

**SECOND PROTOCOL TO THE CONVENTION BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF KOREA AND
THE GOVERNMENT OF NEW ZEALAND
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE
PREVENTION OF FISCAL EVASION WITH RESPECT
TO TAXES ON INCOME**

The Government of the Republic of Korea and the Government of New Zealand
(hereinafter referred to as "the Contracting Parties")

Having regard to the Convention between the Government of the Republic of Korea and the Government of New Zealand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income done at Seoul on 6 October 1981 (hereinafter referred to as "the Convention"),

Have agreed that the following provisions shall form an integral part of the Convention:

ARTICLE 1

Notwithstanding paragraph 4 of Article 23 of the Convention, a New Zealand resident deriving income from Korea, being income referred-to in that paragraph, shall not be deemed to have paid Korean tax in respect of such income where the competent authority of New Zealand considers, after consultation with the competent authority of the Republic of Korea, that it is inappropriate to do so having regard to:

- (a) whether any arrangements have been entered into by any person for the purpose of taking advantage of paragraph 4 of Article 23 for the benefits of that person or any other person;

- (b) the extent to which benefits accrue to a person who is neither a New Zealand resident nor a resident of Korea;
- (c) the prevention of fraud or the prevention of the evasion or avoidance of the taxes to which the Convention applies;
- (d) any other matter which the competent authorities consider relevant in the particular circumstances of the case including any submissions from the New Zealand resident concerned.

ARTICLE 2

Paragraph 4 of Article 23 of the Convention is hereby deleted and substituted with the following paragraph:

“4. For the purposes of paragraph 2, and with respect to items of income dealt with in Articles 10, 11 and 12, the term “Korean tax paid” shall be deemed to include the amount of Korean tax which would have been payable in accordance with Korean tax laws and in accordance with this Convention but for the exemption or reduction of Korean tax in accordance with the Korean laws relating to incentives for the promotion of economic development in Korea which were in force on the date of signature of this Convention or any other provisions which may subsequently be introduced in Korea in modification of, or in addition to, those laws so far as they are agreed by the competent authorities of the Contracting States to be of a substantially similar character.”

ARTICLE 3

Article 1 and 2 of this Second Protocol shall apply to income derived on or after the day on which it enters into force.

ARTICLE 4

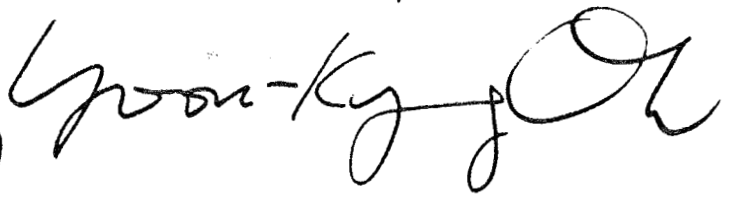
1. The Contracting Parties shall notify each other through diplomatic channels that the constitutional requirements for the entry into force of this Second Protocol have been complied with.
2. This Second Protocol shall enter into force on the thirtieth day after the date of the later of the notification referred to in paragraph 1 of this Article.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Protocol.

DONE at *Wellington* in duplicate this *14th* day of *July* in the English language.



FOR THE GOVERNMENT OF
NEW ZEALAND:



FOR THE GOVERNMENT OF
THE REPUBLIC OF KOREA:

