

PROTOCOL AMENDING THE CONVENTION BETWEEN THE KINGDOM OF BELGIUM AND JAPAN FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME

The Government of the Kingdom of Belgium and the Government of Japan,

Desiring to amend the Convention between Japan and the Kingdom of Belgium for the Avoidance of Double Taxation with respect to Taxes on Income, signed at Tokyo on 28 March 1968 (hereinafter referred to as "the Convention"),

Have agreed as follows:

Article 1

Paragraph 2 of Article 10 of the Convention shall be deleted and replaced by the following:

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

(a) in Japan:

(i) 10% of the gross amount of the dividends if the recipient is a company which owns at least 25% of the voting shares of the company paying such dividends during the period of six months immediately preceding the date when such dividends become payable;

(ii) 15% of the gross amount of the dividends in all other cases;

(b) in Belgium:

(i) 5% of the gross amount of the dividends if the recipient is a company which owns at least 25% of the voting shares of the company paying such dividends during the period of six months immediately preceding the date when such dividends become payable;

(ii) 15% 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 2

Paragraph 2 of Article 11 of the Convention shall be deleted and replaced by the following:

"2. However, such interest may be taxed in the Contracting State in which it arises, and according to the laws of that Contracting State, but the tax so charged shall not exceed 10% of the gross amount of the interest."

Article 3

1. This Protocol shall be ratified and the instruments of ratification shall be exchanged at Tokyo as soon as possible.

2. This Protocol shall enter into force on the thirtieth day after the date of the exchange of the instruments of ratification and shall have effect:

in Japan: as respects income derived during the taxable years beginning on or after the first day of January in the calendar year next following that in which this Protocol enters into force;

in Belgium: as respects income credited or payable on or after the first day of January in the calendar year next following that in which this Protocol enters into force.

3. This Protocol shall remain in effect as long as the Convention remains in force.

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

Done in duplicate at Brussels, this 9th day of November 1988, in the English language.

For the Government of Japan:
Yoshiya Kato

For the Government of the Kingdom of Belgium:
L. Tindemans
