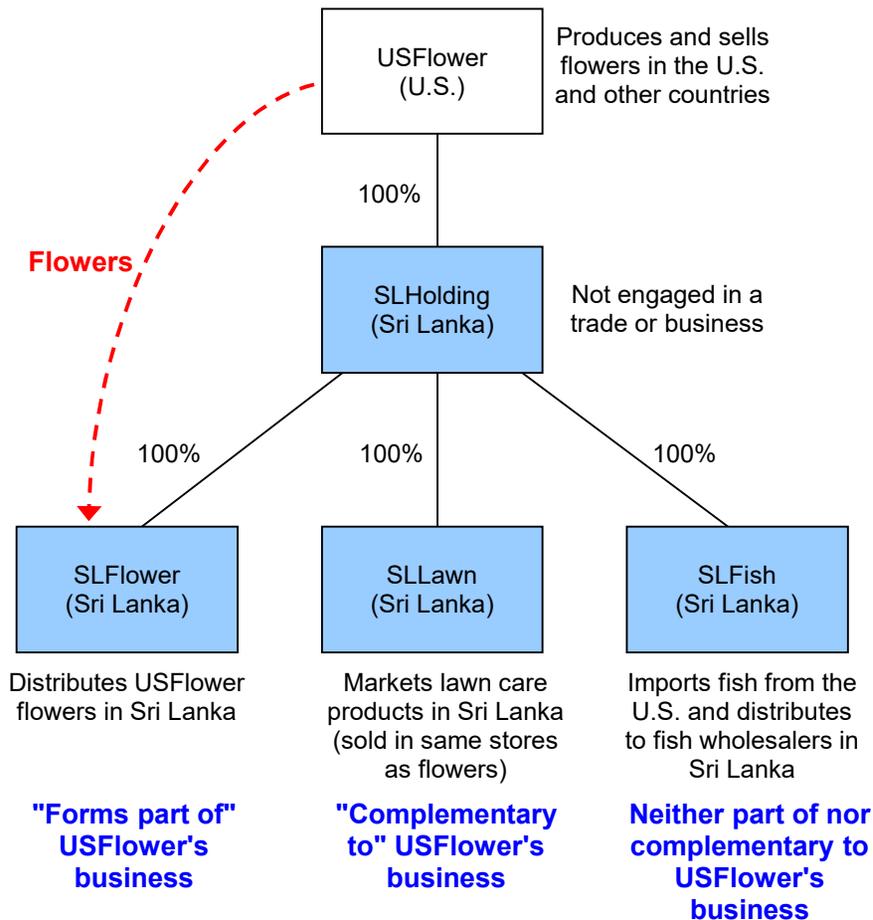


**Sri Lanka Protocol (2002)
Treasury Tech. Explan.,
Article 23, Paragraph 3,
Example 5**

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



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