



Double Taxation Avoidance Agreement between Russia and Vietnam

Entered into force on March 21, 1996

DEZAN SHIRA & ASSOCIATES

Corporate Establishment, Tax, Accounting & Payroll Throughout Asia

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**AGREEMENT BETWEEN THE GOVERNMENT OF THE SOCIALIST
REPUBLIC OF VIETNAM AND THE GOVERNMENT OF THE RUSSIAN
FEDERATION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE
PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON
INCOME**

**The Government of
the Socialist Republic of
Vietnam
and
the Government of
the Russian Federation,**

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,
Have agreed as follows:

**ARTICLE 1
PERSONAL SCOPE**

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

**ARTICLE 2
TAXES COVERED**

1. This Agreement shall apply to taxes on income imposed in a Contracting State irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages and 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 Vietnam:
 - (i) the personal income tax,
 - (ii) the profit tax, and
 - (iii) the profit remittance tax.

(hereinafter referred to as "Vietnamese tax");
 - b. In Russian - taxes imposed in accordance with the following Laws of the Russian Federation:
 - (i) On taxes on profits of enterprises and organizations,
 - (ii) On taxation of income of banks,

- (iii) On taxation on income from insurance activities, and
- (iv) On the income tax on individuals.
(hereinafter referred to as "Russian tax").

4. The Agreement shall also apply to any other taxes of a substantially similar character which are subsequently imposed in addition to, or in place of the taxes mentioned in paragraph 3. The competent authorities of the Contracting States shall notify each other of important changes which have been made in their respective taxation laws.

ARTICLE 3 GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
- a. the term "Vietnam" means the Socialist Republic of Vietnam and when used in a geographical sense includes:
 - (i) any area beyond the territorial seas of Vietnam which, in accordance with international law and the laws of Vietnam, is an area within which Vietnam exercises sovereign rights with respect to the seabed and subsoil and their natural resources;
 - (ii) the seas and airspace above every area referred to in subparagraph (i) in respect of any activity carried on in connection with the exploration for and exploitation of natural resources referred to therein;
 - b. the term "Russia" means the Russian Federation and when used in a geographical sense, includes its territory, territorial waters as well as economic zone and continental shelf where this State exercises sovereign rights or rights and jurisdiction in conformity with its internal legislation and international law;
 - c. the terms "a Contracting State" and "the other Contracting State" mean Vietnam or Russia as the context requires;
 - d. the term "person" includes an individual, an enterprise, a company and any other body of persons;
 - e. the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
 - f. the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - g. the term "national" means:
 - (i) in the case of Vietnam - any individual possessing the nationality of Vietnam and any legal person, partnership and association deriving its status as such from the laws in force in Vietnam;
 - (ii) in the case of Russia - any individual possessing the citizenship of Russia;
 - h. the term "competent authorities" means:
 - (i) in the case of Vietnam, the Minister of Finance or his authorised representative;
 - (ii) in the case of Russian Federation - the Ministry of Finance or his authorised representative;
 - i. the term "international traffic" means any transport by a ship or aircraft operated by a resident of a Contracting State, except when the transport is operated solely between places in the other Contracting State.

2. As regards the application of this Agreement by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the laws of that State relating to the taxes to which the Agreement applies.

ARTICLE 4 RESIDENT

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of management, place of registration or any other criterion of a similar nature.

2. Where by reason of the provisions of the paragraph 1 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 Contracting 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 (centre of vital interests);

b. if the Contracting State in which he has his center of vital interests cannot be determined, or if he does not have 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 each Contracting State considers him to be its national or if he is a national of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 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.

ARTICLE 5 PERMANENT ESTABLISHMENT

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

2. The term "permanent establishment" shall include especially:

a. a place of management;

b. a branch;

c. an office;

d. a factory;

e. a workshop;

f. a mine, an oil well, quarry or other place of extraction of natural resources; and

g. a warehouse.

3. The term "permanent establishment" likewise encompasses:

a. a building site, construction, installation or assembly project or supervisory activities in connection therewith, which continue for a period of more than six months;

b. the furnishing of services, including consultancy and insurance services, through employees engaged by the enterprise for such purpose, for a period more than twelve months.

4. Notwithstanding the provisions of paragraph 1 the following activities of an enterprise shall be deemed not to be carried out through a permanent establishment:

a. the use of facilities solely for the purpose of storage, display of goods or merchandise belonging to the enterprise;

b. the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display;

c. the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d. the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or for collecting information, for the enterprise.

5. Notwithstanding the provisions of paragraphs 1 and 2 a person acting in a Contracting State on behalf of an enterprise of the other Contracting State (other than an agent of an independent status to whom paragraph 6 applies) shall be deemed to be a permanent establishment in that other State in respect of any activities if such a person:

a. has, and habitually exercises a general authority in the first mentioned Contracting State to conclude contracts in the name of enterprise, or

b. has no such authority, but maintains in the first - mentioned Contracting State a stock or merchandise belonging to the enterprise from which he regularly delivers goods or merchandise on behalf of the enterprise.

6. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, where 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 Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company as a permanent establishment of the other.

ARTICLE 6

INCOME FROM IMMOVABLE PROPERTY

1. Income derived from immovable property, including income from agriculture or forestry is taxable only in the Contracting State in which such property is situated.

2. The term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated. The term "immovable property" shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

ARTICLE 7 BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed attributable to:
 - a. that permanent establishment, or
 - b. sales in that other State of goods or merchandise of the same or similar kind as those sold through that permanent establishment.
2. Subject to the provisions of paragraph 3, where an enterprise 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 enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.
3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere. However, no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or, except in the case of banking enterprise, by way of interest on money lent to the permanent establishment. Likewise, no account shall be taken, in the determination of the profits of a permanent establishment, for amount charged (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or, except in the case of banking enterprise, by way of interest on money lent to the head office of the enterprise or any of its other offices.
4. 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.
5. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude such Contracting State from determining the profits to be taxed by such an apportionment as may be customary. The method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.

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.

7. For the purposes of the preceding paragraphs, 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.

ARTICLE 8 INCOME FROM SHIPPING AND AIR TRANSPORT

1. Income derived by a resident of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State.

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

ARTICLE 9 ADJUSTMENT TO INCOME

Where

- a. an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- b. the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would have accrued to one of the enterprises, but, by the reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

ARTICLE 10 DIVIDENDS

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

2. 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 Contracting State, but, if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed:

- a. 10 percent of the gross amount of the dividends if the residents of the other Contracting State have directly invested in the equity share capital of that company not less than 10.000.000 United States dollars; and
- b. 15 percent of the gross amount of the dividends in all other cases. The provisions of this paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term "dividends" as used in this Article means income from shares, participating in profits, or other rights (not being debt-claims), as well as income from other corporate rights which is subjected to the same taxation treatment as income

from shares according to the taxation law in the Contracting State of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 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 by virtue of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

ARTICLE 11 INTEREST

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

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

3. The term "interest" as used in this Article means income from debt-claim of every kind, whether or not secured by mortgage, and whether or not carrying a right to participate in the debtor's profits 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 for late payment shall not be regarded as interest for the purpose of this Article.

4. The provisions of paragraphs 1 and 2 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 7 or Article 14, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political sub division, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or a fixed base is situated.

6. 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 12 ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.
2. However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 15 per cent of the gross amount of the royalties.
3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the alienation of, the use of, or the right to use, any copyright of literary, artistic or scientific work (including cinematograph films, films, tapes or disc for radio or television broadcasting), any patent, trade mark, design or model, plan, computer program, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial or scientific experience.
4. The provisions of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a contracting state, carries on business in the other contracting state in which the 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 royalties are paid is effectively connected with such permanent establishment or fixed base. In such cases the provisions of Article 7 or article 14, as the case may be, shall apply.
5. Where, owing to a special relationship between the payer and the beneficia lower or between both of them and some other persons, the amount of the royalties paid, 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 in the absence of such relationship, the provisions of this article shall apply only to the last-mentioned amount. In such a case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Agreement.
6. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by such permanent establishment or a fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or a fixed base is situated.

ARTICLE 13 GAINS FROM THE ALIENATION OF PROPERTY

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of 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, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) may be taxed in that other State.
3. Gains derived by a resident of a Contracting State from the alienation of shares of the capital stock of a legal person the property of which consists directly or indirectly principally of immovable property situated in the other Contracting State may be taxed in that other State.
4. Gains from the alienation of any property other than that referred to in paragraph 1, 2 and 3 shall be taxable only in the Contracting State of which the alienator is a resident.

ARTICLE 14
INCOME FROM INDEPENDENT
PERSONAL SERVICES

1. Income derived by an individual in respect of professional services or other activities of an independent character performed in a Contracting State shall be taxable only in that 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 15
INCOME FROM EMPLOYMENT

1. Subject to the provisions of Articles 16, 18 and 19, 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 Contracting 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 Contracting State for a period or periods not exceeding in the aggregate 183 days in the Calendar year concerned;
 - b. the remuneration is paid by or on behalf of an employer who is not a resident of the other Contracting State; and
 - c. the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other Contracting State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed only in the Contracting State of which a person operating such means of transportation is a resident.

ARTICLE 16
DIRECTORS' FEES

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

ARTICLE 17
INCOME OF ARTISTES
AND ATHLETES

1. Notwithstanding the provisions of Articles 14 and 15, income derived by entertainers such as a theater, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such, may be taxed in the Contracting State in which the activities are exercised.
2. Where income in respect of personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

ARTICLE 18
PENSIONS

Any pension (other than a pension of the kind referred to in paragraph 2 of Article 19) and other similar remuneration, derived by a resident of a Contracting State, may be taxed only in that State.

ARTICLE 19
INCOME
FROM GOVERNMENT SERVICE

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

b. However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident of that State, who:

- (i) is a national of that State; or
- (ii) not being a national of the first-mentioned State did not become a resident of that State solely for the purpose of rendering the services.

2.a. Any pension paid by, or out of funds created by, a Contracting State, subdivision or a local authority thereof to an individual in respect of services rendered to that State, subdivision or authority shall be taxable only in that State.

b. However, such pension shall be taxable only in the other Contracting State if the individual is a resident and a national of that State.

3. The provisions of this Article shall not apply to payments in respect of services rendered in connection with any business carried on by either of the Contracting States, a political subdivision or a local authority thereof for purpose of profits.

ARTICLE 20
INCOME OF TEACHERS,
PROFESSORS AND
RESEARCHERS

Notwithstanding the provisions of Article 15, a teacher, professor or a researcher who makes a temporary visit to one of the Contracting States for a period not exceeding two years for the purpose teaching or research at a university, college, school or other educational or research institution in that State and who is, or immediately before such visit was, a resident of the other Contracting State shall, in respect of remuneration for such teaching, or research, be exempt from tax in the first-mentioned State.

ARTICLE 21
INCOME OF STUDENTS AND APPRENTICES

A student or apprentice who is present in a Contracting State solely for the purpose of his education or training and who is, or immediately before being so present was, a resident of the other Contracting State, shall be exempt from tax in the first-mentioned State on payments received from sources within the other State for the purposes of his maintenance, education or training.

ARTICLE 22
OTHER INCOME

Any income not dealt with in the foregoing Articles of this Agreement derived by a resident of a Contracting State from sources in the other Contracting State may be taxed in that other State.

ARTICLE 23
METHODS FOR ELIMINATION OF DOUBLE TAXATION

1. Where a resident of a Contracting State derives income from the other Contracting State, the amount of tax on that income payable in that other State in accordance with the provisions of this Agreement, may be credited against the tax levied in the first-mentioned State on that resident. The amount of credit, however shall not exceed the amount of the tax of the first-mentioned State on that income computed in accordance with its taxation laws and regulations.

2. Where a company which is a resident of a Contracting State pays dividend to a company which is a resident of the other Contracting State and which controls directly not less than 10 percent of the voting power of the first-mentioned company, the credit referred to in paragraph 1 of this Article shall include the tax paid by that first-

mentioned company in the first-mentioned State, in respect of that portion of its profits out of which the dividend is paid.

3. For the purpose of this Article the term "tax on that income payable in that other State" shall be deemed to include the amount of Russian or Vietnamese tax which, under the laws of a Contracting State and in accordance with this Agreement, would have been paid had the Russian or Vietnamese tax not been exempted or reduced in accordance with the Laws and any other special incentive measures designed to promote economic development and foreign investments in a Contracting State.

ARTICLE 24 MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State 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 national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident. 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 endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate 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 not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall jointly endeavour 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 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 and of the domestic laws of the Contracting States concerning taxes covered by the Agreement in so far as the taxation thereunder is in accordance with this Agreement, in particular for the prevention of fraud or evasion of such taxes. Any information so exchanged shall be treated as confidential in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the 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 one of the competent authorities the obligation:

a. to carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;

b. to supply particulars which are 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 policy.

ARTICLE 26 EMPLOYEES OF DIPLOMATIC MISSIONS AND CONSULAR ESTABLISHMENTS

Nothing in this Agreement shall affect the fiscal privileges of the employees of diplomatic or consular establishments under the general rules of international law or under the provisions of special agreements.

ARTICLE 27 ENTRY INTO FORCE

1. Each of the Contracting States shall notify to the other in writing through the diplomatic channel the completion of the internal procedures required by the law applied in that Contracting State for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect:

a. in respect of taxes withheld at source, for amounts paid or credited on or after the first day of January next following the date on which the Agreement enters into force; and

b. in respect of other income taxes for taxable period beginning on or after the first day of January next following the date on which the Agreement enters into force.

ARTICLE 28 TERMINATION

This Agreement shall remain in force indefinitely but either of the Contracting States may terminate the Agreement through the diplomatic channels, by giving to the other Contracting State written notice of termination not later than 30 June of any calendar year starting five years after the date when the Agreement entered into force. In such event the Agreement shall cease to have effect:

- a. in respect of taxes withheld at source, for amounts paid or credited on or after the first day of January next following the date on which such notice is given; and
- b. in respect of other income taxes for taxable period beginning on or after the first day of January next following the date on which such notice is given.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

DONE at Hanoi, on 27th May of 1993 in duplicate, in Vietnamese, Russian and English languages, all three texts being equally authentic. In case of divergence, the English text shall prevail.

For the
Government
of
the Socialist
Republic of
Vietnam:
(signed)

For the
Government
of
the Russian
Federation:
(signed)

This Agreement entered into force on 21 March 1996