

current accounts in the territory in which the tax is levied to the total of deposit and current accounts of the bank as a whole. For this purpose a deposit bank is understood to be one whose principal liability as shown in the balance-sheet of the bank as a whole arises from deposits and current accounts payable at sight or within 90 days, and whose principal assets consist of bills discounted and commercial promissory notes and loans, all of which are payable at sight or within 90 days, and investments in public funds.

(b) In the case of Insurance Companies the percentage shall as a general rule not exceed the proportion which the amount of the premiums attributable to the territory in which the tax is levied bears to the total premiums.

(c) In all other cases the percentage shall be based on a comparison of capital or assets or turnover or profits or the volume of purchases or sales, or some combination of these factors, but it shall not exceed the proportion which the figure calculated for the territory in which the tax is levied bears to the corresponding figure calculated for the enterprise as a whole.

In the event of a Company not furnishing within the prescribed period and in the proper form the necessary particulars required by the law, or furnishing false information, or obstructing the Administration in the verification of the information furnished, the percentage referred to in this Article shall be estimated by the Administrative Authorities at such figure as appears to them to be equitable.

The relevant stipulations of this Article and of the preceding Article will be applied to all assessments by the Spanish authorities on capital and profits of British Companies for which the percentage had not been published by the Administration in the "Madrid Gazette" prior to 1st May, 1924. In the latter case the percentage published by the Administration shall be regarded as final.

ARTICLE 6.

As an exception to the provisions of Articles 4 and 5, it is agreed that any British bank having branches established in Spain may be subjected, under paragraph (b) of disposition XI of the 3rd Tariff of Article 4 of the Spanish Income Tax Law, Revised Text of 22nd September, 1922, to a tax at a rate not exceeding one-fourth per mille on its total nominal capital and reserves after deduction of the amount of such capital and reserves corresponding to the branches in Spain calculated in accordance with the stipulations of Article 5 of this Agreement.