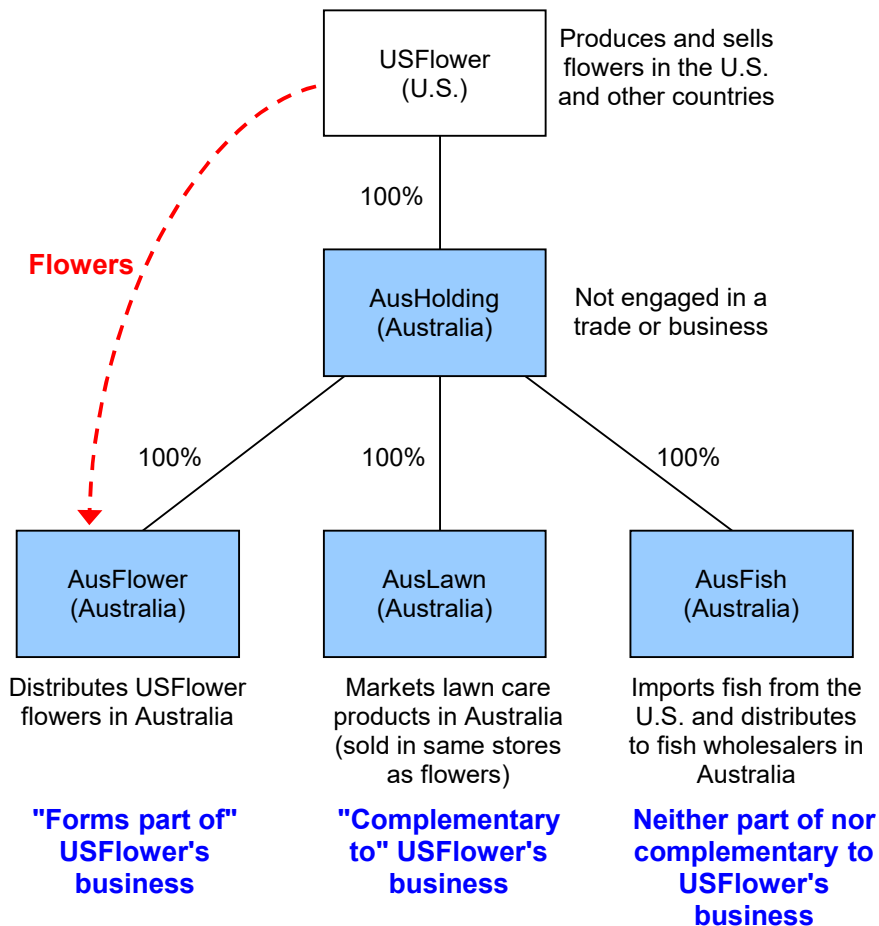


**Australian Protocol (2001)
Treasury Tech. Explan.,
Article 16, Paragraph 3,
Example 5**

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



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