

PROTOCOL

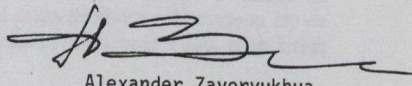
At the signing of the Agreement between the Government of Canada and the Government of the Russian Federation for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, the undersigned have agreed on the following provisions which shall form an integral part of the Agreement.

1. It is understood that an entity that is a resident of Russia and of which at least 10 per cent of the statutory capital is owned by residents of Canada, or a permanent establishment of a Canadian resident carrying on activities in Russia, shall, in computing its profits, deduct interest on loans, whether paid to a bank or another person and without regard to the period of the loan, provided the amount of the interest does not exceed the amount that would have been agreed upon between independent persons.
2. Irrespective of the participation of the Contracting States in the General Agreement on Trade in Services (GATS), or in other international agreements, the Contracting States in their tax relations will be covered by the provisions of the present Agreement.

DONE at Ottawa, this 5th day of October, 1995, in duplicate, each in the English, French and Russian languages, all three texts being equally authentic.



Paul Martin
**FOR THE GOVERNMENT
OF CANADA**



Alexander Zaveryukha
**FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION**