

PROTOCOL

At the signing of the Agreement between the Government of the People's Republic of China the Government of the Independent State of Papua New Guinea for the Avoidance of Double' Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income(hereinafter referred to as "The Agreement"),both sides have agreed upon the following provisions which form an integral part of the Agreement:

1. Ad Article 7

Nothing in this Article shall affect the operation of:

- (a) any law of a Contracting State relating to tax imposed on profits from insurance with non residents; or
- (b) any law of a Contracting State relating to the taxation of income derived by a foreign contractor from a prescribed contract, where, in accordance with this Agreement, that contractor is a resident of the other Contracting State with a permanent establishment in the first mentioned State, provided that if the relevant law in force in either Contracting State at the date of signature of this Agreement is varied(other than in minor respects so as not to affect its general character)the Contracting States shall consult with each other with a view to agreeing to any amendment of this paragraph that may be appropriate.

2. Ad Paragraph 2,Article 10

The tax specified in Paragraph 2,Article 10,in the case of Papua New Guinea, be limited to 10 per cent of the gross amount of the dividends while the Chinese tax law existing on the dace of the signing of the Agreement regarding dividends still applies, otherwise the provisions of Paragraph 2,Article 10 shall apply.

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

Done in duplicate at Beijing this 14th day of July,1994 in the Chinese and English languages, both texts being equally authentic.

**For the Government of the
People's Republic of China**

Liu Zhongli

**For the Government of the
Independent**

State of Papua New Guinea