

**ACUERDO AMISTOSO ENTRE
MÉXICO Y LA REPÚBLICA
FRANCESA SOBRE LA
INTERPRETACIÓN Y LA
APLICACIÓN DE LOS PÁRRAFOS 2
Y 3 DEL ARTÍCULO 11 DEL TEDT**

MUTUAL AGREEMENT BETWEEN THE COMPETENT AUTHORITIES OF THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF THE FRENCH REPUBLIC CONCERNING THE INTERPRETATION AND APPLICATION OF PARAGRAPHS 2 AND 3 OF ARTICLE 11 OF THE CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

In accordance with Article 23 of the Convention between the United Mexican States and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, along with its Protocol (hereinafter “the Convention”), the Competent Authorities of the Contracting States, with respect to point 6 of the Protocol of the Convention, agreed that paragraphs 2 and 3 of Article 11 of the Convention should be understood as follows:

“2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed:

a) 5 % of the gross amount of interest referred to above if:

(i) the beneficial owner is a bank or an insurance company; or

(ii) the interest is derived from bonds and stocks regularly and substantially listed on an official stock market.

b) 10 % of the gross amount of interest in all other cases.

3. Notwithstanding the provisions of paragraph 2, interest referred to in paragraph 1 shall be taxed only in the Contracting State of which the recipient of interest is a resident if such recipient is the beneficial owner thereof and if one of the following conditions is met:

a) such recipient is one of the Contracting States, the Central Bank of one of the Contracting States, one of its political subdivisions in the case of Mexico, or one of its local authorities;

b) interest is paid by a person referred to in a);

c) interest is paid in respect of loans of at least three years or secured by a public bank or a public insurance company whose purpose is to promote exports by granting loans or guarantees at preferential conditions.”

Done at Mexico City on August 6th, 2003.