

PROTOCOL

At the signing of the Convention between the Government of the Republic of Moldova and the Government of the State of Israel for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital, both sides have agreed upon the following provisions that shall form an integral part of the Convention:

1. Ad Article 2 paragraph 3

It is understood that “capital gains” as mentioned in sub-paragraph b)(i) refers to capital gains other than those specified in the Real Estate Taxation Law.

2. Ad Article 12 paragraph 3

It is understood that payments in connection with computer software are regarded as royalties insofar as they are received as consideration for the use, or the right to use, the underlying copyright of a computer software or a program copy and not in consideration for the sale thereof.

3. Prevention of tax evasion or tax avoidance

This Convention shall not prevent a Contracting State from applying its domestic law on the prevention of tax evasion or tax avoidance.

In witness whereof the undersigned, duly authorized thereto, have signed this Protocol.

Done at Tel-Aviv this 23rd day of November 2006, which corresponds to the 2nd day of Kislev 5767, of the Hebrew Calendar, in two originals each in the Moldovan, Hebrew and English languages, all texts being equally authentic. In case of any divergence of interpretation of the provisions of this Protocol, the English text shall prevail.

**For the Government of
the Republic of Moldova**

**For the Government of
the State of Israel**