

EXCHANGE OF NOTES

Excellency,

I have the honour to refer to the Agreement between the Government of the People's Republic of China and the Government of the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income which was signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of the People's Republic of China, the following understanding reached between the two Governments:

Both sides agree that the time limits for determining the permanent establishment provided in sub-paragraph (a) and sub-paragraph (b) of paragraph 3 of Article 5 of this Agreement shall be promptly amended to a longer period if Vietnam hereafter amends its policy of negotiating the taxation Agreement or Vietnam reaches an agreement on any longer time period for determining permanent establishment in the provisions of the Agreement with any other country.

I have the honour to request Your Excellency to confirm the foregoing understanding on behalf of Your Excellency's Government.

I avail myself of this opportunity to assure Your Excellency of my highest consideration.

DONE in duplicate at Beijing this 17 day of May of the year one thousand nine hundred and ninety-five in the Chinese, Vietnamese and English languages, three texts being equally authentic. In case of divergency of interpretations, the English text shall prevail.

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

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which reads as follows:

“Excellency,

I have the honour to refer to the Agreement between the Government of the People's Republic of China and the Government of the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income which was signed today (hereinafter referred to as “the Agreement”) and to confirm, on behalf of the Government of the People's Republic of China, the following understanding reached between the two Governments:

Both sides agree that the time limits for determining the permanent establishment provided in sub-paragraph (a) and sub-paragraph (b) of paragraph 3 of Article 5 of this Agreement shall be promptly amended to a longer period if Vietnam hereafter amends its policy of negotiating the taxation Agreement or Vietnam reaches an agreement on any longer time period for determining permanent establishment in the provisions of the Agreement with any other country.

I have the honour to request Your Excellency to confirm the foregoing understanding on behalf of Your Excellency's Government.

I avail myself of this opportunity to assure Your Excellency of my highest consideration.

Done in duplicate at Beijing this 17 day of May of the year one thousand nine hundred and ninety-five in the Chinese, Vietnamese and English languages, three texts being equally authentic. In case of divergency of interpretations, the English text shall prevail.”

I have the honour to confirm the acceptance of the aforesaid understanding in Your Excellency's Note on behalf of the Government of the Socialist Republic of Vietnam.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

DONE in duplicate at Beijing this 17th day of May of the year one thousand nine hundred and ninety-five in the Vietnamese, Chinese and English languages, three texts being equally authentic. In case of divergence of interpretations, the English text shall prevail.

**For the Government
of the Socialist Republic of Vietnam**