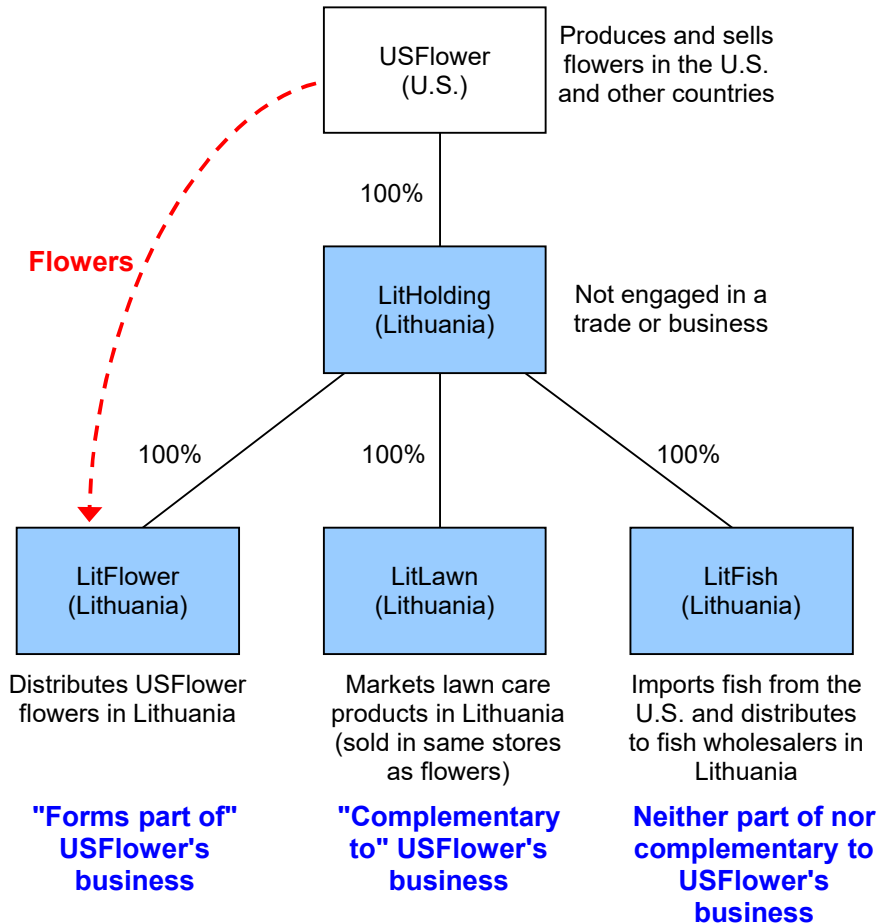


**Lithuania Treaty (1998)
Treasury Tech. Explan.,
Article 23, Paragraph 3,
Example 5**

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

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



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