



Final Protocol - 30th November, 1981

HUNGARY

At the signing today of the Convention between the Government of the Hungarian People's Republic and the Government of the Republic of Cyprus for the avoidance of double taxation with respect to taxes on income and on capital the undersigned have agreed upon the following:

1. Notwithstanding the provisions of paragraph 3 of Article 5 of the Convention, the competent authorities of the Contracting States may, by mutual agreement, decide in each case that a building site or construction or installation or assembly project shall not constitute a permanent establishment even when it lasts more than 12 months.
2. Concerning Article 7 where a building site, construction, installation or assembly project constitutes a permanent establishment, only those profits can be attributed to that permanent establishment which derive from the activity of the building site, construction, installation or assembly project.

No profit can be attributed to the permanent establishment by reason of delivery of goods or merchandise, machinery or equipment notwithstanding that the delivery was carried out by the enterprise or by a third person.

3. Concerning Article 8 operation in international traffic or ships, aircraft, road transport vehicles or boats engaged in inland waterways includes the activity of agencies of international transport enterprises and other auxiliary activities of those enterprises namely transport by bus between a town and the airport in so far as these above-mentioned activities are closely connected with international transport.