

PROTOCOL

BETWEEN

THE REPUBLIC OF AUSTRIA

AND

THE REPUBLIC OF SLOVENIA

AMENDING THE CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION  
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL SIGNED IN LJUBLJANA  
ON 1 OCTOBER 1997

The Republic of Austria and the Republic of Slovenia desiring to conclude a Protocol amending the Convention for the avoidance of double taxation with respect to taxes on income and on capital, signed in Ljubljana on 1 October 1997 (hereinafter referred to as "the Convention"),

Have agreed as follows:

### Article 1

(1) The following new paragraph 2a shall be inserted after paragraph 2 of Article 11 of the Convention:

"(2a) Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State shall be exempt from tax in that State if:

- a) the payer of the interest is the Contracting State or a political subdivision or a local authority or Central Bank thereof;
- b) the interest is paid to the other Contracting State or a political subdivision or a local authority or Central Bank thereof;
- c) the interest is paid in respect of a loan made, approved, guaranteed or insured by an institution which is authorized in accordance with internal law to act as the export financing institution on behalf of the Contracting State."

(2) In paragraph 4 of Article 11 of the Convention the words "1 and 2" shall be replaced by "1, 2 and 2a".

### Article 2

Paragraph 2 of Article 12 of the Convention shall be deleted and replaced by the following:

"(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 5 per cent of the gross amount of the royalties."

### Article 3

Paragraph 3 of Article 27 of the Convention shall be deleted.

### Article 4

The Contracting States shall notify each other through diplomatic channels that all legal procedures for the entry into force of this Protocol have been completed. The Protocol shall enter into force on the first day of the third month next following the date of the receipt of the later of the notifications referred to above and its provisions shall have effect in respect of taxes for any fiscal year beginning on or after the 1<sup>st</sup> January 2007.

IN WITNESS WHEREOF the plenipotentiaries of the two Contracting States, duly authorized thereto, have signed this Protocol.

DONE in duplicate at Ljubljana on 26 September 2006 in the German, Slovenian and English languages, all the texts being equally authentic. In case of divergence between any of the texts, the English text shall prevail.

For the Republic  
of Austria:

Valentin Inzko m.p.

For the Republic  
of Slovenia:

Andrej Šircelj m.p.