

**ADDITIONAL PROTOCOL TO THE CONVENTION
BETWEEN THE ITALIAN REPUBLIC AND ROMANIA
FOR THE AVOIDANCE OF DOUBLE TAXATION
WITH RESPECT TO TAXES ON INCOME AND
THE PREVENTION OF FISCAL EVASION**

At the signing of the Convention concluded today between the Italian Republic and Romania for the avoidance of double taxation with respect to taxes on income and the prevention of fiscal evasion, the undersigned have agreed upon the following additional provisions which shall form an integral part of the Convention.

It is understood that:

1. With reference to paragraph 3 of Article 7, the term "expenses which are incurred for the purposes of the permanent establishment" means the expenses directly connected with the activity of the permanent establishment.
2. With reference to Article 8, profits from the operation in international traffic of ships or aircraft shall include:
 - (a) profits derived from the rental on a bare boat basis of ships or aircraft used in international traffic;
 - (b) profits derived from the use or rental of containers if such profits are incidental to the other profits from the operation of ships or aircraft in international traffic.
3. With reference to Article 10, the provisions of paragraph 2 of this Article shall not apply to dividends which a company resident of a Contracting State pays to a company resident of the other Contracting State, on which no tax is imposed in the Contracting State in which the company paying the dividends is resident, pursuant to the provisions of the Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as may be amended.
4. With reference to Articles 11 and 12, the provisions of the Council Directive 2003/49/EC of 3 June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States, as may be amended, shall in any case apply.
5. With reference to paragraphs 1 and 2 of Article 19, remuneration paid to an individual in respect of services rendered to the Bank of Italy or to the National Bank of Romania, to the Italian Foreign Trade Institution (I.C.E.) or to similar Romanian institutions, are covered by the provisions concerning government service.
6. With reference to Article 23, where in accordance with any provision of the Convention income derived by a resident of a Contracting State is exempt from tax in that State, such State may, nevertheless, under its domestic legislation, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.
7. With reference to Article 25, the provisions of the Convention 90/436/EEC of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises, as may be amended, shall in any case apply.



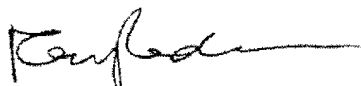
8. Where, under any provision of this Convention, income is wholly or partly relieved from tax in a Contracting State and, under the laws in force in the other Contracting State, an individual, in respect of the said income, is subject to tax by reference to the amount thereof which is remitted to or received in that other State, and not by reference to the full amount thereof, then the relief to be allowed under this Convention in the first-mentioned State shall apply only to so much of the income as is remitted to or received in that other State.

9. Nothing in this Convention shall prevent either Contracting State in applying its domestic tax laws in order to prevent fiscal evasion and tax avoidance.

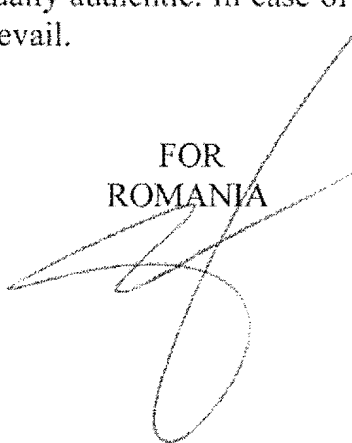
IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Additional Protocol.

DONE at Riga, on 25 April 2015, in two originals, each in the Italian, Romanian and English languages, all texts being equally authentic. In case of divergence on interpretation or application, the English text shall prevail.

FOR
THE ITALIAN REPUBLIC



FOR
ROMANIA



LAVORI PREPARATORI

Camera dei deputati (atto n. 3880):

Presentato dal Ministro degli affari esteri e coop. inter.le PAOLO GENTILONI SILVERI (Governo Renzi-I), in data 7 giugno 2016.

Assegnato alla III commissione permanente (Affari esteri e comunitari), in sede referente il 21 giugno 2016, con pareri delle commissioni I, V, VI.

Esaminato dalla III commissione permanente (Affari esteri e comunitari), in sede referente, in data 6 e 26 ottobre 2016.

Esaminato in aula ed approvato il 6 dicembre 2016.

Senato della Repubblica (atto n. 2619):

Assegnato alla 3ª commissione permanente (Affari esteri, emigrazione), in sede referente, il 19 dicembre 2016, con pareri delle commissioni 1ª, 5ª, 6ª, 14ª.

Esaminato dalla 3ª commissione permanente (Affari esteri, emigrazione), in sede referente, il 20 dicembre 2016 e il 22 febbraio 2017.

Esaminato in aula ed approvato definitivamente il 4 maggio 2017.

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