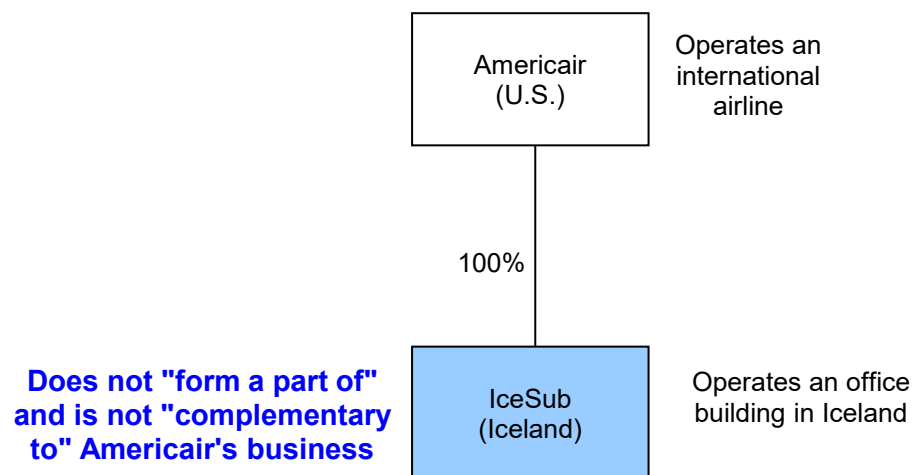


**Iceland Treaty (2007)
Treasury Tech. Explan.,
Article 21, Paragraph 4,
Example 4**

**Iceland Office Building
Not Connected With
Airline Business**

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Limitation on benefits:

**Active trade or
business test
("derived in
connection with")**

AmeriCAir is a corporation resident in the United States that operates an international airline. IceSub is a wholly-owned subsidiary of AmeriCAir resident in Iceland. IceSub owns an office building in Iceland. No part of AmeriCAir's business is conducted through the office building. IceSub's business is not considered to form a part of or to be complementary to AmeriCAir's business. They are engaged in distinct trades or businesses in separate industries, and there is no economic dependence between the two operations.

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