PROTOCOL

At the moment of signing the Agreement between the Government of the People’s Republic of China and the Government of Spain for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, the undersigned have agreed upon the following provisions which shall be an integral part of the Agreement.

1. Paragraph 2 of Article 10, shall not be applicable, in the case of Spain, to the income attributable, whether distributed or not, to the shareholder of the corporations and entities referred to in Article 12. 2 of Law 44 / 1978 of 8 September 1978, and Article 19 of Law 61 / 1978 of 27 December 1978, as long as the said income is not subject to the Spanish Corporation Tax. Such income may be taxed in Spain according to its internal Law.

2. With respect to paragraph 2 of Article 12 of the Agreement, royalties paid for the use of or, the right to use industrial, commercial or scientific equipment shall be subject to tax on 60 per cent of the gross amount of such royalties.

3. The provisions of sub-paragraph (c) of paragraph 1 of Article 24 shall apply only for the first ten years for which this Agreement is effective. This period may be extended by mutual agreement between the competent authorities of the Contracting States.

DONE at Beijing on 22, November, 1990, in duplicate in the Chinese, Spanish and English languages, all three texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For the Government of the People’s Republic of China

For the Government of Spain