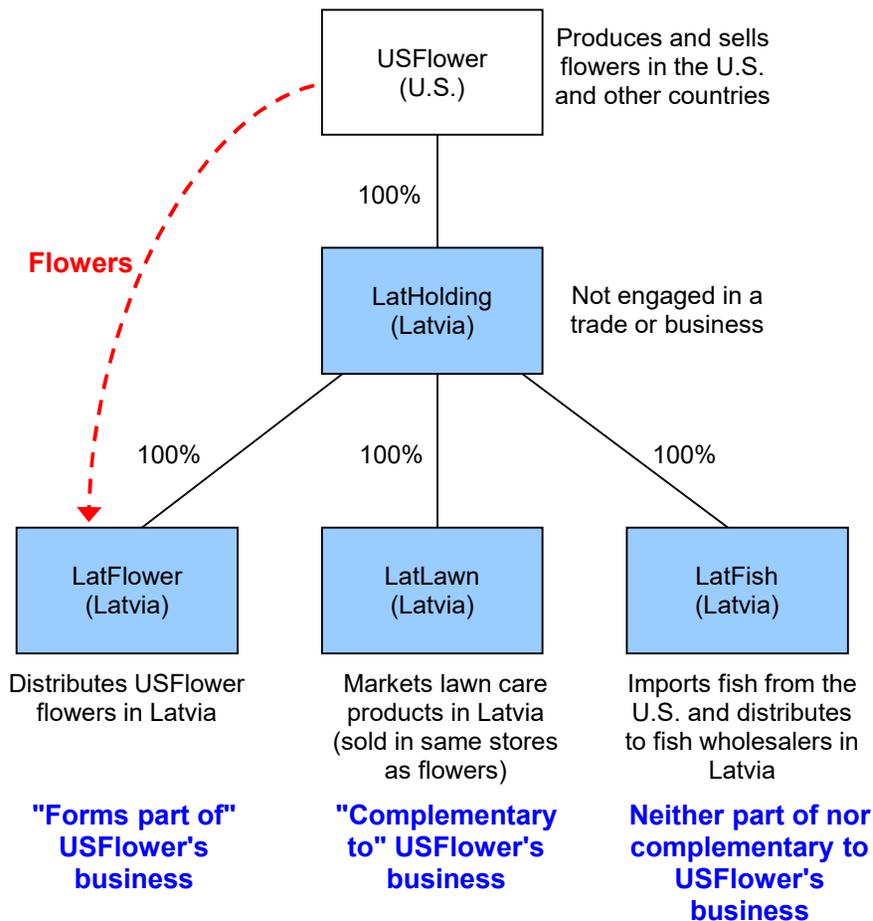


**Latvia Treaty (1998)
Treasury Tech. Explan.,
Article 23, Paragraph 3,
Example 5**

**Flower (Part of),
Lawn (Complem. to),
& Fish (Neither)**

Copyright © 2021 Andrew Mitchel LLC
International Tax Services
www.andrewmitchel.com

USFlower is a corporation resident in the United States. USFlower produces and sells flowers in the United States and other countries. USFlower owns all the shares of LatHolding, a corporation resident in Latvia. LatHolding is a holding company that is not engaged in a trade or business. LatHolding owns all the shares of three corporations that are resident in Latvia: LatFlower, LatLawn, and LatFish. LatFlower distributes USFlower flowers under the USFlower trademark in the other State. LatLawn markets a line of lawn care products in the other State under the USFlower trademark. In addition to being sold under the same trademark, LatLawn and LatFlower products are sold in the same stores and sales of each company's products tend to generate increased sales of the other's products. LatFish imports fish from the United States and distributes it to fish wholesalers in Latvia. For purposes of paragraph 3, the business of LatFlower forms a part of the business of USFlower, the business of LatLawn is complementary to the business of USFlower, and the business of LatFish is neither part of nor complementary to that of USFlower.



Limitation on benefits:
Active trade or business test ("derived in connection with")

[HUNDREDS of additional charts at www.andrewmitchel.com](http://www.andrewmitchel.com)