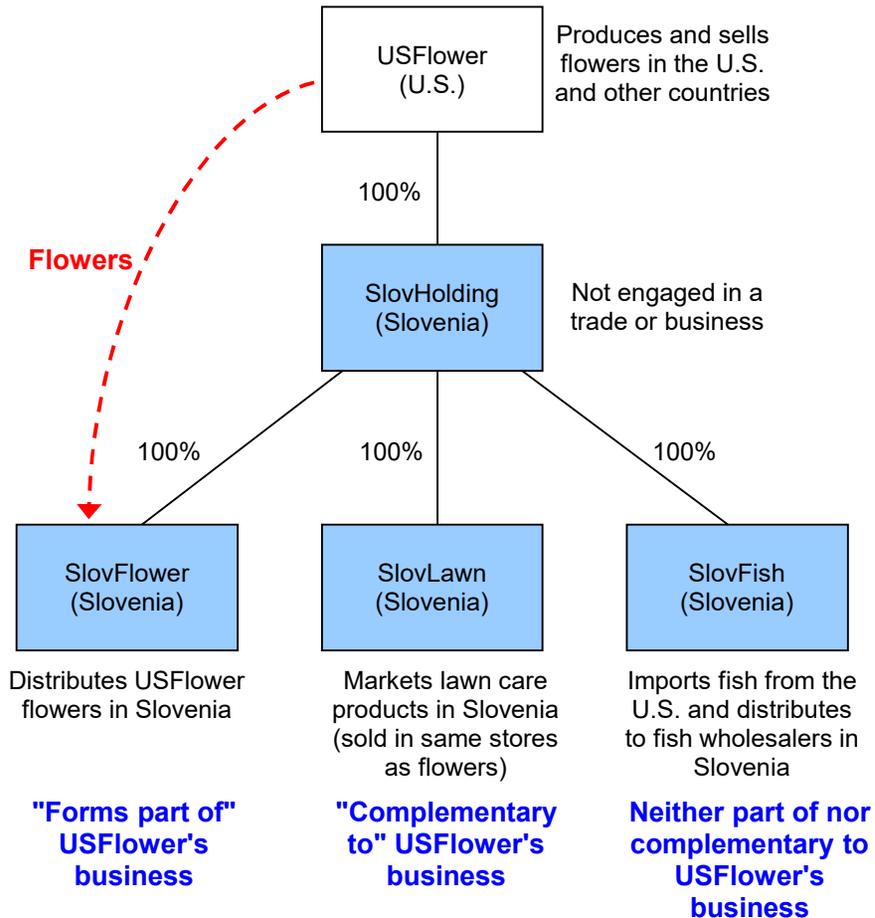


**Slovenia Treaty (1999)
Treasury Tech. Explan.,
Article 22, Paragraph 3,
Example 5**

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



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