

**PROTOCOL TO AMEND THE CONVENTION BETWEEN THE  
REPUBLIC OF FINLAND AND THE REPUBLIC OF THE PHILIPPINES  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE  
PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON  
INCOME.**

The Government of the Republic of Finland and the Government of the Republic of the Philippines,

Desiring to conclude a Protocol to amend the Convention between the Contracting Parties for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Manila on 13 October 1978,

Have agreed as follows:

**ARTICLE 1**

Paragraphs 1 and 2 of Article 10 of the Convention shall be deleted and replaced by the following:

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State. Such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but the tax so charged shall not exceed 15 per cent of the gross amount of the dividends, if the recipient is a company (excluding partnership) owning at least 10 per cent of the voting stock of the company paying the dividends.
2. However, as long as an individual resident in Finland is entitled to a tax credit in respect of dividends paid by a company resident in Finland, the following provisions of this paragraph shall apply instead of the provisions of paragraph 1:
  - a) Dividends paid by a company which is a resident of Finland to a resident of the Philippines shall be exempt from Finnish tax on dividends;
  - b) Notwithstanding the provisions of sub-paragraph a), where the recipient is an individual or a body of persons other than a company which controls directly at least 10 per cent of the voting power in the company paying the dividends, such dividends may also be taxed in Finland and according to Finnish law, but the tax so charged shall not exceed 5 per cent of the gross amount of the dividends.

**ARTICLE II**

Sub-paragraph b) of paragraph 1 of Article 22 of the Convention shall be deleted and replaced by the following, and the following new sub-paragraph d) shall be inserted immediately after the existing sub-paragraph c):