beginning on or after the first day of January in the calendar year next following the year in which this Agreement enters into force;

c) in the case of assistance in the collection of taxes under Article 26, as soon as the competent authorities have so agreed by mutual agreement in accordance with Article 24.

3. With the entry into force of this Agreement, the Agreement of 24 November 1981 between the Federal Republic of Germany and the Union of Soviet Socialist Republics for the Avoidance of Double Taxation of Income and Capital shall no longer apply in the relations between the Federal Republic of Germany and the Republic of Armenia to the taxes in respect of which the present Agreement has effect pursuant to paragraph 2 of this Article.

Article 32

Termination

1. This Agreement shall remain in force until terminated by a Contracting State.

2. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving written notice of termination at least six months before the end of any calendar year beginning after the expiration of a period of five years from the date of entry into force of the Agreement. In such event, this Agreement shall cease to have effect in both Contracting States:

a) in the case of taxes withheld at source, in respect of amounts paid on or after the first day of January in the calendar year next following the year in which notice of termination is given;

b) in the case of other taxes, in respect of taxes levied for periods beginning on or after the first day of January in the calendar year next following the year in which notice of termination is given.

Done at Yerevan on 29 June 2016, in duplicate, in the Armenian, German and English languages, each text being authentic. In case of divergent interpretations of the Armenian and German texts, the English text shall prevail.

For the Republic of Armenia

For the Federal Republic of Germany

Protocol

to the Agreement
between

the Republic of Armenia
and

the Federal Republic of Germany
for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion
with respect to Taxes on Income and on Capital

The Republic of Armenia and the Federal Republic of Germany (the "Contracting States") have in addition to the Agreement between the Republic of Armenia and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital agreed on the following provisions, which shall form an integral part of the Agreement:

1. With reference to subparagraphs b) and c) of paragraph 1 of Article 3 of the Agreement:

The Contracting States agree that international law shall take precedence at any time when determining the territorial scope of application of this Agreement.

2. With reference to Articles 3, 8, 13, 14, 21 of the Agreement:

It is understood that the term "place of effective management" means the place where key management and commercial decisions that are necessary for the conduct of the entity's business are in substance made. The place of effective management will ordinarily be the place where the most senior person or group of persons makes its decisions, the place where the actions to be taken by the entity as a whole are determined.

3. With reference to Article 7 of the Agreement:

a) Where an enterprise of a Contracting State sells goods or merchandise or carries on business in the other Contracting State through a permanent establishment situated therein, the profits of that permanent establishment shall not be determined on the basis of the total amount received therefor by the enterprise but only on the basis of the amount which is attributable to the actual activity of the permanent establishment for such sales or business.

b) In the case of contracts, in particular for the survey, supply, installation or construction of industrial, commercial or scientific equipment or premises, or of public works, where the enterprise has a permanent establishment in the other Contracting State, the profits of such permanent establishment shall not be determined on the basis of the total amount of the contract, but only on the basis of that part of the contract which is effectively carried out by the permanent establishment in the Contracting State in which it is situated. Profits derived from the supply of goods to that permanent establishment or profits related to the part of the contract which is carried out in the Contracting State in which the enterprise is situated shall be taxable only in that State.

c) Payments received as a consideration for technical services, including studies or surveys of a scientific, geological or technical nature, or for engineering contracts including blue prints related thereto, or for consultancy or supervisory services shall be deemed to be payments to which the provisions of Article 7 of the Agreement apply.

4. With reference to paragraphs 2 and 3 of Article 10 of the Agreement:

It is understood that in the case of the Federal Republic of Germany the following provisions apply:

a) It is understood that the term "dividends" used in Article 10 of the Agreement also includes distributions on certificates of an investment fund. For the purposes of this Agreement, the term "investment fund" means an investment fund as defined in the Investment Tax Act (*Investmentsteuergesetz*).

b) Notwithstanding the provisions of subparagraphs a) and b) of paragraph 2 of Article 10 of the Agreement, the tax shall not exceed 15 per cent of the gross amount of the dividends

(i) to the extent that distributions on certificates of an investment fund are directly or indirectly connected to income from immovable property as defined in Article 6 of the Agreement;

(ii) where the distributing company is a real estate investment company whose profits are wholly or partially tax-exempt or which is entitled to deduct the distributions when determining its profits. A real estate investment company is a company under section 1 subsection (1) of the Act on German Real Estate Stock Corporations with Listed Shares (REIT Act; *Gesetz über deutsche Immobilien-Aktiengesellschaften mit börsennotierten Anteilen*).

c) Notwithstanding the provisions of subparagraph a) of paragraph 2 of Article 10 of the Agreement, only the provisions of subparagraph b) of paragraph 2 of Article 10 of the Agreement shall apply to distributions on certificates of an investment fund in connection with any income other than that mentioned in subdivision (i) of subparagraph b).

5. With reference to paragraph 2 of Article 11 of the Agreement:

It is agreed that if any agreement between Armenia and one of the current (as of the date of signature of this Agreement) member states of the Organization for Economic Co-operation and Development signed after the date of signature of this Agreement provides that interest arising in Armenia shall be exempted or taxed in Armenia at a lower rate than that which applies in this

Agreement, then such exemption or lower rate shall automatically apply to interest governed by the provisions of this Agreement. In such case, it is further understood that the competent authority of Armenia will inform the competent authority of the Federal Republic of Germany without delay that the conditions for the application of this paragraph have been met.

6. With reference to paragraph 3 of Article 11 of the Agreement:

It is understood that the provisions of paragraph 3 of Article 11 of the Agreement will also apply to other financial institutions wholly owned by the Government of the Republic of Armenia that have been agreed on by mutual agreement between the competent authorities of the Contracting States.

7. With reference to paragraph 4 of Article 11 of the Agreement:

It is understood that the term "interest" does not include income dealt with in Article 10 of the Agreement as for example distributions on certificates of a German investment fund.

8. With reference to Articles 10 and 11 of the Agreement:

Notwithstanding the provisions of Articles 10 and 11 of the Agreement, dividends and interest may be taxed in the Contracting State in which they arise and according to the law of that State if they

a) are derived from rights or debt claims carrying a right to participate in profits, including income derived by a silent partner ("stiller Gesellschafter") from his participation as such, or income from loans with an interest rate linked to the borrower's profit ("partiarische Darlehen") or profit sharing bonds ("Gewinnobligationen") within the meaning of the tax law of the Federal Republic of Germany, and

b) are deductible in the determination of profits of the debtor of such dividends or interest.

9. With reference to subdivision (ii) of subparagraph e) of paragraph 2 of Article 22 of the Agreement:

It is understood that items of income or capital, or elements thereof, are actually taxed when they are included in the taxable base by reference to which the tax is computed. They are not actually taxed when they are either not taxable or exempt from tax.

10. With reference to paragraph 5 of Article 23 of the Agreement:

It is understood that paragraph 5 of Article 23 of the Agreement shall not be construed as obligating a Contracting State to permit cross-border consolidation of income or similar benefits between enterprises.

11. With reference to Article 25 of the Agreement:

If personal data is exchanged under Article 25 of the Agreement, the following additional provisions shall apply subject to the domestic laws of each Contracting State:

a) The receiving agency may use data in compliance with paragraph 2 of Article 25 of the Agreement only for the purpose stated by the supplying agency and shall be subject to the conditions prescribed by the supplying agency and that conform with Article 25 of the Agreement.

b) The information may be used for other purposes without the prior approval of the supplying State according to sentence 4 of paragraph 2 of Article 25 of the Agreement only if it is needed to avert in the individual case at hand an imminent threat to a person of loss of life, bodily harm or loss of liberty, or to protect significant assets and there is danger inherent in any delay. In such a case the competent authority of the supplying State must be asked without delay for retroactive authorization of the change in use. If authorization is refused, the information may no longer be used for the other purpose; any

damage which has been caused by the change in use of the information must be compensated.

c) The supplying agency shall be obliged to exercise vigilance as to the accuracy of the data to be supplied and their foreseeable relevance within the meaning of paragraph 1 of Article 25 of the Agreement and the proportionality to the purpose for which they are supplied. Data are foreseeably relevant if in the concrete case at hand there is the serious possibility that the other Contracting State has a right to tax and there is nothing to indicate that the data are already known to the competent authority of the other Contracting State or that the competent authority of the other Contracting State would learn of the taxable object without the information. If it emerges that inaccurate data or data which should not have been supplied have been supplied, the receiving agency shall be informed of this without delay. That agency shall be obliged to correct or erase such data without delay.

d) The receiving agency shall on request inform the supplying agency on a case-by-case basis about the use of the supplied data and the results achieved thereby.

e) The receiving agency shall inform the person concerned of the collecting of data at the supplying agency. The person concerned need not be informed if and as long as on balance it is considered that the public interest in not informing him outweighs his right to be informed.

f) Upon application the person concerned shall be informed of the supplied data relating to him and of the use to which such data are to be put. The second sentence of paragraph e) shall apply accordingly.

g) The receiving agency shall bear liability under its domestic laws in relation to any person suffering unlawful damage in connection with the supply of data under the exchange of data pursuant to this Agreement. In relation to the damaged person, the receiving agency may not plead to its discharge that the damage was caused by the supplying agency.

data pursuant to this Agreement. In relation to the damaged person, the receiving agency may not plead to its discharge that the damage was caused by the supplying agency.

h) The supplying and the receiving agencies shall be obliged to keep official records of the supply and receipt of personal data.

i) Where the domestic law of the supplying agency contains special deadlines for the deletion of the personal data supplied, that agency shall inform the receiving agency accordingly. In any case, supplied personal data shall be erased once they are no longer required for the purpose for which they were supplied.

j) The supplying and the receiving agencies shall be obliged to take effective measures to protect the personal data supplied against unauthorized access, unauthorized alteration and unauthorized disclosure.

Done at Yerevan on 29 June 2016, in duplicate, in the Armenian, German and English languages, each text being authentic. In case of divergent interpretations of the Armenian and German texts, the English text shall prevail.

For the Republic of Armenia **For the Federal Republic of Germany**