

PROTOCOL

At the signature of the Agreement between the Government of the People's Republic of China and the Government of the Portuguese Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, the undersigned have agreed upon the following provisions which shall form an integral part of the Agreement:

With reference to Article 24

- (a) The provisions of Article 24 do not preclude the application of any provisions of the tax law of the Contracting States dealing with thin capitalization problems.
- (b) The provisions of Article 24 shall be construed in the sense that insofar as the deductibility of the incurred disbursement is incurred, each Contracting States may apply its own procedure regarding the burden of proof.

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

DONE in duplicate at Beijing this 21st day of April of the year 1998 in the Chinese, Portuguese and English languages, all texts being equally authentic. In case of divergency of interpretation, the English text shall prevail.

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

**For the Government of
the Portuguese Republic**