

**MEMORANDUM OF UNDERSTANDING
ON THE AGREEMENT BETWEEN THE GOVERNMENT OF
THE PEOPLE’S REPUBLIC OF CHINA AND THE
GOVERNMENT OF THE REPUBLIC OF AUSTRIA FOR THE
AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION
OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME
AND ON CAPITAL**

The competent authorities of the Government of the People’s Republic of China and the Government of the Republic of Austria held negotiations with respect to paragraph 3 of Article 11 and agreed upon the following with a view to appropriate implementation of the Agreement between the Government of the People’s Republic of China and the Government of the Republic of Austria for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital:

For the purpose of paragraph 3 of Article 11, it is understood that, in the case of interest indirectly paid to the government or institution referred to herein, on account of policy or administrative restriction of directly granting loans by the government or institution, such interest shall be eligible for the benefits of this paragraph, as long as the government or institution is the ultimate beneficial owner of the interest.

The above understanding shall come into force on the date of its signature, and shall be applicable to any pending and future case.

DONE in duplicate at Vienna this 16th day of June, 2014, in the Chinese, German and English languages, each text being equally authentic. In case of any divergence, the English text shall prevail.

For the Competent Authority of
the Government of
the People’s Republic of China

Wang Wenqin

For the Competent Authority of
the Government of
the Republic of Austria

Heinz Jirousek