

CONVENTIE

intre

România si Republica Federala Democrata Etiopia
pentru evitarea dublei impuneri si
prevenirea evaziunii fiscale cu privire la impozitele pe venit si pe capital



România si Republica Federala Democrata Etiopia, dorind sa incheie o Conventie pentru evitarea dublei impuneri si prevenirea evaziunii fiscale cu privire la impozitele pe venit si pe capital, au convenit dupa cum urmeaza:

Articolul 1

Persoane vizate

Prezenta Conventie se aplica persoanelor care sunt rezidente ale unuia sau ale ambelor State Contractante.

Articolul 2

Impozite vizate

1. Prezenta Conventie se aplica impozitelor pe venit si pe capital stabilite in numele fiecarui Stat Contractant sau al autoritatilor locale sau al unitatilor sale administrativ-teritoriale, indiferent de modul in care sunt percepute.

2. Sunt considerate impozite pe venit si pe capital toate impozitele stabilite pe venitul total, pe capitalul total sau pe elementele de venit sau de capital, inclusiv impozitele pe câstigurile provenite din instrainarea proprietatii mobiliare sau imobiliare, precum si impozitele asupra cresterii capitalului.

3. Impozitele existente asupra carora se aplica prezenta Conventie sunt in special:

a) In cazul României :

- (i) impozitul pe venit;
- (ii) impozitul pe profit;
- (iii) impozitul pe dividend;



(iv) impozitul pe venitul agricol;
(denumite in continuare "impozit român").

b) In cazul Etiopiei:

- (i) impozitul pe venitul din salarii si remuneratii aferente;
 - (ii) impozitul pe venitul din activitati de afaceri desfasurate de persoane juridice si din activitati de afaceri desfasurate de persoane fizice, inclusiv impozitul pe venitul din activitati agricole si impozitul pe venitul din inchirierea proprietati imobiliare;
 - (iii) impozitul pe veniturile obtinute din servicii prestate in strainatate;
 - (iv) impozitul pe dividend, redeventa si pe castig intamplator;
 - (v) impozitul pe castiguri de capital.
- (denumite in continuare "impozit etiopian").

4. Conventia se va aplica, de asemenea oricaror impozite identice sau in esenta similare, care sunt stabilite dupa data semnarii prezentei Conventii, in plus, sau in locul impozitelor existente. Autoritatile competente ale Statelor Contractante se vor informa reciproc asupra oricaror modificari importante aduse in legislatiile lor fiscale respective.

Articolul 3

Definitii generale

1. In sensul prezentei Conventii:

a) termenii "un Stat Contractant" si "celalalt Stat Contractant," inseamna România sau Etiopia, dupa cum cere contextul;



b) termenul "România" înseamnă teritoriul de stat al României, inclusiv marea sa teritorială și spațiul aerian de deasupra teritoriului și mării teritoriale asupra cărora România își exercită suveranitatea, precum și zona contigua și platoul continental și zona economică exclusivă asupra cărora România își exercită, în conformitate cu legislația sa și potrivit normelor și principiilor dreptului internațional, drepturi suverane și jurisdicția;

c) termenul "Etiopia" înseamnă Republica Federală Democrată Etiopia, și când este folosit în sens geografic, înseamnă teritoriul național și orice altă regiune care, în conformitate cu dreptul internațional și legislația Etiopiei, este sau poate fi considerată ca o regiune în care Etiopia își exercită drepturile suverane sau jurisdicția;

d) termenul "persoană" include o persoană fizică, o societate și orice altă asocieră de persoane;

e) termenul "societate" înseamnă orice persoană juridică sau orice entitate care este considerată ca o persoană juridică în scopul impozitării;

f) termenii "întreprindere a unui Stat Contractant" și "întreprindere a celuilalt Stat Contractant" înseamnă, după caz, o întreprindere exploatată de un rezident al unui Stat Contractant și o întreprindere exploatată de un rezident al celuilalt Stat Contractant;

g) termenul "național" înseamnă:

- (i) în cazul României orice persoană fizică având cetățenia României și orice persoană juridică, asocieră de persoane



orice alta entitate constituita si având statutul in conformitate cu legislatia in vigoare in România;

(ii) in cazul Etiopiei, toate persoanele fizice avand nationalitatea Etiopiei si toate persoanele juridice, parteneriatele si asocierile avand statutul in conformitate cu legislatia in vigoare in Etiopia;

h) termenul "transport international" inseamna orice transport efectuat cu o nava sau aeronava, exploatate de o intreprindere care are sediul conducerii efective intr-un Stat Contractant, cu exceptia cazului când asemenea transport este efectuat numai intre locuri situate in celalalt Stat Contractant;

i) termenul "autoritate competenta" inseamna :

(i) in cazul României, Ministrul Finantelor Publice sau reprezentantul sau autorizat;

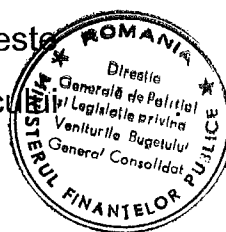
(ii) in cazul Etiopiei, Ministrul Finantelor sau reprezentantul sau autorizat.

2. In ceea ce priveste aplicarea acestei Conventii de un Stat Contractant, orice termen care nu este definit in Conventie va avea, daca contextul nu cere o interpretare diferita, intelesul pe care il are in cadrul legislatiei acelui stat cu privire la impozitele la care prezenta Conventie se aplica.

Articolul 4

Rezident

1. In sensul prezentei Conventii, termenul "rezident al unui Stat Contractant" inseamna orice persoana care potrivit legislatiei acelui stat, este supusa impunerii in acel stat datorita domiciliului sau, rezidentei sale, locu-



conducerii efective sau oricarui alt criteriu de natura similara, si include de asemenea acel stat si orice autoritate locala sau unitate administrativ-teritoriala a acelui stat. Dar acest termen nu include o persoana care este supusa impozitarii in acel stat numai pentru faptul ca realizeaza venituri din surse sau capital, situate in acel stat.

2. Când, in conformitate cu prevederile paragrafului 1, o persoana fizica este rezidenta a ambelor State Contractante, atunci statutul sau se determina dupa cum urmeaza:

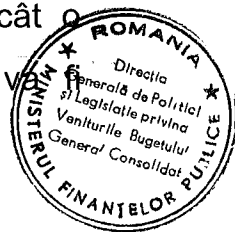
a) aceasta va fi considerata rezidenta numai a statului in care are o locuinta permanenta la dispozitia sa; daca dispune de o locuinta permanenta in ambele state, va fi considerata rezidenta a statului cu care legaturile sale personale si economice sunt mai strânse (centrul intereselor vitale);

b) daca statul in care aceasta persoana are centrul intereselor sale vitale nu poate fi determinat sau daca ea nu dispune de o locuinta permanenta la dispozitia sa in nici unul dintre state, ea va fi considerata rezidenta numai a statului in care locuieste in mod obisnuit;

c) daca aceasta persoana locuieste in mod obisnuit in ambele state sau in nici unul dintre ele ea va fi considerata rezidenta numai a statului al carui national este;

d) daca aceasta persoana este national al ambelor state sau a nici unuia dintre ele, autoritatile competente ale Statelor Contractante vor rezolva problema de comun acord.

3. Când, potrivit prevederilor paragrafului 1, o persoana, alta decât o persoana fizica, este rezidenta a ambelor State Contractante, ea va fi



considerata rezidenta numai a statului in care se afla locul conducerii sale efective.

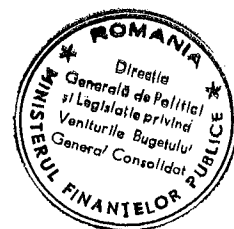
Articolul 5

Sediu Permanent

1. In sensul prezentei Conventii, termenul "sediu permanent" inseamna un loc fix de afaceri prin care intreprinderea isi desfasoara in intregime sau in parte activitatea sa.

2. Termenul "sediu permanent" include indeosebi:

- a) un loc de conducere;
- b) o sucursala;
- c) un birou;
- d) o fabrica;
- e) un magazin;
- f) un atelier;
- g) un depozit comercial;
- h) o ferma, o plantatie sau un alt loc unde sunt desfasurate activitati agricole, forestiere, de plantatie sau activitati conexe; si



i) o mina, un put petrolier sau de gaze, o cariera sau orice alt loc de extractie a resurselor naturale.

3. Un santier de constructii sau un proiect de constructii sau de instalare constituie sediu permanent dar numai când acesta dureaza mai mult de sase luni.

4. Independent de prevederile anterioare ale acestui articol, termenul "sediu permanent" se considera ca nu include:

a) folosirea de instalatii numai in scopul depozitarii, expunerii sau livrarii de produse sau marfuri aparținând intreprinderii;

b) mentinerea unui stoc de produse sau marfuri aparținând intreprinderii numai in scopul depozitarii, expunerii sau livrarii;

c) mentinerea unui stoc de produse sau marfuri aparținând intreprinderii, numai in scopul prelucrării de catre o alta intreprindere;

d) mentinerea unui stoc de produse sau marfuri aparținând intreprinderii, care sunt expuse in cadrul unui târg comercial sau expozitii si care sunt vândute de intreprindere la inchiderea târgului sau expozitiei mentionate;

e) mentinerea unui loc fix de afaceri numai in scopul cumpararii de produse sau marfuri sau colectarii de informatii pentru intreprindere;

f) mentinerea unui loc fix de afaceri exclusiv in scopuri de publicitate, pentru furnizarea de informatii pentru cercetare stiintifica sau pentru activitati similare care au un caracter pregatitor sau auxiliar pentru intreprindere;



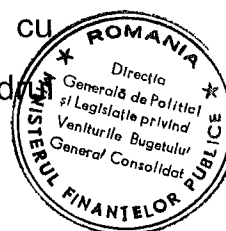
g) mentinerea unui loc fix de afaceri numai pentru orice combinatie de activitati mentionate in subparagrafele a) la f), cu conditia ca intreaga activitate a locului fix de afaceri ce rezulta din aceasta combinatie sa aiba un caracter pregatitor sau auxiliar.

5. Independent de prevederile paragrafelor 1 si 2, atunci când o persoana - alta decât un agent cu statut independent caruia i se aplica prevederile paragrafului 7 - actioneaza in numele unei intreprinderi si are si exercita in mod obisnuit intr-un Stat Contractant imputernicirea de a incheia contracte in numele intreprinderii, aceasta intreprindere se considera ca are un sediu permanent in acel stat in privinta oricaror activitati pe care persoana le exercita pentru intreprindere, in afara de cazul când activitatile acestei persoane sunt limitate la cele mentionate in paragraful 4, care, daca sunt exercitate printr-un loc fix de afaceri nu fac din acest loc fix de afaceri un sediu permanent potrivit prevederilor acelui paragraf.

6. Independent de prevederile precedente ale acestui articol, o intreprindere de asigurari a unui Stat Contractant se considera ca are un sediu permanent in celalalt Stat Contractant, daca incaseaza prime pe teritoriul celuiilalt stat sau asigura riscuri situate acolo prin intermediul unei persoane, alta decât un agent cu statut independent caruia i se aplica prevederile paragrafului 7.

Autoritatile competente ale Statelor Contractante se vor consulta reciproc cu privire la modul de aplicare a prevederilor acestui paragraf.

7. O intreprindere nu se considera ca are un sediu permanent intr-un Stat Contractant, numai prin faptul ca aceasta isi exercita activitatea de afaceri in acel stat printr-un broker, agent comisionar general sau orice alt agent cu statut independent, cu conditia ca aceste persoane sa actioneze in cadrul



activitatii lor obisnuite. Totusi, cand activitatile unui asemenea agent sunt consacrate in intregime sau in principal acelei intreprinderi, el nu va fi considerat ca fiind un agent cu statut independent in sensul acestui paragraf.

8. Faptul ca o societate care este rezidenta a unui Stat Contractant controleaza sau este controlata de o societate care este rezidenta a celui alt Stat Contractant sau care isi exercita activitatea de afaceri in acel celalalt stat (printr-un sediu permanent sau in alt mod), nu este suficient pentru a face una din aceste societati un sediu permanent al celeilalte.

Articolul 6

Venituri din proprietati imobiliare

1. Veniturile realizate de un rezident al unui Stat Contractant din proprietati imobiliare (inclusiv veniturile din agricultura sau din exploatare forestiere) situate in celalalt Stat Contractant sunt impozabile in acel celalalt stat.

2. Termenul "proprietati imobiliare" are intelesul care este atribuit de legislatia Statului Contractant in care proprietatile in cauza sunt situate. Termenul include, in orice caz accesoriile proprietatii imobiliare, inventarul viu si echipamentul utilizat in agricultura si exploatare forestiere, drepturile asupra carora se aplica prevederile dreptului comun cu privire la proprietatea funciara, uzufructul proprietatilor imobiliare si drepturile la rente variabile sau fixe pentru exploatarea sau concesionarea exploatareii zacamintelor minerale, izvoarelor si a altor resurse naturale; navele si aeronavele nu sunt considerate proprietati imobiliare.

3. Prevederile paragrafului 1 se aplica veniturilor obtinute din exploatarea directa, din inchirierea sau din folosirea in orice alta forma a proprietatilor imobiliare.



4. Prevederile paragrafelor 1 si 3 se aplica de asemenea, veniturilor provenind din proprietati imobiliare ale unei intreprinderi si veniturilor din proprietati imobiliare utilizate pentru exercitarea unei profesii independente.

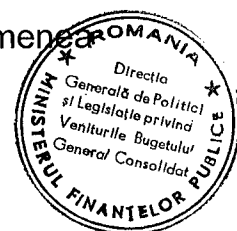
Articolul 7

Profiturile intreprinderii

1. Profiturile unei intreprinderi a unui Stat Contractant sunt impozabile numai in acel stat, in afara de cazul când intreprinderea exercita activitate de afaceri in celalalt Stat Contractant printr-un sediu permanent situat acolo. Daca intreprinderea exercita activitate de afaceri in acest mod, profiturile intreprinderii pot fi impuse in celalalt stat, dar numai acea parte din ele care este atribuabila acelui sediu permanent.

2. Sub rezerva prevederilor paragrafului 3, când o intreprindere a unui Stat Contractant, exercita activitate de afaceri in celalalt Stat Contractant printr-un sediu permanent situat acolo, atunci se atribuie in fiecare Stat Contractant, acelui sediu permanent, profiturile pe care le-ar fi putut realiza, daca ar fi constituit o intreprindere distincta si separata, exercitând activitati identice sau similare in conditii identice sau similare si tratând cu toata independenta cu intreprinderea a carui sediu permanent este.

3. Daca o intreprindere a unui Stat Contractant, care are un sediu permanent in celalalt Stat Contractant, vinde bunuri sau marfuri de acelasi fel sau de natura similara cu cele vandute de sediul permanent, sau presteaza servicii de acelasi fel sau de natura similara cu cele prestate de sediul permanent, profiturile obtinute din astfel de activitati pot fi atribuite sediului permanent, dar numai daca intreprinderea demonstreaza ca asemenea vanzari sau servicii nu sunt aferente activitatii sediului permanent.



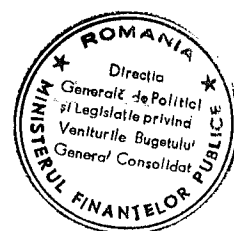
4. La determinarea profiturilor unui sediu permanent sunt admise ca deductibile cheltuielile ce pot fi dovedite ca fiind efectuate pentru scopurile urmarite de acest sediu permanent, inclusiv cheltuielile de conducere si cheltuielile generale de administrare efectuate, indiferent de faptul ca s-au efectuat in statul in care se afla situat sediul permanent sau in alta parte. Aceste prevederi sunt aplicabile sub rezerva restrictiilor prevazute de legislatia interna.

5. In masura in care intr-un Stat Contractant, se obisnuieste ca profitul care se atribuie unui sediu permanent sa fie determinat prin repartizarea profitului total al intreprinderii in diversele sale parti componente, nici o prevedere a paragrafului 2 nu impiedica acest Stat Contractant sa determine profitul impozabil in conformitate cu repartitia uzuala; metoda de repartizare adoptata trebuie totusi sa fie, aceea prin care rezultatul obtinut sa fie in concordanta cu principiile enuntate in prezentul articol.

6. Nici un profit nu se atribuie unui sediu permanent numai pentru faptul ca acest sediu permanent cumpara produse sau marfuri pentru intreprindere.

7. In vederea aplicarii prevederilor paragrafelor precedente, profitul care se atribuie unui sediu permanent se determina in fiecare an prin aceeasi metoda, in afara de cazul când exista motive temeinice si suficiente de a proceda altfel.

8. Când profiturile includ elemente de venit care sunt tratate separat in alte articole ale prezentei Conventii, prevederile acelor articole nu sunt afectate de prevederile acestui articol.



Articolul 8

Transporturi internationale

1. Profiturile obtinute din exploatarea in trafic international a navelor si aeronavelor sunt impozabile numai in Statul Contractant in care se afla locul conducerii efective a intreprinderii.

2. Daca locul conducerii efective a unei intreprinderi de transport naval se afla la bordul unei nave, atunci acesta se considera a fi situat in Statul Contractant in care se afla portul de inregistrare a navei sau, daca nu exista un astfel de port, in Statul Contractant in care este rezident cel care exploateaza nava.

3. Prevederile paragrafului 1 se aplica, de asemenea, profiturilor obtinute din participarea la un pool, la o exploatare in comun sau la o agentie internationala de transporturi.

Articolul 9

Intreprinderi asociate

1. Când

a) o intreprindere a unui Stat Contractant participa, direct sau indirect, la conducerea, controlul sau la capitalul unei intreprinderi a celui alt Stat Contractant, sau

b) aceleasi persoane participa, direct sau indirect, la conducerea, controlul sau la capitalul unei intreprinderi a unui Stat Contractant si a unei intreprinderi a celui alt Stat Contractant,



si, fie intr-un caz, fie in celalalt, cele doua intreprinderi sunt legate in relatiile lor financiare sau comerciale prin conditii acceptate sau impuse, care difera de acelea care ar fi fost stabilite intre intreprinderi independente, atunci profiturile, care fara aceste conditii ar fi fost obtinute de una din intreprinderi, dar nu au putut fi obtinute in fapt datorita acestor conditii, pot fi incluse in profiturile acelei intreprinderi si impuse in consecinta.

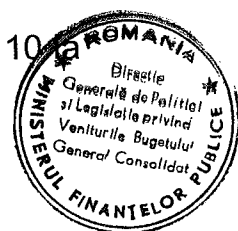
2. Când un Stat Contractant include in profiturile unei intreprinderi aparținând acelu stat - si impune in consecinta - profiturile asupra carora o intreprindere a celuiilalt Stat Contractant a fost supusa impozitarii in celalalt stat si profiturile astfel incluse sunt profituri care ar fi revenit intreprinderii primului stat mentionat daca conditiile stabilite intre cele doua intreprinderi ar fi fost acelea care ar fi fost convenite intre intreprinderi independente, atunci acel celalalt stat va proceda la modificarea corespunzatoare a sumei impozitului stabilit asupra acestor profituri. La efectuarea acestei modificari, se tine seama de celelalte prevederi ale prezentei Conventii si daca este necesar autoritatile competente ale Statelor Contractante se vor consulta reciproc.

Articolul 10

Dividende

1. Dividendele platite de o societate care este rezidenta a unui Stat Contractant unui rezident al celuiilalt Stat Contractant sunt impozabile in celalalt stat.

2. Totusi, aceste dividende sunt de asemenea impozabile in Statul Contractant in care este rezidenta societatea platitoare de dividende si potrivit legislatiei acestui stat, dar daca beneficiarul efectiv al dividendelor este rezident al celuiilalt Stat Contractant, impozitul astfel stabilit nu va depasi 10 suta din suma bruta a dividendelor.

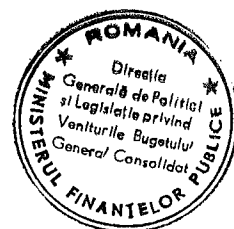


Prezentul paragraf nu afecteaza impunerea societatii in ce priveste profiturile din care se platesc dividendele.

3. Termenul "dividende" folosit in acest articol inseamna veniturile provenind din actiuni, din parti miniere, din parti de fondator sau alte drepturi, care nu sunt titluri de creanta, din participarea la profituri, precum si veniturile din alte parti sociale care sunt supuse aceluiasi regim de impunere ca veniturile din actiuni, de catre legislatia statului in care este rezidenta societatea distribuitoare a dividendelor.

4. Prevederile paragrafelor 1 si 2 nu se aplica daca beneficiarul efectiv al dividendelor, fiind rezident al unui Stat Contractant, desfasoara activitate de afaceri in celalalt Stat Contractant, in care societatea platitoare de dividende este rezidenta, printr-un sediu permanent situat acolo, sau desfasoara in celalalt stat profesii independente printr-o baza fixa situata acolo, iar detinerea drepturilor generatoare de dividende in legatura cu care dividendele sunt platite, este efectiv legata de un asemenea sediu permanent sau baza fixa. In aceasta situatie se aplica prevederile articolelor 7 sau 14, dupa caz.

5. Când o societate rezidenta a unui Stat Contractant realizeaza profituri sau venituri din celalalt Stat Contractant, celalalt stat nu poate percepe nici un impozit asupra dividendelor platite de societate, cu exceptia cazului când asemenea dividende sunt platite unui rezident al celuiilalt stat sau când detinerea drepturilor generatoare de dividende in legatura cu care dividendele sunt platite este efectiv legata de un sediu permanent sau baza fixa situate in celalalt stat, nici sa supuna profiturile nedistribuite ale societatii unui impozit asupra profiturilor nedistribuite, chiar daca dividendele platite sau profiturile nedistribuite reprezinta in intregime sau in parte profituri sau venituri provenind din celalalt stat.



Articolul 11

Dobânzi

1. Dobânzile provenind dintr-un Stat Contractant si platite unui rezident al celui alt Stat Contractant sunt impozabile in cel alt stat.

2. Totusi, aceste dobânzi sunt de asemenea impozabile in Statul Contractant din care provin, potrivit legislatiei acelu stat, dar daca beneficiarul efectiv al dobânzilor este rezident al celui alt Stat Contractant, impozitul astfel stabilit nu va depasi 15 la suta din suma bruta a dobânzilor.

Autoritatile competente ale Statelor Contractante se vor consulta reciproc asupra modului de aplicare a prevederilor acestui paragraf.

3. Prevederile paragrafului 2 al acestui articol nu se vor aplica asupra dobanzilor platite in legatura cu un imprumut acordat si garantat, direct sau indirect de catre guvernul unui Stat Contractant, de autoritatile sale locale, de unitatile sale administrativ-teritoriale sau de Bancile Nationale ale Statelor Contractante, cu conditia ca garantia sa fie emisa pentru imprumuturile acordate institutiilor guvernamentale.

4. Termenul "dobânzi" astfel cum este folosit in prezentul articol inseamna veniturile din titluri de creanta de orice natura insotite sau nu de garantii ipotecare sau de o clauza de participare la profiturile debitorului, si in special veniturile din efecte publice si venituri din obligatiuni si titluri de creanta, inclusiv primele si premiile legate de asemenea efecte, obligatiuni sau titluri de creanta. Penalitatile pentru plata cu întârziere nu sunt considerate dobânzi in sensul prezentului articol.

5. Prevederile paragrafelor 1 si 2 nu se aplica daca beneficiarul efectiv al dobânzilor, fiind un rezident al unui Stat Contractant, desfasoara activitate



de afaceri in celalalt Stat Contractant din care provin dobânzile printr-un sediu permanent situat acolo, sau presteaza in celalalt stat profesii independente printr-o baza fixa situata acolo iar creanta in legatura cu care sunt platite dobânzile este efectiv legata de un asemenea sediu permanent sau baza fixa. In aceasta situatie se aplica prevederile articolelor 7 sau 14, dupa caz.

6. Dobânzile se considera ca provin dintr-un Stat Contractant când platitorul este un rezident al aceluia stat. Totusi, când platitorul dobânzilor, fie ca este sau nu rezident al unui Stat Contractant, are intr-un Stat Contractant un sediu permanent sau o baza fixa in legatura cu care a fost contractata creanta generatoare de dobânzi si aceste dobânzi se suporta de acest sediu permanent sau baza fixa, atunci aceste dobânzi se considera ca provin din Statul Contractant in care este situat sediul permanent sau baza fixa.

7. Când datorita relatiilor speciale existente intre debitor si beneficiarul efectiv sau intre ambii si o alta persoana, suma dobânzilor, tinând seama de creanta pentru care sunt platite, depaseste suma care s-ar fi convenit intre debitor si beneficiarul efectiv in lipsa unor astfel de relatii, prevederile prezentului articol se aplica numai la aceasta ultima suma mentionata. In acest caz, partea excedentara a platilor este impozabila potrivit legislatiei fiecarui Stat Contractant, tinând seama de celelalte prevederi ale prezentei Conventii.

Articolul 12

Redevente

1. Redeventele provenind dintr-un Stat Contractant si platite unui rezident al celuilalt Stat Contractant sunt impozabile in celalalt stat.



2. Totusi, aceste redevente sunt de asemenea impozabile in Statul Contractant din care provin, potrivit legislatiei acestui stat, dar daca beneficiarul efectiv al redeventelor este rezident al celui alt Stat Contractant, impozitul astfel stabilit nu va depasi 15 la suta din suma bruta a redeventelor.

3. Termenul "redevente" folosit in prezentul articol inseamna plati, de orice fel primite pentru folosirea sau concesionarea oricarui drept de autor asupra unei opere literare, artistice sau stiintifice, inclusiv asupra softului de computer, filmelor de cinematograf si filmelor sau benzilor folosite pentru emisiunile de radio sau televiziune, transmisiilor de orice fel pentru emisiunile destinate publicului, orice patent sau marca de comert, desen sau model, plan, formula secreta sau procedeu de fabricatie sau pentru utilizarea sau dreptul de a utiliza orice echipament industrial, comercial sau stiintific, sau pentru informatii referitoare la experienta in domeniul industrial, comercial sau stiintific.

4. Prevederile paragrafelor 1 si 2 nu se aplica daca beneficiarul efectiv al redeventelor, fiind un rezident al unui Stat Contractant, desfasoara activitate de afaceri in celalalt Stat Contractant din care provin redeventele, printr-un sediu permanent situat acolo sau presteaza in celalalt stat profesii independente printr-o baza fixa situata acolo, iar dreptul sau proprietatea pentru care se platesc redeventele sunt efectiv legate de un asemenea sediu permanent sau baza fixa. In aceasta situatie se aplica prevederile articolelor 7 sau 14, dupa caz.

5. Redeventele se considera ca provin dintr-un Stat Contractant când platitorul este un rezident al acestui stat. Totusi, când platitorul redeventelor, fie ca este sau nu rezident al unui Stat Contractant, are intr-un Stat Contractant un sediu permanent sau o baza fixa de care este legata obligatia de a plati redeventele si acestea sunt suportate de un asemenea sediu



permanent sau baza fixa, atunci aceste redevente se considera ca provin din Statul Contractant in care este situat sediul permanent sau baza fixa.

6. Când, datorita relatiilor speciale existente intre platitorul si beneficiarul efectiv sau intre ambii si o alta persoana, suma redeventelor, având in vedere utilizarea, dreptul sau informatia pentru care sunt platite, depaseste suma care ar fi fost convenita intre platitor si beneficiarul efectiv in lipsa unor astfel de relatii, prevederile prezentului articol se aplica numai la aceasta ultima suma mentionata. In acest caz, partea excedentara a platilor este impozabila potrivit legislatiei fiecarui Stat Contractant, tinând seama de celelalte prevederi ale prezentei Conventii.

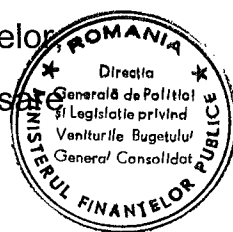
Articolul 13

Câstiguri de capital

1. Câstigurile realizate de un rezident al unui Stat Contractant din instrainarea proprietatilor imobiliare, astfel cum sunt definite la articolul 6 situate in celalalt Stat Contractant sunt impozabile in celalalt stat.

2. Câstigurile provenind din instrainarea proprietatii mobiliare facând parte din activul unui sediu permanent, inclusiv actiunile si alte titluri de participare similare, pe care o intreprindere a unui Stat Contractant il are in celalalt Stat Contractant sau a proprietatii mobiliare tinând de o baza fixa de care dispune un rezident al unui Stat Contractant in celalalt Stat Contractant pentru exercitarea unei profesii independente, inclusiv câstigurile provenind din instrainarea unui asemenea sediu permanent (singur sau cu intreaga intreprindere) sau a acelei baze fixe sunt impozabile in acel celalalt stat.

3. Câstigurile provenind din instrainarea navelor sau aeronavelor exploatate in trafic international sau a proprietatilor mobiliare necesare



exploatareii acestor nave si aeronave sunt impozabile numai in Statul Contractant in care este situat sediul conducerii efective a intreprinderii.

4. Câstigurile provenind din instrainarea oricaror proprietati, altele decât cele la care se face referire in paragrafele 1 la 3, sunt impozabile numai in Statul Contractant in care aceste proprietati sunt situate.

Articolul 14

Profesii independente

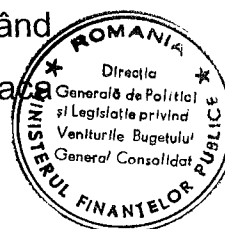
1. Veniturile realizate de un rezident al unui Stat Contractant din exercitarea unei profesii independente sau a altor activitati cu caracter independent sunt impozabile numai in acest stat, in afara de cazul in care acesta dispune de o baza fixa la dispozitia sa in celalalt Stat Contractant in scopul exercitarii activitatilor sale. Daca dispune de o astfel de baza fixa, este impozabila in celalalt Stat numai acea parte din venit care este atribuabila acelei baze fixe.

2. Expresia "profesii independente" cuprinde in special activitatile independente de ordin stiintific, literar, artistic, educativ sau pedagogic, precum si exercitarea independenta a profesiilor de medic, avocat, inginer, arhitect, dentist si contabil.

Articolul 15

Profesii dependente

1. Sub rezerva prevederilor articolelor 16, 18, 19, 20 si 21, salariile si alte remuneratii similare obtinute de un rezident al unui Stat Contractant pentru o activitate salariala sunt impozabile numai in acel stat, in afara de cazul când activitatea salariala este exercitata in celalalt Stat Contractant. Dacă



activitatea salariala este astfel exercitata, remuneratiile primite pot fi impuse in celalalt stat.

2. Independent de prevederile paragrafului 1, remuneratiile obtinute de un rezident al unui Stat Contractant pentru o activitate salariala exercitata in celalalt Stat Contractant sunt impozabile numai in primul stat mentionat daca :

a) beneficiarul este prezent in celalalt stat pentru o perioada sau perioade care nu depasesc in total 183 de zile in orice perioada de 12 luni, incepând sau sfârșind in anul calendaristic vizat; si

b) remuneratiile sunt platite de o persoana sau in numele unei persoane care angajeaza si care nu este rezidenta a celuiilalt stat; si

c) remuneratiile nu sunt suportate de un sediu permanent sau de o baza fixa pe care cel care angajeaza le are in celalalt stat.

3. Independent de prevederile precedente ale acestui articol, remuneratiile pe care un rezident al unui Stat Contractant le primeste pentru o activitate salariala exercitata la bordul unei nave sau aeronave, exploatate in trafic international sunt impozabile numai in Statul Contractant in care se afla sediul conducerii efective a intreprinderii.

Articolul 16

Remuneratiile membrilor Consiliului de Administratie

Remuneratiile si alte plati similare primite de un rezident al unui Stat Contractant in calitate sa de membru al consiliului de administratie al unei societati care este rezidenta a celuiilalt Stat Contractant sunt impozabile in acel celalalt stat.



Articolul 17

Artisti si sportivi

1. Independent de prevederile articolelor 14 si 15, veniturile obtinute de un rezident al unui Stat Contractant in calitate de artist de spectacol, cum sunt artistii de teatru, de film, de radio sau televiziune ori ca interpreti muzicali, sau ca sportivi, din activitatile lui personale desfasurate in aceasta calitate in celalalt Stat Contractant, sunt impozabile in acel celalalt stat.

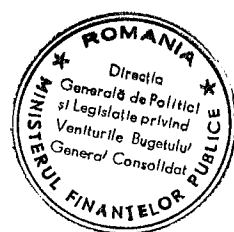
2. Când veniturile in legatura cu activitatile personale desfasurate de un artist de spectacol sau de un sportiv in aceasta calitate, nu revin artistului de spectacol sau sportivului ci unei alte persoane, acele venituri, independent de prevederile articolelor 7, 14 si 15 sunt impozabile in Statul Contractant in care sunt exercitate activitatile artistului de spectacol sau sportivului.

3. Independent de prevederile paragrafelor 1 si 2, veniturile obtinute din activitatile mentionate la paragraful 1, in cadrul schimburilor culturale sau sportive, aprobate de guvernele celor doua State Contractante si care nu sunt exercitate in scopul de a obtine profituri, sunt scutite de impozit in Statul Contractant in care sunt exercitate aceste activitati.

Articolul 18

Pensii si anuitati

1. Sub rezerva prevederilor paragrafului 2 al articolului 19, pensiile, anuitatile si alte remuneratii similare platite unui rezident al unui Stat Contractant pentru munca salariala desfasurata in trecut sunt impozabile numai in acel stat.



2. Independent de prevederile paragrafului 1 al acestui articol, pensiile si alte plati similare primite in cadrul legislatiei referitoare la asigurarile sociale dintr-un Stat Contractant sunt impozabile numai in acel stat.

3. Termenul "anuitate" inseamna o suma determinata, platibila in mod periodic la scadente fixe in timpul vietii sau in timpul unei perioade specificate sau determinabile, in virtutea unui angajament, cu obligatia de a face in schimb platile pentru deplina si corespunzatoare recompensare in bani sau in echivalent banesc.

4. Expresia "pensie" inseamna o plata facuta in mod periodic pentru serviciile prestate in trecut sau sub forma de compensatie pentru prejudiciile suferite pe durata desfasurarii activitatii salariale.

Articolul 19

Functii publice

1. a) Salariile si alte remuneratii similare, altele decât pensiile, platite de un Stat Contractant, sau de o autoritate locala, sau de o unitate administrativ-teritoriala a acestuia unei persoane fizice pentru serviciile prestate acelui stat, sau autoritatii locale sau unitatii administrativ-teritoriale sunt impozabile numai in acel stat.

b) Totusi, aceste salarii si alte remuneratii similare sunt impozabile numai in celalalt Stat Contractant, daca serviciile sunt prestate in acel stat si persoana fizica este rezidenta a acelui stat, si:

(i) este un national al acelui stat; sau

(ii) nu a devenit rezident a acelui stat, numai in scopul prestarii serviciilor.



2. a) Pensiile platite de, sau din fonduri create de un Stat Contractant, sau de o autoritate locala, sau de o unitate administrativ-teritoriala a acelui stat unei persoane fizice pentru serviciile prestate acelui stat, sau acelei autoritati sau acelei unitati sunt impozabile numai in acel stat.

b) Totusi, aceste pensii sunt impozabile numai in celalalt Stat Contractant, daca persoana fizica este rezidenta si national a acelui stat.

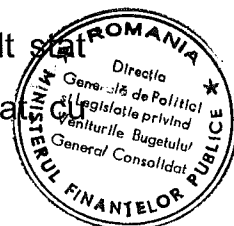
3. Prevederile articolelor 15, 16, 17 si 18 se aplica salariilor si altor remuneratii similare si pensiilor platite pentru serviciile prestate in legatura cu o activitate de afaceri desfasurata de un Stat Contractant, sau de o autoritate locala sau de o unitate administrativ-teritoriala a acestuia.

Articolul 20

Studenti si practicanti

1. Sumele pe care le primeste pentru intretinere, educare sau pregatire un student sau un practicant care este sau a fost rezident al celui alt Stat Contractant imediat anterior venirii sale intr-un Stat Contractant si care este prezent in primul Stat Contractant mentionat numai in scopul educarii sau pregatirii sale, nu sunt impozabile in acel stat, cu conditia ca astfel de sume sa provina din surse aflate in afara acelui stat.

2. Un student care studiaza la o universitate ori alta institutie de invatamânt superior dintr-un Stat Contractant sau un practicant, care este sau a fost rezident al primului stat mentionat imediat inaintea venirii sale in celalalt Stat Contractant si care este prezent in celalalt Stat Contractant pentru o perioada continua ce nu depaseste patru ani, nu va fi impus in celalalt stat pentru remuneratiile primite ca urmare a unor servicii prestate in acel stat.



condiția ca serviciile să fie în legătură cu studiile sau pregătirea și să remunerațiile să constituie venituri necesare pentru întreținerea sa.

Articolul 21

Profesori și cercetători

1. O persoană fizică care este sau a fost rezidentă a unui Stat Contractant, imediat înainte de sosirea sa în celălalt Stat Contractant și care, la invitația unei universități, colegiu, școală sau alte instituție educațională similară non-profit, care este recunoscută de Guvernul celălalt Stat Contractant, este prezentă în acel celălalt stat pentru o perioadă care nu depășește doi ani de la data primei sale sosiri în acel celălalt Stat Contractant, numai în scopul de a predă sau a cerceta sau pentru ambele, la astfel de instituții educaționale, este scutită de impozit în acel celălalt Stat Contractant pentru remunerația primită pentru predare sau cercetare.

2. Prevederile paragrafului 1 ale acestui articol nu se aplică venitului din cercetare, dacă asemenea cercetare nu este întreprinsă în interes public ci în interesul obținerii unui câștig în folosul unei anumite persoane sau al unui grup de persoane.

Articolul 22

Alte venituri

1. Elementele de venit ale unui rezident al unui Stat Contractant, indiferent de unde provin, care nu sunt tratate la articolele precedente ale prezentei Convenții sunt impozabile numai în acel stat.

2. Prevederile paragrafului 1 nu se vor aplica asupra veniturilor, altele decât veniturile provenind din proprietățile imobiliare așa cum sunt definite



paragraful 2 al articolului 6, daca primitorul unor astfel de venituri, fiind rezident al unui Stat Contractant, desfasoara activitate de afaceri in celalalt Stat Contractant printr-un sediu permanent situat acolo, sau exercita in celalalt stat profesii independente printr-o baza fixa situata acolo si dreptul sau proprietatea in legatura cu care venitul este platit sunt efectiv legate de un asemenea sediu permanent sau baza fixa. In aceasta situatie se aplica prevederile articolului 7 sau 14, dupa caz.

3. Independent de prevederile paragrafelor 1 si 2, elementele de venit ale unui rezident al unui Stat Contractant netratate in articolele precedente ale prezentei Conventii si provenind din celalalt Stat Contractant sunt impozabile, de asemenea, in acel celalalt Stat.

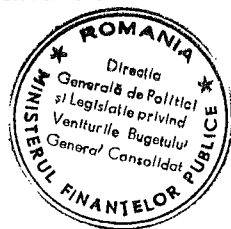
Articolul 23

Capital

1. Capitalul reprezentat de proprietati imobiliare la care se face referire la articolul 6, detinute de un rezident al unui Stat Contractant si care sunt situate in celalalt Stat Contractant este impozabil in acel celalalt stat.

2. Capitalul reprezentat de proprietati mobiliare, facând parte din activul unui sediu permanent pe care o intreprindere a unui Stat Contractant il are in celalalt Stat Contractant sau de proprietati mobiliare aparținând unei baze fixe pe care un rezident al unui Stat Contractant o are in celalalt Stat Contractant pentru exercitarea unei profesii independente este impozabil in acel celalalt stat.

3. Capitalul constituit din nave si aeronave, exploatate de o intreprindere a unui Stat Contractant in trafic international si proprietatile mobiliare tinând de



exploatarea unor asemenea mijloace de transport sunt impozabile numai in Statul Contractant in care se afla sediul conducerii efective a intreprinderii.

4. Toate celelalte elemente de capital ale unui rezident al unui Stat Contractant sunt impozabile numai in Statul Contractant in care aceste proprietati sunt situate .

Articolul 24

Eliminarea dublei impuneri

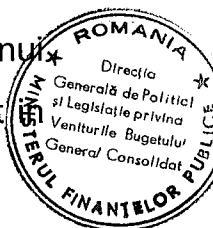
1. Când un rezident al unui Stat Contractant realizeaza venituri sau detine capital care, in conformitate cu prevederile prezentei Conventii pot fi impozitate in celalalt Stat Contractant, primul stat mentionat va acorda:

a) ca o deducere din impozitul pe venitul acelui rezident, o suma egala cu impozitul pe venit platit in acel celalalt stat;

b) ca o deducere din impozitul pe capitalul acelui rezident, o suma egala cu impozitul pe capital platit in acel celalalt stat.

Totusi, aceasta deducere nu va putea depasi in nici un caz, acea parte a impozitului pe venit sau a impozitului pe capital, astfel cum este calculata inainte ca deducerea sa fie acordata, care este atribuabila, dupa caz, venitului sau capitalului care poate fi impozitat in acel celalalt stat.

2. In conformitate cu prevederile paragrafului 1 al prezentului articol, cand venitul obtinut intr-un stat contractant este scutit sau impus cu o cota redusa de impozit in acel stat, pentru o perioada determinata de timp, in conformitate cu legislatia si reglementarile acelui stat, atunci impozitul aferent unui asemenea venit, care a fost scutit sau impus cu o cota redusa de impozit



acel stat, va fi creditat fata de impozitul pe venit datorat in statul in care beneficiarul efectiv al venitului este rezident.

Articolul 25

Nediscriminarea

1. Nationalii unui Stat Contractant nu vor fi supusi in celalalt Stat Contractant la nici o impozitare sau obligatie legata de aceasta, diferita sau mai impovaratoare decât impozitarea sau obligatia la care sunt sau pot fi supusi nationalii acelui celuilalt stat aflati in aceeasi situatie, mai ales in ceea priveste rezidenta.

2. Impunerea unui sediu permanent pe care o intreprindere a unui Stat Contractant il are in acel celalalt Stat Contractant, nu va fi stabilita in conditii mai putin favorabile in acel celalalt stat, decât impunerea stabilita intreprinderilor acelui celalalt stat care desfasoara aceleasi activitati. Aceasta prevedere nu va fi interpretata ca obligând un Stat Contractant sa acorde rezidentilor celuilalt Stat Contractant nici o deducere personala, inlesnire sau reducere in ce priveste impunerea, pe considerente privind statutul civil ori responsabilitatile familiale pe care le acorda rezidentilor sai.

3. Cu exceptia cazului când se aplica prevederile paragrafului 1 al articolului 9, paragrafului 7 al articolului 11 sau paragrafului 6 al articolului 12, dobânzile, redevențele și alte plăți făcute de o întreprindere a unui Stat Contractant unui rezident al celuilalt Stat Contractant se vor deduce, în scopul determinării profiturilor impozabile ale unei asemenea întreprinderi, în aceleasi conditii ca și cum ar fi fost plătite unui rezident al primului stat menționat. În mod similar, orice datorii ale unei întreprinderi a unui Stat Contractant fata de un rezident al celuilalt Stat Contractant, vor fi deductibile, în vederea



determinarii capitalului impozabil al acestei intreprinderi, in aceleasi conditii ca si când ar fi fost contractate fata de un rezident al primului stat mentionat.

4. Intreprinderile unui Stat Contractant, al caror capital este integral sau partial detinut sau controlat in mod direct sau indirect, de unul sau de mai multi rezidenti ai celui alt Stat Contractant, nu vor fi supuse in primul Stat Contractant mentionat, nici unei impuneri sau nici unei obligatii legata de aceasta, care sa fie diferita sau mai impovaratoare decât impunerea si obligatiile legate de aceasta, la care sunt sau pot fi supuse alte intreprinderi similare ale primului stat mentionat.

5. Prevederile prezentului articol se aplica numai impozitelor care fac obiectul prezentei Conventii.

Articolul 26

Procedura amiabila

1. Când o persoana considera ca datorita masurilor luate de unul sau de ambele State Contractante rezulta sau va rezulta pentru ea o impozitare care nu este conforma cu prevederile prezentei Conventii, ea poate, indiferent de caile de atac prevazute de legislatia interna ale Statelor Contractante, sa supuna cazul sau autoritatii competente a Statului Contractant al carui rezident este sau, daca situatia sa se incadreaza in prevederile paragrafului 1 al articolului 25, autoritatii competente a Statului Contractant al carui national este. Cazul trebuie prezentat in doi ani de la prima notificare a actiunii din care rezulta o impunere contrara prevederilor Conventiei.

2. Autoritatea competenta se va stradui, daca reclamatia ii pare intemeiata si daca ea insasi nu este in masura sa ajunga la o solutie corepunzatoare, sa rezolve cazul pe calea unei intelegeri amiabile



autoritatea competentă a celuilalt Stat Contractant, în vederea evitării unei impozitari care nu este în conformitate cu Convenția. Orice înțelegere realizată va fi aplicată indiferent de perioada de prescripție prevăzută în legislația internă a Statelor Contractante.

3. Autoritățile competente ale Statelor Contractante se vor strădui să rezolve pe calea înțelegerii amiabile orice dificultăți sau dubii rezultate ca urmare a interpretării sau aplicării acestei Convenții. De asemenea, se pot consulta reciproc pentru evitarea dublei impunerii în cazurile neprevăzute de Convenție.

4. Autoritățile competente ale Statelor Contractante pot comunica direct între ele, în scopul realizării unei înțelegeri, în sensul paragrafelor precedente. Când, pentru a se ajunge la o înțelegere apare necesar un schimb oral de opinii, un atare schimb poate avea loc prin intermediul unei comisii formată din reprezentanți ai autorităților competente ale Statelor Contractante.

Articolul 27

Schimb de informații

1. Autoritățile competente ale Statelor Contractante vor face schimb de informații necesare aplicării prevederilor prezentei Convenții sau ale legislației interne ale Statelor Contractante privitoare la impozitele vizate de Convenție, în măsura în care impozitarea la care se referă nu este contrară prevederilor Convenției. Schimbul de informații nu este limitat de prevederile articolului 1. Orice informație obținută de un Stat Contractant va fi tratată ca secret în același mod ca și informația obținută conform prevederilor legislației interne a acestui stat și va fi dezvăluită numai persoanelor sau autorităților (inclusiv la instanțe judecătorești și organe administrative) însărcinate cu stabilirea, încasarea, aplicarea, urmărirea impozitelor sau soluționarea contestațiilor cu



privire la impozitele care fac obiectul Conventiei. Asemenea persoane sau autoritati vor folosi informatia numai in aceste scopuri. Acestea pot dezvalui informatia in procedurile judecatoresti sau deciziile judiciare.

2. Prevederile paragrafului 1 nu vor fi interpretate ca impunând unui Stat Contractant obligatia:

a) de a lua masuri administrative contrare propriei legislatii si practicii administrative a acelui sau a celui alt Stat Contractant;

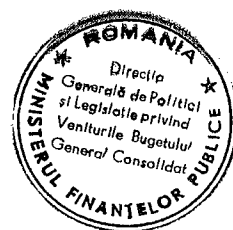
b) de a furniza informatii care nu pot fi obtinute pe baza legislatiei proprii sau in cadrul practicii administrative normale a acelui sau a celui alt Stat Contractant ;

c) de a furniza informatii care ar dezvalui un secret comercial, industrial, profesional, sau un procedeu de fabricatie sau comercial ori informatii a caror divulgare ar fi contrara ordinii publice.

Articolul 28

Membrii misiunilor diplomatice si ai posturilor consulare

Prevederile prezentei Conventii nu vor afecta privilegiile fiscale de care beneficiaza membrii misiunilor diplomatice sau ai posturilor consulare in virtutea regulilor generale ale dreptului international, sau a prevederilor unor acorduri speciale.



Articolul 29

Intrarea în vigoare

Prezenta Conventie va intra în vigoare în a 30-a zi de la data ultimei notificări prin care Statele Contractante se informează reciproc asupra îndeplinirii procedurilor legale interne necesare intrării sale în vigoare și prevederile sale se vor aplica:

a) în ceea ce privește impozitele reținute prin stopaj la sursa la venitul realizat începând cu prima zi a lunii imediat următoare lunii în care Conventia a intrat în vigoare; și

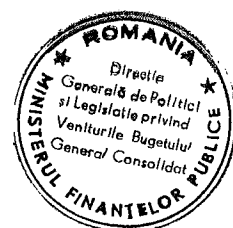
b) în ceea ce privește celelalte impozite pe profit, venit sau pe capital realizate începând cu prima zi a lunii imediat următoare lunii în care Conventia a intrat în vigoare.

Articolul 30

Denunțarea

Prezenta Conventie va rămâne în vigoare pe o perioadă nedeterminată, dar fiecare Stat Contractant poate denunța convenția după o perioadă de 5 ani de la data la care convenția a intrat în vigoare, cu condiția ca să fie remisă, pe cai diplomatice, o notă de denunțare scrisă. În această situație prezenta Conventie va înceta să se aplice:

a) în ceea ce privește impozitele reținute prin stopaj la sursa la venitul realizat începând cu prima zi a lunii imediat următoare lunii în care a fost remisă notă de denunțare; și



b) in ceea ce priveste celelalte impozite pe profit, venit sau pe capital realizate incepand cu prima zi a lunii imediat urmatoare lunii in care a fost remisa nota de denuntare.

DREPT CARE, subsemnatii, autorizati in buna si cuvenita forma, au semnat prezenta Conventie.

Semnata la Bucuresti la 6 noiembrie 2003, in doua exemplare originale fiecare in limba romana si engleza, toate textele fiind egal autentice. In caz de divergente in interpretare, textul in limba engleza va prevala.

Pentru

Pentru

Romania

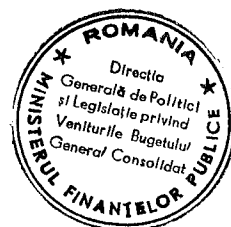
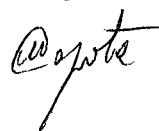
Republica Federala Democrata

Etiopia

Maria Manolescu
Secretar de Stat

Halima Mohamed
Ambasadoarea agreata a
Etiopiei in Romania

Conform cu originalul



CONVENTION

between Romania and the Federal Democratic Republic of Ethiopia
for the avoidance of double taxation and
the prevention of fiscal evasion with respect
to taxes on income and on capital



Romania and the Federal Democratic Republic of Ethiopia, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, have agreed as follows:

Article 1
PERSONAL SCOPE

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

Article 2
TAXES COVERED

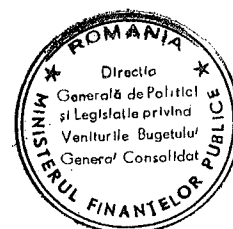
1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its local authorities or administrative - territorial units, irrespective of the manner in which they are levied.

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, as well as taxes on capital appreciation.

3. The existing taxes to which this Convention shall apply are in particular:

a) In the case of Romania:

- (i) the tax on income ;
- (ii) the tax on profit;



- (iii) the tax on dividend;
- (iv) the tax on agricultural income,
(hereinafter referred to as "Romanian tax").

b) In the case of Ethiopia:

- (i) the tax on income from employment and related emoluments;
- (ii) the tax on income from business conducted by juridical persons and from the business conducted by the natural persons including tax on income from agriculture and tax on income from real estate rent;
- (iii) the taxes on income derived from services rendered abroad;
- (iv) the tax on dividend, royalty and chance winning;
- (v) the tax on capital gains
(hereinafter referred to as "Ethiopian tax").

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



Article 3
GENERAL DEFINITIONS

1. For the purposes of this Convention:

a) the terms "a Contracting State" and "the other Contracting State" mean Romania, or Ethiopia as the context requires;

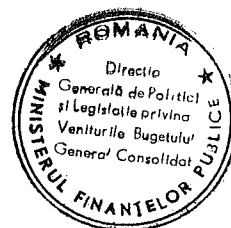
b) the term "Romania" means the state territory of Romania, including its territorial sea and air space over the territory and the territorial sea over which Romania exercises sovereignty, as well as the contiguous zone and the continental shelf and the exclusive economic zone over which Romania exercises, in accordance with its legislation and with the rules and principles of international law, sovereign rights and jurisdiction;

c) the term "Ethiopia" means the Federal Democratic Republic of Ethiopia, when used in a geographical sense, it means the national territory and any other area which in accordance with international law or the laws of Ethiopia is or may be designed as an area in which Ethiopia exercises sovereign rights or its jurisdiction;

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 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;

g) the term "national" means:

(i) in the case of Romania any individual possessing the citizenship of Romania and any legal person, body of persons and any other entity set up and deriving its status as such from the laws in force in Romania;

(ii) in the case of Ethiopia all individuals possessing the nationality of Ethiopia and all legal persons, partnerships and associations deriving their status as such from the law in force in Ethiopia.

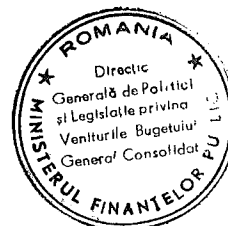
h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when such transport is operated solely between places situated in the other Contracting State.

i) the term "competent authority" means:

(i) in the case of Romania, the Minister of Public Finances or his authorized representative;

(ii) in the case of Ethiopia, the Minister of Finance or his authorized representative.

2. As regards the application of this Convention by a Contracting State any term not defined therein shall, unless the context otherwise requires, have the meaning that it has under the law of that State concerning the taxes to which the Convention applies.



Article 4
RESIDENT

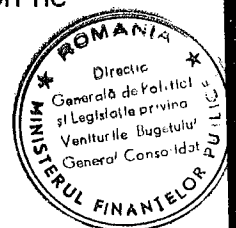
1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of effective management, or any other criterion of a similar nature, and also includes that State and any local authority or administrative - territorial unit thereof. 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 of the State with which his personal and economic relations are closer (center of vital interests);

b) if the State in which he has his center 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 it shall be deemed to be a resident only of the State in which its place of effective management is situated.

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, 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 shop;

f) a workshop;



g) a commercial warehouse;

h) a farm, plantation or other place where agricultural, forestry, plantation or related activities are carried on; and

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

3. A building site or construction or installation project constitutes a permanent establishment only if lasts more than six 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 stock of goods or merchandise belonging to the enterprise, which is exhibited at a trade fair or exhibition, and which is sold by the enterprise at the end of such fair or exhibition ;

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



f) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise;

g) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to f), 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 7 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. Notwithstanding the preceding provisions of this Article, an insurance company of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it collects premiums on the territory of the other State or it insures risks situated therein through a person, other than an agent of an independent status to whom paragraph 7 applies.



The competent authorities of the Contracting States shall consult each other regarding the mode of application of the provisions of this paragraph.

7. 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. However, where the activities of such an agent are devoted wholly or mainly to that enterprise he would not be considered an agent of an independent status within the meaning of this paragraph.

8. 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 and to income from immovable property used for the performance of independent personal services.

Article 7 BUSINESS PROFITS

1. The 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 of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the



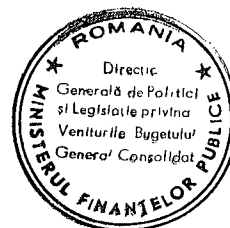
same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. If an enterprise of a Contracting State, which has a permanent establishment in the other Contracting State, sells goods or merchandises of the same or similar kind as those sold by the permanent establishment, or renders services of the same or similar kind as those rendered by the permanent establishment, the profits of such activities may be attributed to the permanent establishment unless the enterprise proves that such sales or services are not attributable to the activity of the permanent establishment.

4. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere. This provision shall apply subject to limitations under the domestic law.

5. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.

6. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.



7. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

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

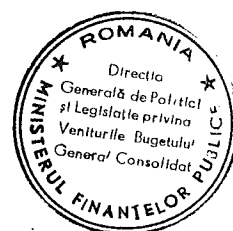
Article 8

INTERNATIONAL TRAFFIC

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. 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 harbor of the ship is situated, or, if there is no such home harbor, in the Contracting State of which the operator of the ship is a resident.

3. 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. In determining such adjustment, due regard shall be had to the other provisions of this Convention and the competent authorities of the Contracting States shall if necessary consult each other.



Article 10
DIVIDENDS

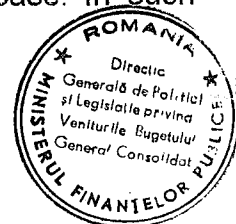
1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State, may be taxed in that other State.

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 10 per cent of the gross amount of the dividends.

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, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights 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, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such



case, the provisions of Article 7 or Article 14, as the case may be, 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 or a fixed base 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.

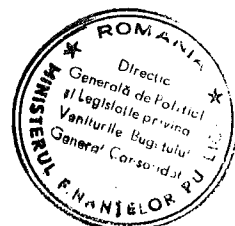
Article 11 INTEREST

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 15 per cent of the gross amount of the interest.

The competent authorities of the Contracting States shall consult each other regarding the mode of application of the provisions of this paragraph.

3. The provisions of the paragraph 2 of this Article shall not apply on interest paid in respect of a loan made and guaranteed, directly or

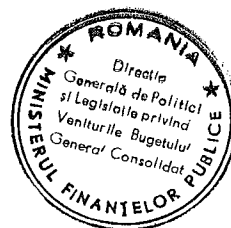


indirectly by a Government of a Contracting State, its local authorities, its administrative-territorial units, or by the National Banks of the Contracting States, provided that the guarantee is issued in favor of loan given to governmental institutions.

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 and 2 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, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, 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 or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise



in the Contracting State in which the permanent establishment or fixed base is situated.

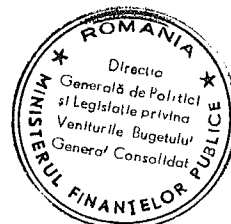
7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial 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 Convention.

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 15 per cent 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 computer software, cinematograph films, and films or tapes for radio or television broadcasting, transmission of every kind to the public, any patent, trade mark, design or model, plan, secret formula or process, or for the use



or for the right to use of any industrial, commercial or scientific equipment, 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, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, 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 or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base 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 Convention.

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 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, including shares and other comparable interests in a company, which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, 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 and aircraft shall be taxable only in the Contracting State, in which the place of effective management of the enterprise is situated.

4. Gains from the alienation of any property other than that referred to in paragraphs 1 to 3 shall be taxable only in the Contracting State in which such property is situated.



Article 14

INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 15

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18, 19, 20 and 21, 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 calendar 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 or a fixed base which the employer has in the other State.

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

Article 16 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 17 ARTISTS AND SPORTSMEN

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theater, motion picture, radio or television artist, or a musician, or as a



sportsman from his 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 exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. Notwithstanding the provisions of paragraphs 1 and 2, income derived from the activities referred to in paragraph 1 within the framework of cultural or sports exchanges agreed to by the Governments of the Contracting States and carried out other than for the purpose of profit shall be exempt from tax in the Contracting State in which these activities are exercised.

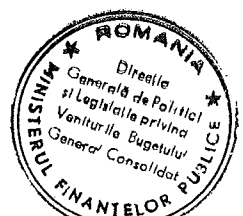
Article 18

PENSIONS AND ANNUITIES

1. Subject to the provisions of paragraph 2 of Article 19, pensions, annuities and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1 of this Article pensions and other similar payments made under the social security legislation of a Contracting State shall be taxable only in that State.

3. The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of



time under a commitment with an obligation to make the payments in return for adequate and full consideration in money or money's worth.

4. The term "pension" means a periodical payment made in consideration of services rendered in the past or by way of compensation for injuries received, during the course of an employment.

Article 19

GOVERNMENT SERVICE

1. a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a local authority or an administrative-territorial unit thereof to an individual in respect of services rendered to that State or authority or unit 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) Any pension paid by, or out of funds created by a Contracting State or a local authority or an administrative-territorial unit thereof to an individual in respect of services rendered to that State or authority or unit shall be taxable only in that State.



b) However, such pension 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 Articles 15, 16, 17 and 18 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a local authority or an administrative- territorial unit thereof.

Article 20

STUDENTS AND BUSINESS APPRENTICE

1. 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.

2. A student at a university or other institution for higher education in a Contracting State, or a business apprentice, who is or was immediately before visiting the other Contracting State a resident of the first mentioned State and who is present in the other Contracting State for a continuous period not exceeding four years, shall not be taxed in that other State in respect of remuneration for services rendered in that State, provided that the services are in connection with his studies or training and the remuneration constitutes earnings necessary for his maintenance.



Article 21
PROFESSORS AND RESEARCHERS

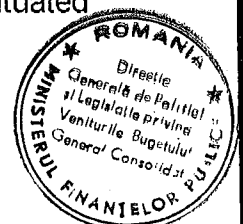
1. An individual who is or was a resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any university, college, school or other similar non-profitable educational institution, which is recognized by the Government of that other Contracting State, is present in that other State for a period not exceeding two years from the date of his first arrival in that other Contracting State, solely for the purpose of teaching or research or both, at such educational institution shall be exempt from tax in that other Contracting State on his remuneration for teaching or research.

2. The provisions of paragraph 1 of this Article shall not apply to income from research if such research is undertaken not in the public interest but for the private benefit of a specific person or persons.

Article 22
OTHER INCOME

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention 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, or performs in that other State independent personal services from a fixed base situated



therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other State.

Article 23

CAPITAL

1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and which are 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 or by movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, may be taxed in that other State.

3. Capital represented by ships and aircraft operated by an enterprise of a Contracting State in international traffic, and movable property pertaining to the operation of such means of transport 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 the Contracting State in which such property is situated.

Article 24

ELIMINATION OF DOUBLE TAXATION

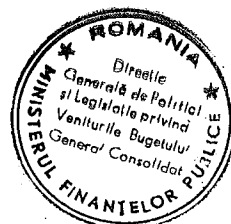
1. Where a resident of a Contracting State derives income or owns capital, which in accordance with the provisions of this Convention may be taxed in the other Contracting State, the first mentioned State shall allow:

a) as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in that other State;

b) as a deduction from the tax on the capital of that resident, an amount equal to the capital tax paid in that other State.

Such deduction in either case shall not, however, exceed that part of the income tax or capital tax, 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 that other State.

2. For the purposes of paragraph 1 of this Article, where the income arising in a Contracting State is exempt or taxed at a reduced rate in that State, for a limited period of time in accordance with the laws and regulations of that State, then the tax on such income which has been exempt or taxed at a reduced rate in that State shall be credited against the tax on income owing in the State where the beneficial owner of this income is a resident.



Article 25
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.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably 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.

3. 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.



4. 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 Contracting 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.

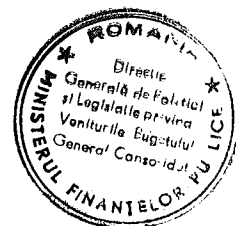
5. The provisions of this Article shall apply only to taxes which are covered by this Convention.

Article 26

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 Convention, he may, irrespective of the remedies provided by the domestic laws of the Contracting 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 25, to that of the Contracting State of which he is a national. The case must be presented within two years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

2. The competent authority shall endeavor, if it appreciates that the objection is justified and 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 Convention. Any agreement



reached shall be implemented in the time period provided in the domestic law of the Contracting States.

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

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement, in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 27

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Article 1. Any information received 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, or the determination of



appeals in relation to, the taxes covered by the Convention. 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.

2. In no case shall the provisions of paragraph 1 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 business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

Article 28
MEMBERS OF DIPLOMATIC MISSIONS
AND CONSULAR POSTS

Nothing in this Convention 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 29
ENTRY INTO FORCE

This Convention shall enter into force on the thirtieth day of the latter of the notification through which the Contracting States shall notify to each other that the domestic requirements for the entry into force of this Convention have been complied with and its provisions shall have effect:

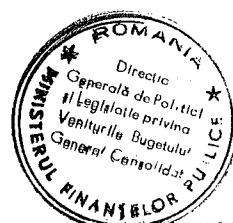
a) in respect of taxes withheld at the source to the income derived beginning with the first day of the next month following the month in which the Convention enters into force ; and

b) in respect of other taxes on profit, income and on capital derived beginning with the first day of the next month following the month in which the Convention enters into force.

Article 30
TERMINATION

This Convention shall remain in force indefinitely, but either Contracting State may terminate the Convention after five years from the date on which the Convention enters into force provided that a written notice of termination has been given through diplomatic channels. In such event, this Convention shall cease to have effect:

a) in respect of taxes withheld at the source to the income derived beginning with the first day of the next month following the month in which the notice of termination is given; and

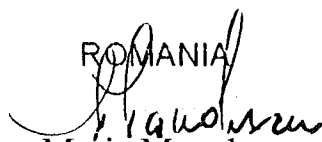


b) in respect of other taxes on profit, income and on capital derived beginning with the first day of the next month following the month in which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Convention.

DONE at Bucharest this 6th day of November 2003, in duplicate each in the Romanian and English languages, all the texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

FOR

ROMANIA

Maria Manolescu

FOR


THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA

Halima Mohamed

