AGREEMENT

 BETWEEN THE RUSSIAN FEDERATION AND THE SWISS

 CONFEDERATION FOR THE AVOIDANCE OF DOUBLE TAXATION

 WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL

 THE GOVERNMENT OF THE RUSSIAN FEDERATION AND

 THE SWISS FEDERAL COUNCIL

 (Moscow, 15.XI.1995)

 Desiring to conclude an Agreement for the avoidance of double

 taxation with respect to taxes on income and on capital,

 Have agreed as follows:

 Article 1

 Personal scope

 This Agreement shall apply to persons who are residents of one

 or both of the Contracting States.

 Article 2

 Taxes covered

 1. This Agreement shall apply to taxes on income and on capital

 imposed on behalf of a Contracting State or of its political

 subdivisions or local authorities, irrespective of the manner in

 which they are levied.

 2. There shall be regarded as taxes on income and on capital

 all taxes imposed on total income, on total capital, or on

 elements of income or of capital, including taxes on gains from

 the alienation of movable or immovable property, as well as taxes

 on capital appreciation.

 3. The existing taxes to which the Agreement shall apply are in

 particular:

 - in the Russian Federation:

 (i) the taxes on profits (income) of enterprises and

 organisations;

 (ii) the taxes on income of individuals;

 (iii) the taxes on property of enterprises; and

 (iv) the taxes on property of individuals

 (hereinafter referred to as "Russian tax");

 - in Switzerland:

 the federal, cantonal and communal taxes

 (i) on income (total income, earned income, income from

 capital, industrial and commercial profits, capital gains, and

 other items of income); and

 (ii) on capital (total property, movable and immovable

 property, business assets, paid-up capital and reserves, and other

 items of capital)

 (hereinafter referred to as "Swiss tax").

 4. The Agreement shall apply also to any identical or

 substantially similar taxes which are imposed after the date of

 signature of the Agreement in addition to, or in place of, the

 existing taxes. The competent authorities of the Contracting

 States shall notify each other of any significant changes which

 have been made in their respective taxation laws.

 Article 3

 General definitions

 1. For the purposes of this Agreement, unless the context

 otherwise requires:

 a) the terms "a Contracting State" and "the other Contracting

 State" mean the Russian Federation or Switzerland, as the context

 requires;

 b) - the term "the Russian Federation (Russia)" when used in a

 geographical sense, means its territory, including internal waters

 and territorial sea, air space above them as well as the exclusive

 economic zone and continental shelf where the Russian Federation

 exercises sovereign rights and jurisdiction in conformity with

 federal and International law;

 - the term "Switzerland" means the Swiss Confederation;

 c) the term "political subdivision" means:

 - in the case of the Russian Federation, the constituent

 entities or any other administrative territorial entities;

 - in the case of Switzerland, the Cantons;

 d) the term "person" includes an individual, a company and any

 other body of persons;

 e) the term "company" means any body corporate or any entity

 which is treated as a body corporate for tax purposes;

 f) the terms "enterprise of a Contracting State" and

 "enterprise of the other Contracting State" mean respectively an

 enterprise carried on by a resident of a Contracting State and an

 enterprise carried on by a resident of the other Contracting

 State;

 g) the term "international traffic" means any transport by a

 ship or aircraft operated by an enterprise of a Contracting State,

 except when the ship or aircraft is operated solely between places

 in the other Contracting State;

 h) the term "competent authority" means:

 - in the case of the Russian Federation, the Ministry of

 Finance or its authorised representative;

 - in the case of Switzerland, the Director of the Federal Tax

 Administration or his authorised representative;

 i) the term "national" means:

 (i) any individual possessing the nationality of a Contracting

 State;

 (ii) any legal person, partnership or association deriving its

 status as such from the laws in force in a Contracting State.

 2. As regards the application of the Agreement by a Contracting

 State any term not defied therein shall, unless the context

 otherwise requires, have the meaning which it has under the law of

 that State concerning the taxes to which the Agreement applies.

 Article 4

 Resident

 1. For the purposes of this Agreement, the term "resident of a

 Contracting State" means any person who, under the law of that

 State, is liable to tax therein by reason of his domicile,

 residence, place of management, place of incorporation or any

 other criterion of a similar nature.

 2. Where by reason of the provisions of paragraph 1 an

 individual is a resident of both Contracting States, then his

 status shall be determined as follows:

 a) he shall be deemed to be a resident of the State in which he

 has a permanent home available to him; if he has a permanent home

 available to him in both States, he shall be deemed to be a

 resident of the State with which his personal and economic

 relations are closer (centre of vital interests);

 b) if the State in which he has his centre of vital interests

 cannot be determined, or if he has not a permanent home available

 to him in either State, he shall be deemed to be a resident of the

 State in which he has an habitual abode;

 c) if he has an habitual abode in both States or in neither of

 them, he shall be deemed to be a resident of the State of which he

 is a national;

 d) if he is a national of both States or of neither of them,

 the competent authorities of the Contracting States shall settle

 the question by mutual agreement.

 3. Where by reason of the provisions of paragraph 1 a person

 other than an individual is a resident of both Contracting States,

 then it shall be deemed to be a resident of the State in which its

 place of effective management is situated.

 Article 5

 Permanent establishment

 1. For the purposes of this Agreement, the term "permanent

 establishment" means a fixed place of business through which the

 business of an enterprise is wholly or partly carried on.

 2. The term "permanent establishment" includes especially:

 a) a place of management;

 b) a branch;

 c) an office;

 d) a factory;

 е) a workshop, and

 f) a mine, an oil or gas well, a quarry or any other place of

 extraction of natural resources.

 3. A building site or construction or installation project

 constitutes a permanent establishment only if it lasts more than

 twelve months.

 4. Notwithstanding the preceding provisions of this Article,

 the term "permanent establishment" shall be deemed not to include:

 a) the use of facilities solely for the purpose of storage,

 display or delivery of goods or merchandise belonging to the

 enterprise;

 b) the maintenance of a stock of goods or merchandise belonging

 to the enterprise solely for the purpose of storage, display or

 delivery;

 c) the sale of displayed machinery or equipment at the end of

 an exhibition;

 d) the maintenance of a stock of goods or merchandise belonging

 to the enterprise solely for the purpose of processing by another

 enterprise;

 e) the maintenance of a fixed place of business solely for the

 purpose of purchasing goods or merchandise or of collecting

 information, for the enterprise;

 f) the maintenance of a fixed place of business solely for the

 purpose of advertising, for the supply of information, for

 scientific research or similar activities which have a preparatory

 or auxiliary character for the enterprise;

 g) an installation project carried on by an enterprise of a

 Contracting State in the other Contracting State in connection

 with the delivery of machinery or equipment substantially produced

 by that enterprise;

 h) the maintenance of a fixed place of business solely for any

 combination of activities mentioned in subparagraphs a) to g),

 provided that the overall activity of the fixed place of business

 resulting from this combination is of a preparatory or auxiliary

 character.

 5. Notwithstanding the provisions of paragraphs 1 and 2, where

 a person - other than an agent of an independent status to whom

 paragraph 6 applies - is acting on behalf of an enterprise and

 has, and habitually exercises, in a Contracting State an authority

 to conclude contracts in the name of the enterprise, that

 enterprise shall be deemed to have a permanent establishment in

 that State in respect of any activities which that person

 undertakes for the enterprise, unless the activities of such

 person are limited to those mentioned in paragraph 4 which, if

 exercised through a fixed place of business, would not make this

 fixed place of business a permanent establishment under the

 provisions of that paragraph.

 6. An enterprise shall not be deemed to have a permanent

 establishment in a Contracting State merely because it carries on

 business in that State through a broker, general commission agent

 or any other agent of an independent status, provided that such

 persons are acting in the ordinary course of their business.

 7. The fact that a company which is a resident of a Contracting

 State controls or is controlled by a company which is a resident

 of the other Contracting State, or which carries on business in

 that other State (whether through a permanent establishment or

 otherwise), shall not of itself constitute either company a

 permanent establishment of the other.

 Article 6

 Income from immovable property

 1. Income derived by a resident of a Contracting State from

 immovable property (including income from agriculture or forestry)

 situated in the other Contracting State may be taxed in that other

 State.

 2. The term "immovable property" shall have the meaning which

 it has under the law of the Contracting State in which the

 property in question is situated. The term shall in any case

 include property accessory to immovable property, livestock and

 equipment used in agriculture and forestry, rights to which the

 provisions of general law respecting landed property apply,

 usufruct of immovable property and rights to variable or fixed

 payments as consideration for the working of, or the right to

 work, mineral deposits, sources and other natural resources; ships

 and aircraft shall not be regarded as immovable property.

 3. The provisions of paragraph 1 shall apply to income derived

 from the direct use, letting, or use in any other form of

 immovable property.

 4. The provisions of paragraphs 1 and 3 shall also apply to the

 income from immovable property of an enterprise and to income from

 immovable property used for the performance of independent

 personal services.

 Article 7

 Business profits

 1. The profits of an enterprise of a Contracting State shall be

 taxable only in that State unless the enterprise carries on

 business in the other Contracting State through a permanent

 establishment situated therein. If the enterprise carries on

 business as aforesaid, the profits of the enterprise may be taxed

 in the other State but only so much of them as is attributable to

 that permanent establishment.

 2. Subject to the provisions of paragraph 3, where an

 enterprise of a Contracting State carries on business in the other

 Contracting State through a permanent establishment situated

 therein, there shall in each Contracting State be attributed to

 that permanent establishment the profits which it might be

 expected to make if it were a distinct and separate enterprise

 engaged in the same or similar activities under the same or

 similar conditions and dealing wholly independently with the

 enterprise of which it is a permanent establishment, in

 particular:

 a) where an enterprise of a Contracting State sells goods or

 merchandise or carries on business in the other State through a

 permanent establishment situated therein, the profits of that

 permanent establishment shall not be determined on the basis of

 the total amount received by the enterprise, but shall be

 determined only on the basis of that part of the total receipts

 which is attributable to the actual activity of the permanent

 establishment for such sales or business;

 b) in the case of contracts for the survey, supply,

 installation or construction of industrial, commercial or

 scientific equipment or premises, or of public works, when the

 enterprise has a permanent establishment, the profits of such

 permanent establishment shall not be determined on the basis of

 the total amount of the contract, but shall be determined only on

 the basis of that part of the contract which is effectively

 carried out by the permanent establishment in the State where the

 permanent establishment is situated;

 c) the profits related to that part of the contract which is

 carried out by the head office of the enterprise shall be taxable

 only in the State of which the enterprise is a resident.

 3. In determining the profits of a permanent establishment,

 there shall be allowed as deductions expenses which are incurred

 for the purposes of the permanent establishment, including

 executive and general administrative expenses so incurred, whether

 in the State in which the permanent establishment is situated or

 elsewhere.

 4. Insofar as it has been customary in a Contracting State to

 determine the profits to be attributed to a permanent

 establishment on the basis of an apportionment of the total

 profits of the enterprise to its various parts, nothing in

 paragraph 2 shall preclude that Contracting State from determining

 the profits to be taxed by such an apportionment as may be

 customary; the method of apportionment adopted shall, however, be

 such that the result shall be in accordance with the principles

 contained in this Article.

 5. No profits shall be attributed to a permanent establishment

 by reason of the mere purchase by that permanent establishment of

 goods or merchandise for the enterprise.

 6. For the purposes of the preceding paragraphs, the profits to

 be attributed to the permanent establishment shall be determined

 by the same method year by year unless there is good and

 sufficient reason to the contrary.

 7. Where profits include items of income which are dealt with

 separately in other Articles of this Agreement, then the

 provisions of those Articles shall not be affected by the

 provisions of this Article.

 Article 8

 Shipping and air transport

 1. Profits derived by an enterprise of a Contracting State from

 the operation of ships or aircraft in international traffic shall

 be taxable only in that Contracting State.

 2. The provisions of paragraph 1 shall also apply to profits

 from the participation in a pool, a joint business or an

 international operating agency.

 Article 9

 Associated enterprises

 1. Where

 a) an enterprise of a Contracting State participates directly

 or indirectly in the management, control or capital of an

 enterprise of the other Contracting State, or

 b) the same persons participate directly or indirectly in the

 management, control or capital of an enterprise of a Contracting

 State and an enterprise of the other Contracting State,

 and in either case conditions are made or imposed between the

 two enterprises in their commercial or financial relations which

 differ from those which would be made between independent

 enterprises, then any profits which would, but for those

 conditions, have accrued to one of the enterprises, but, by reason

 of those conditions, have not so accrued, may be included in the

 profits of that enterprise and taxed accordingly.

 2. Where profits on which an enterprise of a Contracting State

 has been charged to tax in that State are also included in the

 profits of an enterprise of the other Contracting State and taxed

 accordingly, and the profits so included are profits which would

 have accrued to that enterprise of the other State, if the

 conditions made between the enterprises had been those which would

 have been made between independent enterprises, then the competent

 authorities of the Contracting States may consult together with a

 view to reach an agreement on the adjustments of profits in both

 Contracting States.

 3. A Contracting State shall not change the profits of an

 enterprise in the circumstances referred to in paragraph 1 after

 the expiry of the time limits provided in its internal laws and,

 in any case, after six years from the end of the year in which the

 profits which would be subject to such change would have accrued

 to an enterprise of that State. This paragraph shall not apply in

 the case of fraud or wilful default.

 Article 10

 Dividends

 1. Dividends paid by a company which is a resident of a

 Contracting State to a resident of the other Contracting State may

 be taxed in that other State.

 2. However, such dividends may also be taxed in the Contracting

 State of which the company paying the dividends is a resident and

 according to the laws of that State, but if the recipient is the

 beneficial owner of the dividends the tax so charged shall not

 exceed:

 a) 5 per cent of the gross amount of the dividends if the

 beneficial owner is a company (other than a partnership) which

 holds directly at least 20 per cent of the capital of the company

 paying the dividends and the foreign capital invested exceeds two

 hundred thousand (200 000) Swiss francs or its equivalent in any

 other currency at the moment when the dividends become due;

 b) 15 per cent of the gross amount of the dividends in all

 other cases.

 The competent authorities of the Contracting States shall by

 mutual agreement settle the mode of application of these

 limitations.

 This paragraph shall not affect the taxation of the company in

 respect of the profits out of which the dividends are paid.

 3. The term "dividends" as used in this Article means income

 from shares and other rights, not being debt-claims, participating

 in profits, as well as income from other corporate rights which is

 subjected to the same taxation treatment as income from shares by

 the laws of the State of which the company making the distribution

 is a resident.

 4. The provisions of paragraphs 1 and 2 shall not apply if the

 beneficial owner of the dividends, being a resident of a

 Contracting State, carries on business in the other Contracting

 State of which the company paying the dividends is a resident,

 through a permanent establishment situated therein, or performs in

 that other State independent personal services from a fixed base

 situated therein, and the holding in respect of which the

 dividends are paid is effectively connected with such permanent

 establishment or fixed base. In such case the provisions of

 Article 7 or Article 14, as the case may be, shall apply.

 5. Where a company which is a resident of a Contracting State

 derives profits or income from the other Contracting State, that

 other State may not impose any tax on the dividends paid by the

 company, except insofar as such dividends are paid to a resident

 of that other State or insofar as the holding in respect of which

 the dividends are paid is effectively connected with a permanent

 establishment or a fixed base situated in that other State, nor

 subject the company's undistributed profits to a tax on the

 company's undistributed profits, even if the dividends paid or the

 undistributed profits consist wholly or partly of profits or

 income arising in such other State.

 Article 11

 Interest

 1. Interest arising in a Contracting State and paid to a

 resident of the other Contracting State may be taxed in that other

 State.

 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 10 per cent of the gross amount of

 the interest. But notwithstanding the preceding provision of this

 paragraph in the case of any loan of whatever kind granted by a

 bank such a tax shall not exceed 5 per cent of the gross amount of

 the interest.

 The competent authorities of the Contracting States shall by

 mutual agreement settle the mode of application of these

 limitations.

 3. Notwithstanding the provisions of paragraph 2, interest

 arising in a Contracting State and paid to a resident of the other

 Contracting State who is the beneficial owner thereof shall be

 taxable only in that other State to the extent that such interest

 is paid:

 a) in connection with the sale on credit of any industrial,

 commercial or scientific equipment, or

 b) in connection with the sale on credit of any merchandise by

 one enterprise to another enterprise.

 4. The term "interest" as used in this Article means income

 from debt-claims of every kind, whether or not secured by mortgage

 and whether or not carrying a right to participate in the debtor's

 profits, and in particular, income from government securities and

 income from bonds or debentures, including premiums and prizes

 attaching to such securities, bonds or debentures.

 5. The provisions of paragraphs 1, 2 and 3 shall not apply if

 the beneficial owner of the interest, being a resident of a

 Contracting State, carries on business in the other Contracting

 State in which the interest arises, through a permanent

 establishment situated therein, or performs in that other State

 independent personal services from a fixed base situated therein,

 and the debt-claim in respect of which the interest is paid is

 effectively connected with such permanent establishment or fixed

 base. In such case the provisions of Article 7 or Article 14, as

 the case may be, shall apply.

 6. Interest shall be deemed to arise in a Contracting State

 when the payer is that State itself, a political subdivision, a

 local authority or a resident of that State. Where, however, the

 person paying the interest, whether he is a resident of a

 Contracting State or not, has in a Contracting State a permanent

 establishment or a fixed base in connection with which the

 indebtedness on which the interest is paid was incurred, and such

 interest is borne by such permanent establishment or fixed base,

 then such interest shall be deemed to arise in the State in which

 the permanent establishment or fixed base is situated.

 7. Where, by reason of a special relationship between the payer

 and the beneficial owner or between both of them and some other

 person, the amount of the interest, having regard to the debt-

 claim for which it is paid, exceeds the amount which would have

 been agreed upon by the payer and the beneficial owner in the

 absence of such relationship, the provisions of this Article shall

 apply only to the last-mentioned amount. In such case, the excess

 part of the payments shall remain taxable according to the laws of

 each Contracting State, due regard being had to the other

 provisions of this Agreement.

 Article 12

 Royalties

 1. Royalties arising in a Contracting State and paid to a

 resident of the other Contracting State shall be taxable only in

 that other State if such resident is the beneficial owner of the

 royalties.

 2. The term "royalties" as used in this Article means payments

 of any kind received as a consideration for the use of, or the

 right to use, any copyright of literary, artistic or scientific

 work including cinematograph films and recordings for radio and

 television broadcasting, any patent, trade mark, design or model,

 plan, secret formula or process, any computer software programme,

 or for the use of, or the right to use, industrial, commercial, or

 scientific equipment, or for information concerning industrial,

 commercial or scientific experience.

 3. The provisions of paragraph 1 shall not apply if the

 beneficial owner of the royalties, being a resident of a

 Contracting State, carries on business in the other Contracting

 State in which the royalties arise, through a permanent

 establishment situated therein, or performs in that other State

 independent personal services from a fixed base situated therein,

 and the right or property in respect of which the royalties are

 paid is effectively connected with such permanent establishment or

 fixed base. In such case the provisions of Article 7 or Article

 14, as the case may be, shall apply.

 4. Where, by reason of a special relationship between the payer

 and the beneficial owner or between both of them and some other

 person, the amount of the royalties, having regard to the use,

 right or information for which they are paid, exceeds the amount

 which would have been agreed upon by the payer and the beneficial

 owner in the absence of such relationship, the provisions of this

 Article shall apply only to the last-mentioned amount. In such

 case, the excess part of the payments shall remain taxable

 according to the laws of each Contracting State, due regard being

 had to the other provisions of this Agreement.

 Article 13

 Capital gains

 1. Gains derived by a resident of a Contracting State from the

 alienation of immovable property referred to in Article 6 and

 situated in the other Contracting State may be taxed in that other

 State.

 2. Gains from the alienation of movable property forming part

 of the business property of a permanent establishment which an

 enterprise of a Contracting State has in the other Contracting

 State or of movable property pertaining to a fixed base available

 to a resident of a Contracting State in the other Contracting

 State for the purpose of performing independent personal services,

 including such gains from the alienation of such a permanent

 establishment (alone or with the whole enterprise) or of such

 fixed base, may be taxed in that other State. However, gains

 derived by a resident of a Contracting State from the alienation

 of ships and aircraft operated in international traffic and

 movable property pertaining to the operation of such ships and

 aircraft shall be taxable only in that State.

 3. Gains from the alienation of any property other than that

 referred to in paragraphs 1 and 2 shall be taxable only in the

 Contracting State of which the alienator is a resident.

 Article 14

 Independent personal services

 1. Income derived by a resident of a Contracting State in

 respect of professional services or other activities of an

 independent character shall be taxable only in that State unless

 he has a fixed base regularly available to him in the other

 Contracting State for the purpose of performing his activities. If

 he has such a fixed base, the income may be taxed in the other

 State but only so much of it as is attributable to that fixed

 base.

 2. The term "professional services" includes especially

 independent scientific, literary, artistic, educational or

 teaching activities as well as the independent activities of

 physicians, lawyers, engineers, architects, dentists and

 accountants.

 Article 15

 Dependent personal services

 1. Subject to the provisions of Articles 16, 18 and 19,

 salaries, wages and other similar remuneration derived by a

 resident of a Contracting State in respect of an employment shall

 be taxable only in that State unless the employment is exercised

 in the other Contracting State. If the employment is so exercised,

 such remuneration as is derived therefrom may be taxed in that

 other State.

 2. Notwithstanding the provisions of paragraph 1, remuneration

 derived by a resident of a Contracting State in respect of an

 employment exercised in the other Contracting State shall be

 taxable only in the first-mentioned State if:

 a) the recipient is present in the other State for a period or

 periods not exceeding in the aggregate 183 days in the calendar

 year concerned, and

 b) the remuneration is paid by, or on behalf of, an employer

 who is not a resident of the other State, and

 c) the remuneration is not borne by a permanent establishment

 or a fixed base which the employer has in the other State.

 3. Notwithstanding the preceding provisions of this Article,

 remuneration derived in respect of an employment exercised aboard

 a ship or aircraft operated in international traffic by an

 enterprise of a Contracting State may be taxed in that Contracting

 State.

 Article 16

 Directors' fees

 Directors' fees and other similar payments derived by a

 resident of a Contracting State in his capacity as a member of the

 board of directors of a company which is a resident of the other

 Contracting State may be taxed in that other State.

 Article 17

 Artistes and sportsmen

 1. Notwithstanding the provisions of Articles 14 and 15, income

 derived by a resident of a Contracting State as an entertainer,

 such as a theatre, motion picture, radio or television artiste, or

 a musician, or as a sportsman, from his personal activities as

 such exercised in the other Contracting State, may be taxed in

 that other State.

 2. Where income in respect of personal activities exercised by

 an entertainer or a sportsman in his capacity as such accrues not

 to the entertainer or sportsman himself but to another person,

 that income may, notwithstanding the provisions of Articles 7, 14

 and 15, be taxed in the Contracting State in which the activities

 of the entertainer or sportsman are exercised. This paragraph

 shall not apply if it is established that neither the entertainer

 nor the sportsman participate in the profits of such person; in

 such a case the provisions of Articles 7 or 14, as the case may

 be, shall apply.

 Article 18

 Pensions

 Subject to the provisions of paragraph 2 of Article 19,

 pensions and other similar remuneration paid to a resident of a

 Contracting State in consideration of past employment shall be

 taxable only in that State.

 Article 19

 Government service

 1. a) Remuneration, other than a pension, paid by a Contracting

 State or a political subdivision or a local authority thereof to

 an individual in respect of services rendered to that State or

 subdivision or authority shall be taxable only in that State;

 b) however, such remuneration shall be taxable only in the

 other Contracting State if the services are rendered in that State

 and the individual is a resident of that State who:

 (i) is a national of that State; or

 (ii) did not become a resident of that State solely for the

 purpose of rendering the services.

 2. a) Any pension paid by, or out of funds created by, a

 Contracting State or a political subdivision or a local authority

 thereof to an individual in respect of services rendered to that

 State or subdivision or authority shall be taxable only in that

 State;

 b) however, such pension shall be taxable only in the other

 Contracting State if the individual is a resident of, and a

 national of, that State.

 3. The provisions of Articles 15, 16 and 18 shall apply to

 remuneration and pensions in respect of services rendered in

 connection with a business carried on by a Contracting State or a

 political subdivision or a local authority thereof.

 Article 20

 Students and business apprentices

 Payments which a student or business apprentice who is or was

 immediately before visiting a Contracting State a resident of the

 other Contracting State and who is present in the first-mentioned

 State solely for the purpose of his education or training receives

 for the purpose of his maintenance, education or training shall

 not be taxed in that State, provided that such payments arise from

 sources outside that State.

 Article 21

 Other income

 1. Items of income of a resident of a Contracting State,

 wherever arising, not dealt with in the foregoing Articles of this

 Agreement shall be taxable only in that State.

 2. The provisions of paragraph 1 shall not apply to income,

 other than income from immovable property as defined in paragraph

 2 of Article 6, if the recipient of such income, being a resident

 of a Contracting State, carries on business in the other

 Contracting State through a permanent establishment situated

 therein, or performs in that other State independent personal

 services from a fixed base situated therein, and the right or

 property in respect of which the income is paid is effectively

 connected with such permanent establishment or fixed base. In such

 case the provisions of Article 7 or Article 14, as the case may

 be, shall apply.

 3. This Article shall not apply to tax withheld at the source

 on prizes in a lottery.

 Article 22

 Capital

 1. Capital represented by immovable property referred to in

 Article 6, owned by a resident of a Contracting State and situated

 in the other Contracting State, may be taxed in that other State.

 2. Capital represented by movable property forming part of the

 business property of a permanent establishment which an enterprise

 of a Contracting State has in the other Contracting State or by

 movable property pertaining to a fixed base available to a

 resident of a Contracting State in the other Contracting State for

 the purpose of performing independent personal services, may be

 taxed in that other State.

 3. Capital represented by ships and aircraft operated in

 international traffic by a resident of a Contracting State and

 capital represented by movable property pertaining to the

 operation of such ships and aircraft shall be taxable only in that

 Contracting State.

 4. All other elements of capital of a resident of a Contracting

 State shall be taxable only in that State.

 Article 23

 Elimination of double taxation

 - In the case of the Russian Federation, double taxation shall

 be avoided as follows:

 where a resident of the Russian Federation derives income or

 owns capital, which in accordance with the provisions of this

 Agreement may be taxed in Switzerland, the amount of tax on that

 income or capital payable in Switzerland may be credited against

 the tax levied in the Russian Federation. The amount of credit,

 however shall not exceed the amount of the tax of the Russian

 Federation on that income or capital computed in accordance with

 the taxation laws and regulations.

 - In the case of Switzerland, double taxation shall be avoided

 as follows:

 a) Where a resident of Switzerland derives income or owns

 capital which, in accordance with the provisions of this

 Agreement, may be taxed in the Russian Federation, Switzerland

 shall, subject to the provisions of paragraph b), exempt such

 income or capital from tax but may, in calculating tax on the

 remaining income or capital of that resident, apply the rate of

 tax which would have been applicable if the exempted income or

 capital had not been so exempted.

 b) Where a resident of Switzerland derives dividends or

 interest which, in accordance with the provisions of Article 10 or

 11, may be taxed in the Russian Federation, Switzerland shall

 allow, upon request, a relief to such resident. The relief may

 consist of:

 (i) a deduction from the tax on the income of that resident of

 an amount equal to the tax levied in the Russian Federation in

 accordance with the provisions of Articles 10 and 11; such

 deduction shall not, however, exceed that part of the Swiss tax,

 as computed before the deduction is given, which is appropriate to

 the income which may be taxed in the Russian Federation; or

 (ii) a lump sum reduction of the Swiss tax; or

 (iii) a partial exemption of such dividends or interest from

 Swiss tax, in any case consisting at least of the deduction of the

 tax levied in the Russian Federation from the

 gross amount of the dividends or interest.

 Switzerland shall determine the applicable relief and regulate

 the procedure in accordance with the Swiss provisions relating to

 the carrying out of international conventions of the Swiss

 Confederation for the avoidance of double taxation.

 c) A company which is a resident of Switzerland and which

 derives dividends from a company which is a resident of the

 Russian Federation shall be entitled, for the purposes of Swiss

 tax with respect to such dividends, to the same relief which would

 be granted to the company if the company paying the dividends were

 a resident of Switzerland.

 Article 24

 Non-discrimination

 1. Nationals of a Contracting State shall not be subjected in

 the other Contracting State to any taxation or any requirement

 connected therewith, which is other or more burdensome than the

 taxation and connected requirements to which nationals of that

 other State in the same circumstances, in particular with respect

 to residence, are or may be subjected. This provision shall,

 notwithstanding the provisions of Article 1, also apply to persons

 who are not residents of one or both of the Contracting States.

 2. The taxation on a permanent establishment which an

 enterprise of a Contracting State has in the other Contracting

 State shall not be less favourably levied in that other State than

 the taxation levied on enterprises of that other State carrying on

 the same activities. This provision shall not be construed as

 obliging a Contracting State to grant to residents of the other

 Contracting State any personal allowances, reliefs and reductions

 for taxation purposes on account of civil status or family

 responsibilities which it grants to its own residents.

 3. Except where the provisions of Article 9, paragraph 7 of

 Article 11, or paragraph 4 of Article 12, apply, interest,

 royalties and other disbursements paid by an enterprise of a

 Contracting State to a resident of the other Contracting State

 shall, for the purpose of determining the taxable profits of such

 enterprise, be deductible under the same conditions as if they had

 been paid to a resident of the first-mentioned State. Similarly,

 any debts of an enterprise of a Contracting State to a resident of

 the other Contracting State shall, for the purpose of determining

 the taxable capital of such enterprise, be deductible under the

 same conditions as if they had been contracted to a resident of

 the first-mentioned State.

 4. Enterprises of a Contracting State, the capital of which is

 wholly or partly owned or controlled, directly or indirectly, by

 one or more residents of the other Contracting State, shall not be

 subjected in the first-mentioned State to any taxation or any

 requirement connected therewith which is other or more burdensome

 than the taxation and connected requirements to which other

 similar enterprises of the first-mentioned State are or may be

 subjected.

 5. The provisions of this Article shall apply to taxes which

 are the subject of this Agreement.

 Article 25

 Mutual agreement procedure

 1. Where a person considers that the actions of one or both of

 the Contracting States result or will result for him in taxation

 not in accordance with the provisions of this Agreement, he may,

 irrespective of the remedies provided by the domestic law of those

 States, present his case to the competent authority of the

 Contracting State of which he is a resident or, if his case comes

 under paragraph 1 of Article 24, to that of the Contracting State

 of which he is a national. The case must be presented within three

 years from the first notification of the action resulting in

 taxation not in accordance with the provisions of the Agreement.

 2. The competent authority shall endeavour, if the objection

 appears to it to be justified and if it is not itself able to

 arrive at a satisfactory solution, to resolve the case by mutual

 agreement with the competent authority of the other Contracting

 State, with a view to the avoidance of taxation which is not in

 accordance with the Agreement.

 3. The competent authorities of the Contracting States shall

 endeavour to resolve by mutual agreement any difficulties or

 doubts arising as to the interpretation or application of the

 Agreement. They may also consult together for the elimination of

 double taxation in cases not provided for in the Agreement.

 4. The competent authorities of the Contracting States may

 communicate with each other directly for the purpose of reaching

 an agreement in the sense of the preceding paragraphs.

 Article 26

 Members of diplomatic missions and consular posts

 Nothing in this Agreement shall affect the fiscal privileges of

 members of diplomatic missions or consular posts under the general

 rules of international law or under the provisions of special

 agreements.

 Article 27

 Entry into force

 1. The Governments of the Contracting States shall notify each

 other of the completion of the procedure required by their

 respective law for the bringing into force of this Agreement.

 2. The Agreement shall enter into force thirty days after the

 date of the latter of the notifications referred to in paragraph 1

 of this Article and its provisions shall have effect:

 a) in respect of tax withheld at source, on amounts paid or

 credited on or after the first day of January in the calendar year

 following the year in which the Agreement enters into force;

 b) in respect of other taxes for fiscal years beginning on or

 after the first day of January in the calendar year following the

 year in which the Agreement enters into force.

 3. a) the Convention between the Union of Soviet Socialist

 Republics and the Swiss Confederation on fiscal matters signed in

 Moscow on the 5 September 1986 shall in relation between the

 Russian Federation and Switzerland terminate upon the entry into

 force of this Agreement;

 b) the Exchange of Notes of 18 January 1968 between the Soviet

 Ministry of Foreign Affairs and the Ambassador of Switzerland

 concerning the taxation of shipping and air transport enterprises

 shall in relation between the Russian Federation and Switzerland

 terminate upon the entry into force of this Agreement.

 Article 28

 Termination

 This Agreement shall remain in force until terminated by a

 Contracting State. Either Contracting State may terminate the

 Agreement, through diplomatic channels, by giving notice of

 termination at least six months before the end of any calendar

 year. In such event, the Agreement shall cease to have effect for

 any fiscal year beginning on or after the first day of January in

 the calendar year next following that in which such notice has

 been given.

 In witness whereof the undersigned, duly authorized thereto,

 have signed this Agreement.

 Done in duplicate at Moscow this 15 November, 1995 in the

 Russian, German and English languages, all texts being equally

 authentic. In case there is any divergency of interpretation

 between the Russian and the German texts the English text shall be

 considered as the authentic text.

 (Follow the signatures)