POSITIONS ON ARTICLES 23 A AND 23 B (EXEMPTION METHOD AND CREDIT METHOD) AND ITS COMMENTARY

Positions on the Article

1. *Albania*, *Argentina*, *Brazil*, *India*, *Ivory Coast*, *Malaysia*, *Morocco*, the *People's Republic of China*, *Serbia*, *Thailand*, *Tunisia* and *Vietnam* reserve the right to add tax sparing provisions in relation to the tax incentives that are provided for under their respective national laws.

(Amended on 17 July 2008; see HISTORY)

2. *Argentina* and *Vietnam* reserve the right to add a matching credit for some or all of the income covered under Articles 10, 11 and 12 with the result that tax shall be deemed to have been paid, for purposes of the Article on elimination of double taxation, at a certain rate, to be negotiated, of the gross income.

(Added on 23 October 1997; see HISTORY)

3. *Brazil* reserves the right to add a matching credit for some or all of the income covered under Articles 11 and 12 with the result that tax shall be deemed to have been paid, for purposes of the Article on elimination of double taxation, at a certain rate, to be negotiated, of the gross income.

(Added on 23 October 1997; see HISTORY)

4. *Brazil* and *Tunisia* reserve the right to provide that income covered under Article 10 shall be exempt or entitled to a matching credit in the other Contracting State.

(Amended on 28 January 2003; see HISTORY)

5. *Brazil* reserves its position on paragraph 4 of Article 23 A.

(Amended on 15 July 2014; see HISTORY)

HISTORY

Paragraph 1: Amended on 17 July 2008, by changing the list of countries indicating the position by adding India, replacing Serbia and Montenegro with Serbia and replacing China with the People's Republic of China, by the report entitled "The 2008 Update to the Model Tax Convention", adopted by the OECD Council on 17 July 2008. After 15 July 2005 and until 17 July 2008, paragraph 1 read as follows:

> "1. *Albania*, *Argentina*, *Brazil*, *China*, *Ivory Coast*, *Malaysia*, *Morocco*, *Serbia and Montenegro*, *Thailand*, *Tunisia* and *Vietnam* reserve the right to add tax sparing provisions in relation to the tax incentives that are provided for under their respective national laws."

Paragraph 1 was previously amended on 15 July 2005, by changing the list of countries indicating the position by adding Serbia and Montenegro and deleting South Africa, by

the report entitled "The 2005 Update to the Model Tax Convention", adopted by the OECD Council on 15 July 2005. After 28 January 2003 and until 15 July 2005, paragraph 1 read as follows:

> "1. *Albania*, *Argentina*, *Brazil*, *China*, *Ivory Coast*, *Malaysia*, *Morocco*, *South Africa*, *Thailand*, *Tunisia* and *Vietnam* reserve the right to add tax sparing provisions in relation to the tax incentives that are provided for under their respective national laws."

Paragraph 1 was previously amended on 28 January 2003, by adding Albania, Ivory Coast, Morocco and Tunisia to the list of countries indicating the position, by the report entitled "The 2002 Update to the Model Tax Convention", adopted by the OECD Council on 28 January 2003. After 23 October 1997 and until 28 January 2003, paragraph 1 read as follows:

> "1. *Argentina*, *Brazil*, *China*, *Malaysia*, *South Africa*, *Thailand* and *Vietnam* reserve the right to add tax sparing provisions in relation to the tax incentives that are provided for under their respective national laws."

Paragraph 1 was included when this section was added in 1997 by the report entitled "The 1997 Update to the Model Tax Convention", adopted by the OECD Council on 23 October 1997.

Paragraph 2: Included when this section was added in 1997 by the report entitled "The 1997 Update to the Model Tax Convention", adopted by the OECD Council on 23 October 1997.

Paragraph 3: Included when this section was added in 1997 by the report entitled "The 1997 Update to the Model Tax Convention", adopted by the OECD Council on 23 October 1997.

Paragraph 4: Amended on 28 January 2003, by adding Tunisia as a country indicating the position, by the report entitled "The 2002 Update to the Model Tax Convention", adopted by the OECD Council on 28 January 2003. After 23 October 1997 and until 28 January 2003, paragraph 4 read as follows:

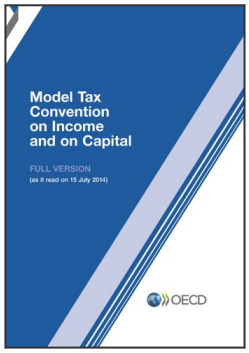
> "4. *Brazil* reserves the right to provide that income covered under Article 10 shall be exempt or entitled to a matching credit in the other Contracting State."

Paragraph 4 was included when this section was added in 1997 by the report entitled "The 1997 Update to the Model Tax Convention", adopted by the OECD Council on 23 October 1997.

Paragraph 5: Amended on 15 July 2014, by deleting Argentina from the list of countries indicating the position, by the Report entitled "The 2014 Update to the Model Tax Convention", adopted by the Council of the OECD on 15 July 2014. After 29 April 2000 and until 15 July 2014, paragraph 5 read as follows:

> "5. *Argentina* and *Brazil* reserve their position on paragraph 4 of Article 23 A"

Paragraph 5 was added on 29 April 2000 by the report entitled "The 2000 Update to the Model Tax Convention", adopted by the OECD Council on 29 April 2000.



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