COMPETENT AUTHORITY MUTUAL AGREEMENT

The Competent Authorities of the United States of America and Spain hereby enter into the following agreement ("the Agreement") regarding the treatment of limited liability companies ("LLCs"), S corporations, and other business entities treated as partnerships or disregarded entities for U.S. tax purposes, under the Convention Between the United States of America and the Kingdom of Spain for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, Together with a Related Protocol, signed at Madrid on February 22, 1990 ("the Treaty"). The Agreement is entered into under paragraph 3 of Article 26 (Mutual Agreement Procedure).

1.) *Definition of "any other body of persons" under Article 3(1)(d)*

Under paragraph 4 of the Protocol the term "any other body of persons" contained within Article 3(1)(d) (General Definitions) is understood to include an estate, a trust, or a partnership. The Competent Authorities agree that the term "any other body of persons," is also understood to include an LLC or other entity, whether organized within or without the United States, that for U.S. federal tax purposes is treated either as a partnership or is disregarded as an entity separate from its owners.

Consistent with the agreement regarding paragraph 4 of the Protocol, the Competent Authorities agree that paragraph 5(b) of the Protocol will be interpreted to reflect that income received by an LLC, or other entity, whether organized within or without the United States, that is treated for U.S. federal tax purposes as a partnership or disregarded as an entity separate from its owner, will be treated as income derived by a resident of the United States to the extent that income received by the LLC or other entity is subject to U.S. tax as the income of a U.S. resident. Similarly, the Competent Authorities agree that income received by an S corporation will be treated as derived by a resident of the United States to the extent that the income received by the S corporation is subject to U.S. tax as the income of a U.S. resident.

For example, if a U.S. LLC that is treated for U.S. federal tax purposes as a partnership receives a royalty payment from Spain, and the U.S. LLC has two members with equal interest in the LLC, one Spanish resident and one U.S. resident, the LLC may claim treaty benefits as a U.S. resident with respect to 50% of the royalty payment because 50% of the payment is subject to tax in the United States in the hands of a U.S. resident member.

2.) *Appropriate procedure for claiming treaty benefits*

a.) A U.S. LLC that is treated as a partnership for U.S. tax purposes may request a certificate of residence on Form 6166 in the same manner as a partnership. The Form 6166 will confirm the filing of Form 1065, U.S. Return of Partnership Income, by the LLC and include an attachment that lists the members of the LLC that are residents of the United States according to Internal Revenue Service records. The LLC, in turn, is expected to provide information concerning the percentage ownership of the LLC represented by the listed members from its internal records directly to the foreign withholding agent. For example, if a U.S. resident owns a 50% interest in the LLC, and a Canadian resident owns the remainder, the attached list obtained from the Internal Revenue Service will identify the U.S. resident, and the LLC will represent to the Spanish withholding agent that such resident owns a 50% interest in the LLC.

b.) In the case of tiered U.S. LLCs treated as partnerships for U.S. tax purposes, treaty benefits and certification rules that are similar to those for tiered partnerships will apply.

c.) In the case of a U.S. LLC disregarded as an entity separate from its owner for U.S. tax purposes, the LLC may request a Form 6166 that states that it is a branch, division, or business unit of its single member owner and that such single member owner is a resident of the United States.

d.) In the case of an LLC or other entity organized outside the United States, similar rules apply, provided that the LLC or other entity is treated as a partnership or is disregarded as an entity separate from its owner for U.S. tax purposes. The LLC may request a Form 6166 that confirms it files Form 1065, U.S. Return of Partnership Income, and that the attached list of members of the LLC are residents of the United States, or that the LLC is a branch, division or business unit of its single member owner and that such single member owner is a resident of the United States.

e.) In the case of a U.S. corporation that has made an election to be treated as an S Corporation for U.S. tax purposes, such S corporation may request a Form 6166 in a manner similar to that of a partnership. The Form 6166 will confirm that the corporation has filed Form 1120S, U.S. Income Tax Return for an S Corporation, and will attach a list of all the shareholders who are U.S. residents for purposes of the Treaty.

Under special circumstances when the facts warrant further inquiry and upon a specific request from Spain, the United States will seek to verify the truthfulness of the LLC’s representation as to the allocation of income with respect to a particular payment.

3.) *Effective date*

Upon signature by both competent authorities, this Agreement is effective retroactive to January 1, 1998.

This Agreement will not be effective in relation to periods barred by statute of limitations.

Agreed to by the undersigned competent authorities:

Frank Y. Ng U.S. competent authority	José Manuel de Bunes Spain competent authority
______________________ Date	______________________ Date