

PROTOCOL

At the moment of the signature of the Convention between the Federative Republic of Brazil and Iceland for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance, the undersigned, duly authorised thereto, have agreed upon the following provisions which constitute an integral part of the Convention.

1. With reference to the Convention

It is understood that the provisions of the Convention shall not prevent a Contracting State from applying its domestic legislation aimed at countering tax evasion and avoidance, whether or not described as such, including provisions of its tax law regarding “thin capitalization” or to avoid the deferral of payment of the income tax such as the “controlled foreign corporations/CFCs” legislation or any similar legislation.

2. With reference to Article 9

a) It is understood that the adjustment referred to in paragraph 2 of Article 9 will be made only if the other Contracting State agrees, both in principle and as regard the amount, to the adjustment made by the first-mentioned Contracting State.

b) It is understood that, in determining the adjustment referred to in paragraph 2 of Article 9, a Contracting State may condition such adjustment to be made only in accordance with the mutual agreement procedure in Article 27 of the Convention.

c) It is understood that a Contracting State is not required to make a corresponding adjustment under paragraph 2 of Article 9 after the expiry of the time limits provided in its domestic law.

3. With reference to Article 11

a) It is understood that the provisions of paragraph 3 of Article 11 shall apply to interest paid to an agency (including a financial institution) wholly owned by the Government of a Contracting State or by a political subdivision thereof only when such interest is received by the agency in connection with its functions of public nature.

b) It is understood that “interest on the company’s equity” (“*juros sobre o capital próprio*” in Portuguese) paid in accordance with the Brazilian law is considered interest for the purposes of paragraph 5 of Article 11.

4. With reference to Article 12

It is understood that the expression “for information concerning industrial, commercial or scientific experience” encompasses technical assistance, defined as the assistance provided by the assignor of a process or secret formula through technicians, drawings, studies, briefings on the country and other activities which enable the effective use of the process or formula assigned.

5. With reference to Article 17

It is understood that, in the case of Brazil, the provisions of Article 17 apply also to members of the administrative and fiscal councils.

6. With reference to Article 26

It is understood that the provisions of paragraph 5 of Article 10 are not in conflict with the provisions of paragraph 2 of Article 26.

7. With reference to Article 27

a) For the purposes of conducting a mutual agreement procedure, Brazil adheres to the following:

i) The request for a mutual agreement procedure shall be accompanied by a reimbursement request to suspend the statute of limitations.

ii) The implementation of a mutual agreement reached is limited to the amounts paid that have not been affected by the statute of limitations at the moment when the abovementioned requests are filed in Brazil or a reimbursement request form is presented to Brazil.

b) It is understood that, irrespective of the participation of the Contracting States in the “General Agreement on Trade in Services” (GATS), or in any other international agreements, the tax issues with regard to the taxes covered by the Convention arising between the Contracting States shall be governed only by the provisions of the Convention.

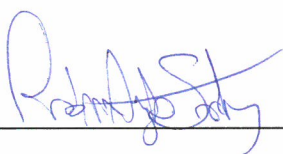
8. With reference to Article 28

- a) It is understood that, in relation to the requests presented by Brazil, the taxes referred to in paragraph 1 of Article 28 mean federal taxes only.
- b) The Contracting States recognize the importance of exchange of information in all of its forms (on request, automatic and spontaneous), pursuant to Article 28, and recognize the mutual benefit of doing so.
- c) The Contracting States affirm their commitment to spontaneously exchange information which they consider to be of interest to the other State.

In witness whereof the undersigned, duly authorised thereto, have signed this Protocol.

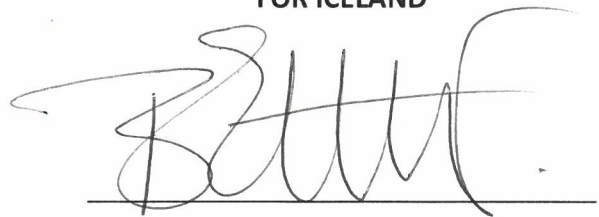
Done in duplicate at Reykjavik, this 14th day of October 2024, in the Portuguese, Icelandic and English languages, all texts being equally authentic. In case of divergence between texts the English text shall prevail.

FOR THE FEDERATIVE REPUBLIC OF BRAZIL



Rodrigo de Azeredo Santos
*Ambassador of Brazil to the Kingdom of
Norway and to Iceland*

FOR ICELAND



Bergdís Ellertsdóttir
Deputy Permanent Secretary of State