

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF POLAND AND THE
GOVERNMENT OF THE RUSSIAN FEDERATION FOR THE AVOIDANCE OF DOUBLE TAXATION
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL**

The Governments of the Republic of Poland and the Russian Federation,

Striving to develop and strengthen economic, scientific, technical, and cultural relations between the two States, and to eliminate double taxation with respect to taxes on income and on capital,

Have agreed as follows:

**Article 1
Persons Covered**

1. This Agreement shall apply to persons who are residents of one or both of the Contracting States.

2. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation or any other criterion of a similar nature. If the income is derived by a public corporation, residence shall be determined in the place of residence of the person liable to tax on such income.

3. Where by reason of the provisions of paragraph 2 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the State in which its place of effective management is situated.

4. Where by reason of the provisions of paragraph 2 an individual is a resident of both Contracting States, then his status shall be determined as follows:

a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (center of vital interests),

b) if the State in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode,

c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national,

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

**Article 2
Taxes Covered**

1. This Agreement shall apply to taxes on income and on capital or on elements of general income or general capital imposed on behalf of a Contracting State, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Agreement shall apply are in particular:

a) in Poland:

1) the income tax on bodies corporate,

2) the income tax on individuals,

3) the farm tax,

hereinafter referred to as "Polish taxes";

b) in the Russian Federation:

1) the taxes on profits and income provided for by the laws of the Russian Federation -- "Act on the Tax on Profit of Enterprises and Organizations", "Act on the Taxation of Bank Income", "Act on the Income Tax on Insurance Business" and "Act on the Income Tax on Individuals",

2) the taxes on capital provided for by the laws of the Russian Federation -- "Act on the Tax on Capital of Enterprises" and "Act on the Tax on Capital of Individuals",

hereinafter referred to as "Russian taxes".

4. The Agreement shall apply also to any identical or substantially similar taxes referred to in paragraph 1 which are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes, including taxes similar to the existing taxes of one Contracting State, but not applied in the other Contracting State, but which may later be implemented in that other State. The competent authorities of the Contracting States shall notify each other of fundamental changes which have been made in their taxation laws.

Article 3 General Definitions

1. For the purposes of this Agreement, unless the context otherwise requires:

a) the term "Contracting State" and "the other Contracting State" mean Poland or the Russian Federation, as the context requires,

b) the term "Republic of Poland" means the Republic of Poland. The term "Republic of Poland", used in the geographical sense, means the territorial waters and the economic zone and continental shelf, in regard to which the Republic of Poland may under international law wield sovereign rights and jurisdiction and on which the fiscal laws of the Republic of Poland are in force,

c) the term "Russian Federation" means the Russian Federation. The term "Russian Federation", used in the geographical sense, means the territorial waters and the economic zone and continental shelf, in regard to which the Russian Federation may under international law wield sovereign rights and jurisdiction and on which the fiscal laws of the Russian Federation are in force,

d) the term "person" means an individual, a legal person or other body of persons created in accordance with the laws of a Contracting State and which is treated as a body corporate for tax purposes in that State,

e) the term "company" means a corporation, a limited liability company or any other body corporate or entity, which is liable to the tax on income,

f) the term "international traffic" means any transport by a ship, boat, aircraft, road or rail vehicle owned by an enterprise which has its place of effective management in a Contracting State, and operated solely between places on the separate territories of the Contracting States,

g) the term "competent authority" means:

1) in the Republic of Poland - the Minister of Finance or his authorized representative,

2) in the Russian Federation - the Ministry of Finance or its authorized representative,

2. As regards the application of the Agreement by a Contracting State, any term not defined therein shall, unless the context otherwise requires or the competent authorities otherwise agree by the procedure provided in Article 24, have the meaning which it has under the law of that Contracting State concerning the taxes to which the Agreement applies.

Article 4 Permanent Establishment

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which a resident of one Contracting State wholly or partly carries on business in the other Contracting State.

2. The term "permanent establishment" includes especially:

- a) a place of management,
- b) a branch,
- c) an office,
- d) a factory,
- e) a workshop, and
- f) a mine, an oil or gas well, a quarry or any other place of extraction of mineral or fossil natural resources.

3. A building site, construction or assembly project or drilling site, drilling platform or ship used to search for or inspect natural resources constitutes a permanent establishment if the work lasts more than twelve months. The competent authorities of the Contracting State in which such work is carried on may in exceptional cases, upon the petition of the person carrying on such work, not treat such activity as a permanent establishment if it lasts more than 12, but no more than 24 months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include the following kinds of activity carried on in a Contracting State by a resident of the other Contracting State:

- a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to that person,
- b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another person,
- c) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise,
- d) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character,
- e) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to d),

5. Notwithstanding the provisions of paragraphs 1 and 2, where a resident of a Contracting State carries on business in the other Contracting State through an agent, that person shall be deemed to have a permanent establishment in that other Contracting State in respect of any activities which the agent performs for that person, if the agent meets the following requirements:

- a) has in the Contracting State an authority to conclude contracts in the name of that person,
- b) habitually exercises that authority,
- c) is not an agent of an independent status, to which the provisions of paragraph 6 apply,
- d) his activities are not limited to the kinds mentioned in paragraph 4.

6. A resident of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because he carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 5

Business Profits

1. Profits derived in a Contracting State by a resident of the other Contracting State may be taxed in the first-mentioned State only when such profits are derived by a permanent establishment situated therein, and only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where a resident of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate person engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the person of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment. For this purpose, there shall be allowed the division of documented expenses between a resident of a Contracting State and his permanent establishment situated in the other Contracting State. Such expenses shall include executive and general administrative expenses, expenses for research and development, interest, management fees, consultations and technical aid so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

4. The profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

6. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 6 International Traffic

1. Income from the operation of ships, boats, aircraft, road and rail vehicles in international traffic by a resident of a Contracting State shall be taxable only in that State.

2. For the purposes of this Article, income from international traffic includes income derived from direct operation, from any form of lease or use of the means of transport referred to in paragraph 1, including income from the operation, maintenance or lease of containers and associated equipment.

3. If the place of effective management of a transport enterprise is aboard a means of transport, then it shall be deemed to be situated in the State in which the home port of means of transport is situated, or if there is no such home port, in the Contracting State of which the operator of the means of transport is a resident.

4. The provisions of paragraphs 1 and 2 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

Article 7 Dividends

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.

However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but that tax shall not exceed 10 percent of the gross amount of the dividends.

2. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.

As regards the Russian Federation, this term includes in particular profit transferred abroad by a shareholder in an enterprise with foreign participation, created in accordance with the laws of the Russian Federation.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 5 shall apply.

Article 8 Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but the tax so charged shall not exceed 10 percent of the gross amount of the interest.

2. Notwithstanding the provisions of paragraph 1, interest originating in a Contracting State and due to the government of the other Contracting State or the political subdivisions, local authorities or central bank thereof shall be exempt from taxation in the first-mentioned State.

3. The term "interest" as used in this Article means income from debt-claims of every kind, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges, as well as other kinds of income, which is treated as interest income under the law of the Contracting State in which it arises.

4. The provisions of paragraph 1 shall not apply if the [beneficial] owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 5 shall apply.

5. Where, by reason of a special relationship between the payer and the [beneficial] owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the [beneficial] owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 9 Income From Immovable Property

1. Income derived by a resident of a Contracting State from immovable property (including from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the State in which the property in question is situated. Ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the use of immovable property for profit (lease, mortgage and other purposes).

Article 10 Capital Gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable or movable property situated in the other Contracting State may be taxed in that other State.

The term "movable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated.

2. Gains from the alienation of property forming part of the business property of a permanent establishment which a resident of a Contracting State has in the other Contracting State, including such gains as derived from the alienation of such a permanent establishment, may be taxed in that other State.

3. Gains derived from the alienation of means of transport operated in international traffic, or movable property pertaining to the operation of such means of transport, shall be taxable only in the State in which the place of effective management of the operator of the international transport is situated.

4. Gains from the alienation of any property other than that referred to in this Article shall be taxable only in the State of which the alienator is a resident.

Article 11 Copyrights and Royalties

1. Copyrights and royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

However, copyrights and royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but the tax so charged shall not exceed 10 percent of the gross amount of such income.

2. The term "copyrights and royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematography films, or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, as well as for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience (know-how).

3. The provisions of this Article shall also apply to payments received for technical services provided as the result of the sale, use, provision or transfer of information referred to in paragraph 2.

4. The provisions of paragraph 1 shall not apply if the [beneficial] owner of the copyrights and royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the copyrights or royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the copyrights and royalties are paid is effectively connected with such permanent establishment or fixed base. In such case provisions of Article 5 shall apply accordingly.

5. Copyrights and royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a local authority or a resident of that State. Where, however, the person paying the copyrights or royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the copyrights or royalties was incurred, and such payments are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which that permanent establishment is situated.

6. Where, by reason of a special relationship between the payer and the [beneficial] owner of the royalties or payments for technical services, or between both of them and some other person, the amount of the copyright and royalty payments, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the [beneficial] owner of the royalties or payments for technical services in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 12 Dependent Personal Services

1. Subject to the provisions of Articles 14, 15 and paragraph 1 of Article 18, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If

the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

- a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned, and
- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
- c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the provisions of paragraphs 1 and 2, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment or professional service exercised in the other Contracting State shall not be taxable in that other State, if that employment or professional service is exercised:

- a) by technical specialists in connection with an existing building site, a construction, assembly or installation project, drilling work, or in connection with another structure, in accordance with the provisions of paragraph 3 of Article 4,
- b) by residents of a Contracting State exercising an employment aboard a ship, boat or aircraft operated in international traffic, as well as by persons exercising an employment at a permanent establishment maintained in the other Contracting State by an airline which has its place of effective management in the first-mentioned State,
- c) by newspaper reporters and press, radio and television correspondents,

provided that the remuneration derived by such persons is from sources situated outside that other State, for five years from the date of arrival in that State.

Article 13 Independent Personal Service

1. Income derived in the other Contracting State by a resident of a Contracting State in respect of professional services or other activities of an independent character may be taxed in that other Contracting State.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 14 Directors' Fees

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or other similar body of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 15 Government Service

1. Remuneration, other than a pension, paid by a Contracting State or a political subdivision thereof to an individual in respect of services rendered to that State or subdivision shall be taxable only in that State.

2. However, such remuneration may also be taxed in the other Contracting State if the services are rendered in that State and the individual is a national of that other Contracting State.

3. Notwithstanding the provisions of paragraphs 1 and 2, remuneration paid by a Contracting State or a political subdivision thereof in respect of services rendered in connection with a business carried

on by that State or a political subdivision thereof shall be taxable in accordance with the provisions of Article 12 (dependent personal services) or Article 13 (independent personal services).

Article 16 Pensions

Pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

Article 17 Artistes and Sportsmen

1. Notwithstanding the provisions of Articles 12 and 13, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 5, 12 and 13, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

Article 18 Instructors, Research Employees, Students and Apprentices

1. Notwithstanding the provisions of the other Articles of this Agreement, an individual who is visiting in a Contracting State for the purpose of teaching, continuing his education, lecturing or conducting research work at a university or other educational institution, or at a research institute, and who has a permanent home available to him in the other Contracting State, shall be exempt from taxation in the first-mentioned State in respect of remuneration for teaching, lecturing or conducting research work, for three years from the day he first arrived for that purpose.

2. The provisions of this Article shall not apply to income from research work if such work is conducted in the personal interest of the person or persons concerned. In such case, the provisions of Article 13 shall apply.

3. Grants and other payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxable in that State, provided that such payments arise from sources outside that State.

Article 19 Other Income

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.

Article 20 Capital

1. Capital represented by immovable property referred to in Article 9, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.

2. Capital represented by movable property forming part of the business property of a permanent establishment which a resident of a Contracting State has in the other Contracting State or by movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, may be taxed in that other State.

3. Capital represented by ships, aircraft, boats, or other means of transport and containers operated in international traffic, and which is owned by residents of a Contracting State, may be taxable only in that Contracting State.

4. All other elements of capital of a resident of a Contracting State may be taxed only in that State.

Article 21 **Avoidance of Double Taxation**

Where a resident of a Contracting State derives income which, in accordance with the provisions of this Agreement, may be taxed in the other Contracting State, that part of the tax on such income due in the other Contracting State shall be deducted from the income tax levied on the party concerned in the first-mentioned State.

Such deduction may not, however, exceed that part of the tax of the first-mentioned State as computed on that income in accordance with the fiscal laws and practice thereof.

Article 22 **Non-Discrimination**

1. Residents of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which residents of that other State in the same circumstances are or may be subjected.

2. The taxation of income or profits derived by a resident of a Contracting State through a permanent establishment situated in the other Contracting State shall not be less favorably levied in that other State than the taxation of income or profits derived through a permanent establishment maintained in that Contracting state by persons carrying on the same or analogous activities, who are residents of some other state.

Article 23 **Exchange of Information**

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement.

Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons, court authorities or administrative bodies involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State,
- b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State,
- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public order.

Article 24 **Mutual Agreement Procedure**

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Agreement, he may, notwithstanding the remedies provided by the domestic law of those States, present his case to the competent authority of the State of which he is a resident or, if his case comes under paragraph 1 of Article 22, to that of the State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of this Agreement.

2. The competent authority shall endeavor, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with this Agreement. Any agreement so reached shall be implemented notwithstanding any time limits in the domestic law of a Contracting State.

3. The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 25 **Members of Diplomatic Missions and Consular Posts**

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements between the Contracting States.

Article 26 **Entry Into Force**

1. The Contracting States shall exchange notes with each other about the ratification of this Agreement.

2. The Agreement shall enter into force sixty days from the date of exchange of instruments of ratification referred to in paragraph 1, and its provisions shall apply:

- a) as regards taxes imposed at their source -- to income derived commencing January 1 in the calendar year following the year in which this Agreement shall enter into force,
- b) as regards other taxes on income -- to taxes due for every tax period commencing January 1 or later in the calendar year immediately following the year in which this Agreement entered into force,
- c) as regards taxes on capital -- to capital existing on January 1 in the year following the year in which this Agreement entered into force.

3. On the day this Agreement enters into force, the Treaty between the BPR, HPR, GDR, MPR, PPR, SSR, USSR and CSSR on the avoidance of double taxation of income and capital of legal persons, dated May 27, 1977, and the Treaty between the BPR, HPR, GDR, MPR, PPR, SSR, USSR and CSSR on the avoidance of double taxation of income and capital of legal persons, dated May 19, 1978, shall go out of force in relations between the Republic of Poland and the Russian Federation.

Article 27 **Termination**

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving notice of termination at least six months before the end of a calendar year commencing five years after the date this Agreement enters into force.

In such event, the Agreement shall cease to have effect:

- a) as regards taxes imposed at their source -- to income derived or calculated January 1 or later in the year following the expiration of the six-month period of notice,

b) as regards other taxes on income and capital -- to taxes due for every tax period commencing January 1 or later in the year immediately following the date of expiration of the six- month period of notice.

Done in two copies in Moscow on May 22, 1992, each in Polish and Russian, with both texts being equally authentic.

FOR THE GOVERNMENT OF THE REPUBLIC OF POLAND:

A. Olechowski

FOR THE GOVERNMENT OF THE RUSSIAN FEDERATION:

A. Szochin