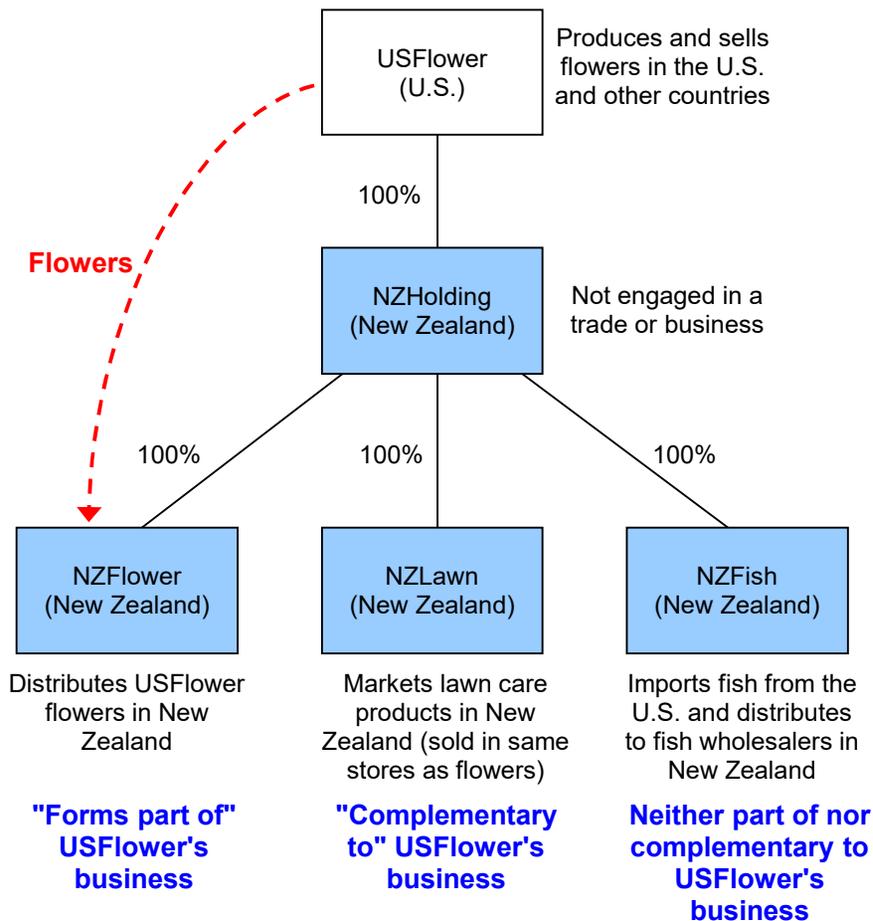


**New Zealand Protocol (2008)
Treasury Tech. Explan.,
Article 16, Paragraph 3,
Example 5**

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



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