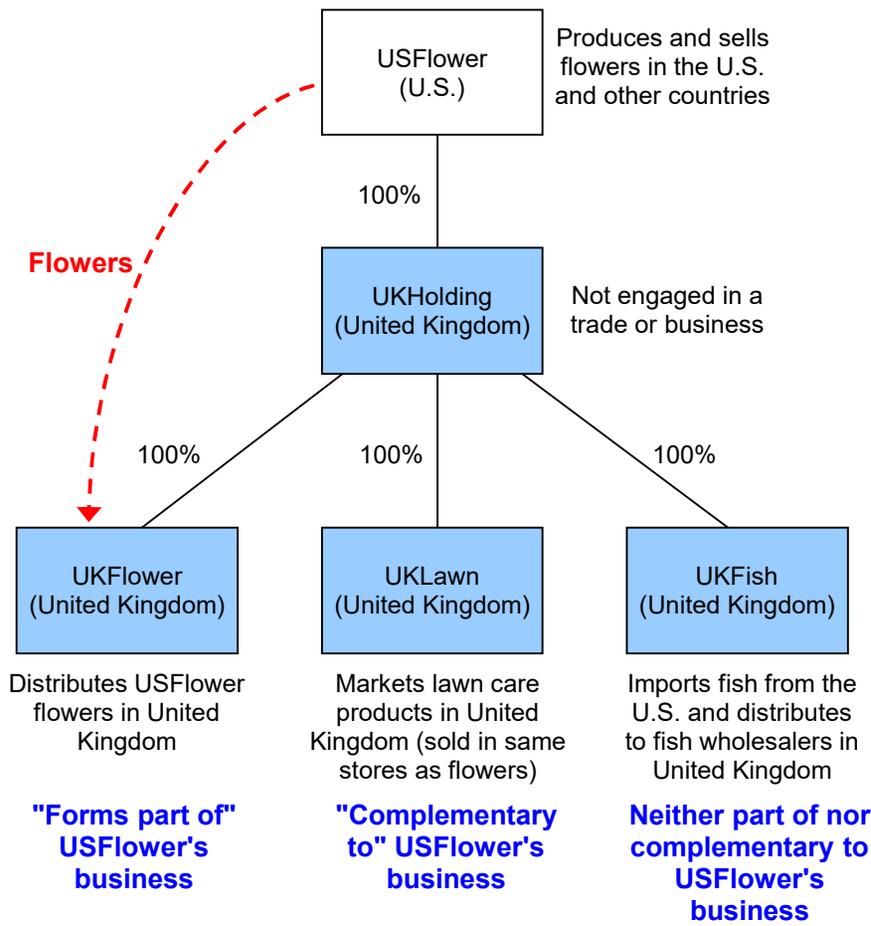


**United Kingdom Treaty (2001)  
Treasury Tech. Explan.,  
Article 23, Paragraph 4,  
Example 5**

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

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USFlower is a company resident in the United States. USFlower produces and sells flowers in the United States and other countries. USFlower owns all the shares of UKHolding, a corporation resident in the United Kingdom. UKHolding is a holding company that is not engaged in a trade or business. UKHolding owns all the shares of three corporations that are resident in the United Kingdom: UKFlower, UKLawn, and UKFish. UKFlower distributes USFlower flowers under the USFlower trademark in the United Kingdom. UKLawn markets a line of lawn care products in the United Kingdom under the USFlower trademark. In addition to being sold under the same trademark, UKLawn and UKFlower products are sold in the same stores and sales of each company's products tend to generate increased sales of the other's products. UKFish imports fish from the United States and distributes it to fish wholesalers in the United Kingdom. For purposes of paragraph 4, the business of UKFlower forms a part of the business of USFlower, the business of UKLawn is complementary to the business of USFlower, and the business of UKFish is neither part of nor complementary to that of USFlower.



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

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