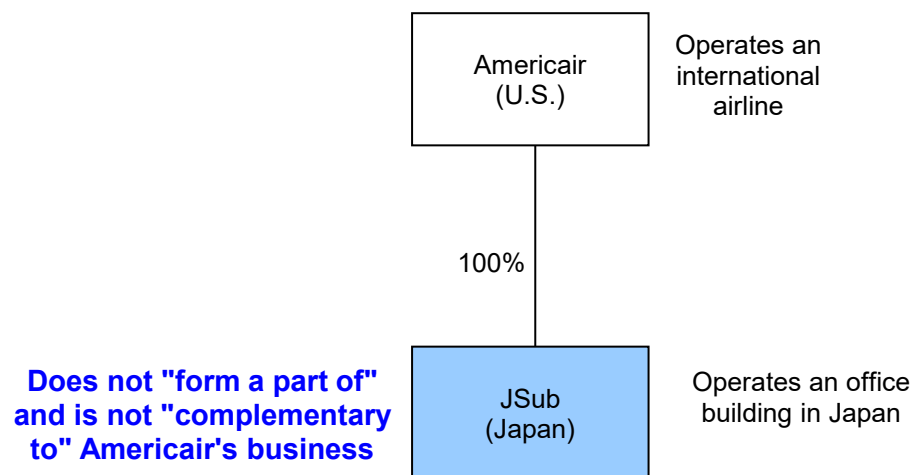


**Japan Treaty (2003)
Treasury Tech. Explan.,
Article 22, Paragraph 2,
Example 4**

**Japanese Office Building
Not Connected With
Airline Business**

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Limitation on benefits:

**Active trade or
business test
("derived in
connection with")**

Ameriair is a corporation resident in the United States that operates an international airline. JSub is a wholly-owned subsidiary of Ameriair resident in Japan. JSub owns an office building in Japan. No part of Ameriair's business is conducted through the office building. JSub's business is not considered to form a part of or to be complementary to Ameriair's business. They are engaged in distinct trades or businesses in separate industries, and there is no economic dependence between the two operations.

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