

PROTOCOL AMENDING THE CONVENTION BETWEEN
THE GOVERNMENT OF THE STATE OF ISRAEL AND
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
WITH RESPECT TO TAXES ON INCOME
SIGNED AT WASHINGTON ON NOVEMBER 20, 1975

The Government of the State of Israel and the
Government of the United States of America, desiring to
conclude a Protocol to amend the Convention with respect to
taxes on income signed at Washington on November 20, 1975
(hereinafter referred to as "the Convention") have agreed as
follows:

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conclude a Protocol to amend the Convention with respect to
taxes on income signed at Washington on November 20, 1975
(hereinafter referred to as "the Convention") have agreed as
follows:

ARTICLE I

1. Sub-paragraph (a) of paragraph (1) of Article 1 (Taxes Covered) of the Convention shall be deleted and replaced by the following:

"(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code, and the tax on insurance premiums paid to foreign insurers (but only to the extent that the relevant risk is not reinsured, directly or indirectly, with a person not entitled to relief from such tax), and"

2. Clauses (iv) and (v) of sub-paragraph (b) of paragraph (1) of Article 1 (Taxes Covered) of the Convention shall be deleted and replaced by the following:

"(iv) The tax on profits levied on banking institutions and insurance companies under the Value Added Tax Law, and

(v) Compulsory loans made with respect to taxable years ending before April 1, 1988 with respect to corporations that became subject thereto before April 1, 1977."

ARTICLE II

Paragraph (3) of Article 3 (Fiscal Residence) of the Convention shall be deleted and replaced by the following:

"(3) A corporation which is both a United States

corporation within the meaning of paragraph (1)(f)(i) of Article 2 (General Definitions) and an Israeli corporation within the meaning of paragraph (1)(f)(ii) of such Article 2 shall be considered to be outside the scope of this Convention except for purposes of paragraph (1) of Article 4 (Source of Income), Article 27 (Nondiscrimination), Article 29 (Exchange of Information), and Article 31 (Entry Into Force)."

ARTICLE III

1. Sub-paragraph (a) of paragraph (4) of Article 6 (General Rules of Taxation) of the Convention shall be deleted and replaced by the following:

"(a) The benefits conferred by a Contracting State under Articles 10 (Grants), 15-A (Charitable Contributions), 21 (Social Security Payments), 26 (Relief From Double Taxation), 27 (Nondiscrimination), and 28 (Mutual Agreement Procedure); and"

2. Paragraph (5) of Article 6 (General Rules of Taxation) of the Convention shall be deleted and replaced by the following:

"(5) The United States may impose its personal holding company tax and its accumulated earnings tax notwithstanding any provision of this Convention. However, an Israeli corporation shall be exempt from the United States personal holding company tax in any taxable year unless residents or

citizens of the United States own, directly or indirectly, within the meaning of Section 544 of the Internal Revenue Code, 10 percent or more in value of the outstanding stock of the corporation at any time during the taxable year. An Israeli corporation shall be exempt from the United States accumulated earnings tax in any taxable year unless at least 25 percent of the voting stock of such corporation is owned by citizens or residents of the United States."

3. Paragraph (6) of Article 6 (General Rules of Taxation) of the Convention shall be renumbered as paragraph (7) and a new paragraph (6) shall be added, to read as follows:

"(6) Where under any provision of this Convention income arising in one of the Contracting States is relieved from tax in that Contracting State and, under the law in force in the other Contracting State a person, in respect of said income, is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State, and not by reference to the full amount thereof, then the relief to be allowed under this Convention in the first-mentioned Contracting State shall apply only to so much of the income as is remitted to or received in the other Contracting State during the year such income accrues."

ARTICLE IV

Paragraph (3) of Article 7 (Income From Real Property) of the Convention shall be deleted and replaced by the following:

"(3) Gains from the alienation of shares of a company the property of which consists, directly or indirectly, principally of immovable property situated in a Contracting state may be taxed by that State."

ARTICLE V

The following new paragraph (8) shall be added to Article 8 (Business Profits):

"(8) The United States tax on insurance premiums paid to foreign insurers shall not be imposed on insurance or reinsurance premiums which are the receipts of a business of insurance carried on by a resident of Israel whether or not that business is carried on through a permanent establishment in the United States (but only to the extent that the relevant risk is not reinsured, directly or indirectly, with a person not entitled to relief from such tax)."

ARTICLE VI

Paragraph (1) of Article 9 (Shipping and Air Transport) of the Convention shall be deleted and replaced by the following:

"(1) Notwithstanding Article 8 (Business Profits) and Article 15 (Capital Gains): Where a resident of a

Contracting State derives income from the operation in international traffic of ships or aircraft, or gains from the sale, exchange, or other disposition of ships or aircraft used in international traffic by such resident, the other Contracting State shall exempt such income or gains from taxation."

ARTICLE VII

Paragraph (1) of Article 10 (Grants) of the Convention shall be deleted and replaced by the following:

"(1) For the purpose of computing United States tax, if Israel, a political subdivision thereof, or any agency of either makes a qualifying cash grant to a resident of the United States, the amount of such grant shall be included in the gross income of such resident, unless the resident elects to exclude it from gross income. If the resident elects to exclude it from gross income, then--

(a) if the resident is a corporation the amount of such grant shall be treated as a contribution to its capital,

(b) the resident shall be deemed to have contributed the amount of such grant to the Israeli corporation designated by the terms of the grant,

(c) the resident's basis for the stock of the Israeli corporation shall not be increased by the amount deemed contributed under sub-paragraph (b), and

(d) the basis of property of the Israeli corporation shall be reduced by the amount of the deemed contribution under sub-paragraph (b) in accordance with rules prescribed by the Secretary of the Treasury of the United States."

ARTICLE VIII

1. Sub-paragraph (b) of paragraph (2) of Article 12 (Dividends) of the Convention shall be deleted and replaced by the following:

"(b) When a corporation is the recipient of a dividend from a paying corporation of income derived during any period for which the paying corporation is not entitled to the reduced tax rate applicable to an approved enterprise under Israel's Encouragement of Capital Investments Law (1959), 12.5 percent of the gross amount of the dividend paid, but only if--

(1) During the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10 percent of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation, and

(ii) Not more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consists of interest or dividends (other than interest derived from the conduct of a banking, insurance, or financing business and dividends or interest received from subsidiary corporations, 50 percent or more of the outstanding shares of the voting stock of which is owned by the paying corporation at the time such dividends or interest is received)."

2. The following new sub-paragraph (c) of paragraph (2) shall be added to Article 12 (Dividends) of the Convention:

"(c) When a corporation is the recipient of a dividend from a paying corporation of income derived during any period for which the paying corporation is entitled to the reduced tax rate applicable to an approved enterprise under Israel's Encouragement of Capital Investments Law (1959), 15 percent of the gross amount of the dividend paid, but only if the conditions of sub-paragraph (b) (i) and (ii) are met."

ARTICLE IX

Sub-paragraph (b) of paragraph (1) of Article 15 (Capital Gains) of the Convention shall be deleted and replaced by the following:

"(b) The gain is from the sale, exchange or other disposition of property described in sub-paragraph (2)(c) of Article 14 (Royalties)."

ARTICLE X

The following new Article shall be added as Article 15-A (Charitable Contributions):

"Article 15-A

CHARITABLE CONTRIBUTIONS

(1) In the computation of taxable income of a citizen or a resident of the United States for any taxable year under the revenue laws of the United States, there shall be treated as a charitable contribution under such revenue laws contributions to any organization created or organized under the laws of Israel (and constituting a charitable organization for the purpose of the income tax laws of Israel) if and to the extent such contributions would have been treated as charitable contributions had such organization been created or organized under the laws of the United States; provided, however, that this paragraph shall not apply to contributions in any taxable year in excess of 25 percent of taxable income for such year (in the case of a corporation) or of adjusted gross income for such year (in the case of an individual) from sources in Israel.

(2) In the computation of tax liability of a resident of Israel for any taxation year under the income tax laws of Israel, there shall be treated as charitable contributions eligible for credit or deduction, as the case may be, under such income tax laws, gifts to any organization constituting a charitable organization for the purpose of the revenue laws of

the United States, if and to the extent such contributions would have been treated as charitable contributions had such organization been a charitable organization for the purpose of the income tax laws of Israel; provided, however, that this paragraph shall not apply to contributions in any taxation year in excess of 25 percent of taxable income for such year from sources in the United States."

ARTICLE XI

Article 17 (Dependent Personal Services) of the Convention shall be deleted and replaced by the following:

"Article 17

DEPENDENT PERSONAL SERVICES

(1) Except as provided in Articles 22 (Governmental Functions), 23 (Teachers), and 24 (Students and Trainees), wages, salaries, and similar remuneration derived by an individual who is a resident of one of the Contracting States from labor or personal services performed as an employee, including income from services performed by an officer of a corporation or company, may be taxed by that Contracting State. Except as provided by paragraph (2) and in Articles 20 (Private Pensions and Annuities), 22 (Governmental Functions), 23 (Teachers), and 24 (Students and Trainees), such remuneration derived from sources within the other Contracting State may also be taxed by that other Contracting State.

(2) Remuneration described in paragraph (1) derived by an individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State if--

(a) He is present in that other Contracting State for a period or periods aggregating less than 183 days in the taxable year; and

(b) He is an employee of a resident of, or of a permanent establishment maintained in, the first-mentioned Contracting State; and

(c) The remuneration is not borne as such by a permanent establishment which the employer has in that other Contracting State; and

(d) The remuneration is subject to tax in the first-mentioned Contracting State.

(3) Notwithstanding paragraphs (1) and (2), remuneration derived by an employee of a resident of one of the Contracting States for labor or personal services performed as a member of the regular complement of a ship or aircraft operated in international traffic by a resident of that Contracting State may be taxed by that Contracting State."

ARTICLE XII

Clauses (1) and (11) of sub-paragraph (a) of paragraph (1) of Article 19 (Amounts Received for Furnishing Personal Services of Others) of the Convention shall be deleted and replaced by the following:

"(a) (i) The person for whom the services were furnished designated the person or persons who would render the services, whether or not he had the legal right to do so and whether or not the designation was made formally;

(11) The person for whom the services were furnished had the right to designate the person or persons who would render the services; or"

ARTICLE XIII

Clause (ii) of paragraph (2) of Article 26 (Relief From Double Taxation) of the Convention shall be deleted and replaced by the following:

"(ii) Upon repayment or recoupment of the principal of the loan, the amount of the value in United States dollars received shall be treated as a refund for the year the loan was made of taxes paid to Israel for such year equal to the basis for such loan, and the amount of such credit against tax shall be recomputed notwithstanding the operation of any law or rule of law;"

ARTICLE XIV

Sub-paragraphs (c) and (d) of paragraph (2) of Article 28 (Mutual Agreement Procedure) of the Convention shall be deleted and replaced by the following:

"(c) To the same determination of the source of particular items of income;

(d) To the same characterization of particular items of income; or

(e) To the mode of application of Articles 15-A (Charitable Contributions) and 29 (Exchange of Information)."

ARTICLE XV

Paragraph (1) of Article 29 (Exchange of Information) of the Convention shall be deleted and replaced by the following:

"(1) The competent authorities of the Contracting States shall exchange such information as is pertinent to carrying out the provisions of this Convention or preventing fraud or fiscal evasion in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those concerned with the assessment, including judicial determination, or collection of the taxes which are the subject of the Convention."

ARTICLE XVI

1. This Protocol shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

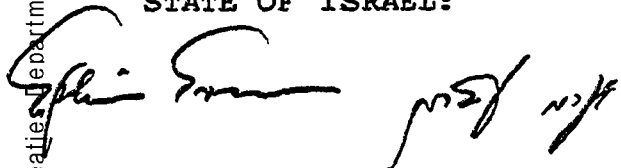
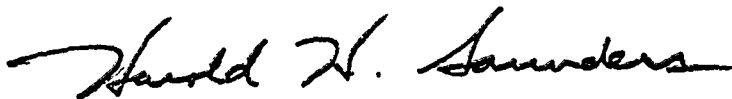
2. This Protocol shall enter into force immediately after the expiration of thirty days following the date on which the instruments of ratification are exchanged and shall thereupon have effect in accordance with Article 31 of the Convention.

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

DONE at Washington, in duplicate, in the Hebrew and English languages, the two texts having equal authenticity, this 30th day of May 1980.

FOR THE GOVERNMENT OF THE
STATE OF ISRAEL:

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

Handwritten signature of Shimon Peres, the Prime Minister of Israel at the time, in black ink.Handwritten signature of Harold H. Saunders, the Assistant Secretary of State for Middle Eastern Affairs, in black ink.

Treaties Department - Ministry Of Foreign Affairs - Israel

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PROTOCOL

AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF
THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE
STATE OF ISRAEL WITH RESPECT TO TAXES ON INCOME SIGNED
AT WASHINGTON ON NOVEMBER 20, 1975

Initialled in Washington on November 14, 1978

For the
United States Delegation:



W. Michael Blumenthal
Secretary of the Treasury

For the
Israel Delegation:



Simcha Ehrlich
Minister of Finance

PROTOCOL

AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF
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AT WASHINGTON ON NOVEMBER 20, 1975

The Government of the United States of America and the
Government of the State of Israel, desiring to conclude a
Protocol to amend the Convention with respect to taxes on
income signed at Washington on November 20, 1975 (herein-
after referred to as "the Convention") have agreed as
follows:



ARTICLE I

1. Sub-paragraph (a) of paragraph (1) of Article I (Taxes Covered) of the Convention shall be deleted and replaced by the following:

"(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code, and the tax on insurance premiums paid to foreign insurers (but only to the extent that the relevant risk is not reinsured, directly or indirectly, with a person not entitled to relief from such tax), and"

2. Clauses (iv) and (v) of sub-paragraph (b) of paragraph (1) of Article I (Taxes Covered) of the Convention shall be deleted and replaced by the following:

"(iv) The tax on profits levied on banking institutions and insurance companies under the Value Added Tax Law, and

(v) Compulsory loans made with respect to taxable years ending before April 1, 1988 with respect to corporations that became subject thereto before April 1, 1977."

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ARTICLE II

Paragraph 3 of Article 3 (Fiscal Residence) of the Convention shall be deleted and replaced by the following:

"(3) A corporation which is both a United States corporation within the meaning of paragraph (1)(f)(1) of Article 2 (General Definitions) and an Israeli corporation within the meaning of paragraph (1)(f)(i1) of such Article 2 shall be considered to be outside the scope of this Convention except for purposes of paragraph (1) of Article 4 (Source of Income), Article 27 (Nondiscrimination), Article 29 (Exchange of Information), and Article 31 (Entry Into Force)."

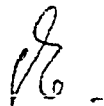
ARTICLE III

1. Sub-paragraph (a) of paragraph (4) of Article 6 (General Rules of Taxation) of the Convention shall be deleted and replaced by the following:

"(a) The benefits conferred by a Contracting State under Articles 10 (Grants), 15-A (Charitable Contributions), 21 (Social Security Payments), 26 (Relief From Double Taxation), 27 (Nondiscrimination), and 28 (Mutual Agreement Procedure); and"

2. Paragraph (5) of Article 6 (General Rules of Taxation) of the Convention shall be deleted and replaced by the following:

"(5) The United States may impose its personal holding company tax and its accumulated earnings tax notwithstanding any provision of this Convention. However, an Israeli corporation shall be exempt from the United States personal holding company tax in any taxable year unless residents or citizens of the United States own, directly or indirectly, within the meaning of Section 544 of the Internal Revenue Code, 10 percent or more in value of the outstanding stock of the corporation at any time during the taxable year. An Israeli corporation shall be exempt from the United States accumulated earnings tax in any taxable year unless at least 25 percent of the voting stock of such corporation is owned by citizens or residents of the United States."



3. Paragraph (6) of Article 6 (General Rules of Taxation) of the Convention shall be renumbered as paragraph (7) and a new paragraph (6) shall be added, to read as follows:

"(6) Where under any provision of this Convention income arising in one of the Contracting States is relieved from tax in that Contracting State and, under the law in force in the other Contracting State a person, in respect of said income, is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State, and not by reference to the full amount thereof, then the relief to be allowed under this Convention in the first-mentioned Contracting State shall apply only to so much of the income as is remitted to or received in the other Contracting State during the year such income accrues."



ARTICLE IV

Paragraph (3) of Article 7 (Income From Real Property) of the Convention shall be deleted and replaced by the following:

"(3) Gains from the alienation of shares of a company the property of which consists, directly or indirectly, principally of immovable property situated in a Contracting State may be taxed by that State."



ARTICLE V

The following new paragraph (8) shall be added to Article 8 (Business Profits):

"(8) The United States tax on insurance premiums paid to foreign insurers shall not be imposed on insurance or reinsurance premiums which are the receipts of a business of insurance carried on by a resident of Israel whether or not that business is carried on through a permanent establishment in the United States (but only to the extent that the relevant risk is not reinsured, directly or indirectly, with a person not entitled to relief from such tax)."



ARTICLE VI

Paragraph (1) of Article 9 (Shipping and Air Transport) of the Convention shall be deleted and replaced by the following:

"(1) Notwithstanding Article 8 (Business Profits) and Article 15 (Capital Gains): Where a resident of a Contracting State derives income from the operation in international traffic of ships or aircraft, or gains from the sale, exchange, or other disposition of ships or aircraft used in international traffic by such resident, the other Contracting State shall exempt such income or gains from taxation."



ARTICLE VII

Paragraph (1) of Article 10 (Grants) of the Convention shall be deleted and replaced by the following:

"(1) For the purpose of computing United States tax, if Israel, a political subdivision thereof, or any agency of either makes a qualifying cash grant to a resident of the United States, the amount of such grant shall be included in the gross income of such resident, unless the resident elects to exclude it from gross income. If the resident elects to exclude it from gross income, then--

(a) if the resident is a corporation the amount of such grant shall be treated as a contribution to its capital,

(b) the resident shall be deemed to have contributed as a shareholder the amount of such grant to the Israeli corporation designated by the terms of the grant,

(c) the resident's basis for the stock of the Israeli corporation shall not be increased by the amount deemed contributed under subparagraph (b), and

(d) the basis of property of the Israeli corporation shall be reduced by the amount of the deemed contribution under subparagraph (b) in accordance with rules prescribed by the Secretary of the Treasury of the United States."

ARTICLE VIII

1. Sub-paragraph (b) of paragraph (2) of Article 12 (Dividends) of the Convention shall be deleted and replaced by the following:

"(b) When a corporation is the recipient of a dividend from a paying corporation of income derived during any period for which the paying corporation is not entitled to the reduced tax rate applicable to an approved enterprise under Israel's Encouragement of Capital Investments Law (1959), 12.5 percent of the gross amount of the dividend paid, but only if--

(1) During the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10 percent of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation, and

(11) Not more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consists of interest or dividends (other than interest derived from the conduct of a banking, insurance, or financing business and dividends or interest received from subsidiary corporations, 50 percent or more of the outstanding shares of the voting stock of which is owned by the paying corporation at the time such dividends or interest is received)."

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2. The following new sub-paragraph (c) of paragraph (2) shall be added to Article 12 (Dividends) of the Convention:

"(C) When a corporation is the recipient of a dividend from a paying corporation of income derived during any period for which the paying corporation is entitled to the reduced tax rate applicable to an approved enterprise under Israel's Encouragement of Capital Investments Law (1959), 15 percent of the gross amount of the dividend paid, but only if the conditions of subparagraph (b) (1) and (i1) are met."



ARTICLE IX

Subparagraph (b) of paragraph (1) of Article 15 (Capital Gains) of the Convention shall be deleted and replaced by the following:

"(b) The gain is from the sale, exchange or other disposition of property described in subparagraph (2)(c) of Article 14 (Royalties)."



ARTICLE X

The following new article shall be added as Article 15-A
(Charitable Contributions):

"ARTICLE 15-A - CHARITABLE CONTRIBUTIONS

(1) In the computation of taxable income for any taxable year under the revenue laws of the United States, there shall be treated as a charitable contribution under such revenue laws contributions to any organization created or organized under the laws of Israel (and constituting a charitable organization for the purpose of the income tax laws of Israel) if and to the extent such contributions would have been deductible or creditable as a charitable contribution had such organization been created or organized under the laws of the United States; provided, however, that this paragraph shall not apply to contributions in any taxable year in excess of 25 percent of taxable income for such year (in the case of a corporation) or adjusted gross income for such year (in the case of an individual) from sources in Israel.

(2) In the computation of tax liability for any taxation year under the income tax laws of Israel, there shall be treated as charitable contributions eligible for credit or deduction, as the case may be, under such income tax laws,

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gifts to any organization constituting a charitable organization for the purpose of the revenue laws of the United States, if and to the extent such gifts would have been creditable or deductible had such organization been a charitable organization for the purpose of the income tax laws of Israel; provided, however, that this paragraph shall not apply to contributions in any taxation year in excess of 25 percent of taxable income for such year from sources in the United States."



ARTICLE XI

Article 17 (Dependent Personal Services) of the Convention shall be deleted and replaced by the following:

"ARTICLE 17 - DEPENDENT PERSONAL SERVICES

(1) Except as provided in Articles 22 (Governmental Functions), 23 (Teachers), and 24 (Students and Trainees), wages, salaries, and similar remuneration derived by an individual who is a resident of one of the Contracting States from labor or personal services performed as an employee, including income from services performed by an officer of a corporation or company, may be taxed by that Contracting State. Except as provided by paragraph (2) and in Articles 20 (Private Pensions and Annuities), 22 (Governmental Functions), 23 (Teachers), and 24 (Students and Trainees), such remuneration derived from sources within the other Contracting State may also be taxed by that other Contracting State.

(2) Remuneration described in paragraph (1) derived by an individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State if--



(a) He is present in that other Contracting State for a period or periods aggregating less than 183 days in the taxable year; and

(b) He is an employee of a resident of, or of a permanent establishment maintained in, the first-mentioned Contracting State; and

(c) The remuneration is not borne as such by a permanent establishment which the employer has in that other Contracting State; and

(d) The remuneration is subject to tax in the first-mentioned Contracting State.

(3) Notwithstanding paragraphs (1) and (2), remuneration derived by an employee of a resident of one of the Contracting States for labor or personal services performed as a member of the regular complement of a ship or aircraft operated in international traffic by a resident of that Contracting State may be taxed by that Contracting State."

ARTICLE XII

Clauses (i) and (ii) of sub-paragraph (a) of paragraph (1) of Article 19 (Amounts Received for Furnishing Personal Services of Others) of the Convention shall be deleted and replaced by the following:

"(a) (i) The person for whom the services were furnished designated the person or persons who would render the services, whether or not he had the legal right to do so and whether or not the designation was made formally;

(ii) The person for whom the services were furnished had the right to designate the person or persons who would render the services; or"



ARTICLE XIII

Clause (11) of paragraph (2) of Article 26 (Relief From Double Taxation) of the Convention shall be deleted and replaced by the following:

"(11) Upon repayment or recoupment of the principal of the loan, the amount of the value in United States dollars received shall be treated as a refund for the year the loan was made of taxes paid to Israel for such year equal to the basis for such loan, and the amount of such credit against tax shall be recomputed notwithstanding the operation of any law or rule of law;"



Israel
Treaties Department - Ministry Of Foreign Affairs



ARTICLE XIV

Sub-paragraphs (c) and (d) of paragraph (2) of Article 28 (Mutual Agreement Procedure) of the Convention shall be deleted and replaced by the following:

"(c) To the same determination of the source of particular items of income;

(d) To the same characterization of particular items of income; or

(e) To the mode of application of Articles 15-A (Charitable Contributions) and 29 (Exchange of Information)."



ARTICLE XV

Paragraph (1) of Article 29 (Exchange of Information) of the Convention shall be deleted and replaced by the following:

"(1) The competent authorities of the Contracting States shall exchange such information as is pertinent to carrying out the provisions of this Convention or preventing fraud or fiscal evasion in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those concerned with the assessment, including judicial determination, or collection of the taxes which are the subject of the Convention."



ARTICLE XVI

1. This Protocol shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

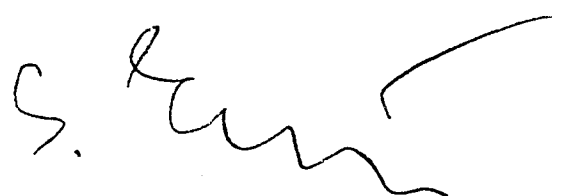
2. This Protocol shall enter into force immediately after the expiration of thirty days following the date on which the instruments of ratification are exchanged and shall thereupon have effect in accordance with Article 31 of the Convention.



In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed this Protocol.

DONE at _____, in duplicate, in the English and Hebrew languages, the two texts having equal authenticity, this _____ day of _____ 1978.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA


FOR THE GOVERNMENT OF
THE STATE OF ISRAEL

