

Om samtykke til ratifikasjon av en overenskomst mellom Kongeriket Norge og Kongeriket Belgia til unngåelse av dobbeltbeskatning og forebyggelse av skatteunndragelse med hensyn til skatter av inntekt og formue

Vedlegg

**Convention
between the Kingdom of Norway and the King-
dom of Belgium for the avoidance of double taxa-
tion and the prevention of fiscal evasion with res-
pect to taxes on income and on capital**

The Government of the Kingdom of Norway and the Government of the Kingdom of Belgium desiring to conclude a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income and on capital, have agreed as follows:

CHAPTER I

Scope of the convention

Article 1

PERSONAL SCOPE

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

TAXES COVERED

1. This Convention 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, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which the Convention shall apply are in particular:
 - a) In Norway:
 - (i) the national tax on income (inntektsskatt til staten);
 - (ii) the county tax on income (inntektsskatt til fylkeskommunen);
 - (iii) the municipal tax on income (inntektsskatt til kommunen);
 - (iv) the national contribution to the Tax Equalisation Fund (fellesskatt til Skattefordelingsfondet);
 - (v) the national tax on capital (formuesskatt til staten);
 - (vi) the municipal tax on capital (formuesskatt til kommunen);
 - (vii) the national tax relating to income and capital from the exploration for and the exploitation of submarine petroleum resources and activities and work relating thereto, including pipeline transport of petroleum produced (skatt til staten vedrørende inntekt og formue i forbindelse med undersøkelse etter og utnyttelse av undersjøiske petroleumforekomster og dertil knyttet virksomhet og arbeid, herunder rørledningstransport av utvunnet petroleum);

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- (viii) the national dues on remuneration to nonresident artistes (avgift til staten av honorarer som tilfaller kunstnere bosatt i utlandet);
- (ix) the seamen's tax (sjømannsskatt);
(hereinafter referred to as «Norwegian tax»).
- b) In Belgium:
 - (i) the individual income tax (l'impôt des personnes physiques – de personenbelasting);
 - (ii) the corporate income tax (l'impôt des sociétés – de vennootschapsbelasting);
 - (iii) the income tax on legal entities (l'impôt des personnes morales – de rechtspersonenbelasting);
 - (iv) the income tax on non-residents (l'impôt des non-résidents – de belasting der nietverblijfhouders);
 - (v) the special levy assimilated to the individual income tax (la cotisation spéciale assimilée à l'impôt des personnes physiques – de met de personenbelasting gelijkgestelde bijzondere heffing);
including the prepayments, the surcharges on these taxes and prepayments, and the supplements to the individual income tax.
(hereinafter referred to as «Belgian tax»)
- 4. The Convention shall also apply to any identical or substantially similar taxes which are imposed by either Contracting State after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any substantive changes which have been made in their respective taxation laws.

CHAPTER II

Definitions

Article 3

GENERAL DEFINITIONS

1. For the purpose of this Convention, unless the context otherwise requires:
 - a) the term «Norway» means the Kingdom of Norway, including any area outside the territorial waters of the Kingdom of Norway where the Kingdom of Norway, according to Norwegian legislation and in accordance with international law, may exercise her rights with respect to the seabed and subsoil and their natural resources; the term does not comprise Svalbard, Jan Mayen and the Norwegian dependencies outside Europe («biland»);
 - b) the term «Belgium» means the Kingdom of Belgium; when used in a geographical sense, it means the national territory, the territorial sea and any other area in the sea within which Belgium, in accordance with international law, exercises sovereign rights or its jurisdiction;
 - c) the terms «a Contracting State» and «the other Contracting State» mean Norway or Belgium as the context requires;
 - d) the term «person» includes an individual, a company and any other body of persons;

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- e) the term «company» means any body corporate or any entity which is treated as a body corporate for tax purposes in the Contracting State of which it is a resident;
 - 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 «nationals» means:
 - (i) all individuals possessing the nationality of a Contracting State;
 - (ii) all legal persons, partnerships and associations deriving their status as such from the laws in force in a Contracting State.
 - h) the term «international traffic» means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - i) the term «competent authority» means:
 - (i) in Norway, the Minister of Finance and Customs or his authorised representative;
 - (ii) in Belgium, the Director General of direct taxes
2. As regards the application of the Convention by a Contracting State any term not defined 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 Convention applies.

Article 4

RESIDENT

1. For the purpose of this Convention, the term «resident of a Contracting State» means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature; it also means, in the case of Belgium, companies (other than companies with share capital) which have elected to have their profits subjected to the individual income tax. However this term does not include any person who is liable to tax in a Contracting State in respect only of income from sources in that State or capital situated therein.
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.

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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 Convention, 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;
 - e) 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, a construction, assembly or installation project or supervisory or consultancy activities connected therewith constitute a permanent establishment only if such site, project or activities last for a period of 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 maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;
 - e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
 - f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), 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

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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.

This provision shall not apply to an agent acting on behalf of an insurance enterprise who habitually concludes contracts in the name of that enterprise.

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.

CHAPTER III

Taxation of income

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

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- were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and acting wholly independently.
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. a) In the absence of appropriate accounting or other data permitting the determination of the profits to be attributed to a permanent establishment, the tax may, in particular, be assessed in the State in which the permanent establishment is situated and in accordance with the laws of that State, regard being had to the normal profits of similar enterprises of that State carrying on the same or similar activities.
 - b) 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 Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

INTERNATIONAL TRANSPORT

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
2. If the place of effective management of a shipping enterprise is aboard a ship then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.
3. The provisions of paragraphs 1 and 2 shall likewise apply to profits derived from the operation of vessels engaged in fishing, sealing or whaling activities on the high seas.
4. For the purposes of paragraphs 1 and 3, where
 - a) an enterprise is carried on by a partnership or any other body of persons where all the partners are jointly and severally liable and at least one of the partners has unlimited liability; and
 - b) at least one of the partners is a resident of a Contracting State and at least one of them is a resident of the other Contracting State; and

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- c) the effective management of the enterprise is not carried on solely in a Contracting State, the enterprise shall be deemed to have its place of effective management in both Contracting States and, in such case, the profits of the enterprise shall be taxable only in the State of which the partners mentioned in sub-paragraph b) are residents in proportion to their part of the profits.
- 5. The provisions of paragraph 1 shall also apply to profits derived from the participation in a pool, a joint business or in an international operating agency.
- 6. The provisions of paragraphs 1 and 5 shall apply to profits derived by the joint Norwegian, Danish and Swedish air transport consortium Scandinavian Airlines System (SAS), but only in so far as profits derived by Det Norske Luftfartsselskap A/S (DNL), the Norwegian partner of the Scandinavian Airlines System (SAS), are in proportion to its share in that organisation.
- 7. Profits from the use or rental of containers (including trailers and related equipment for the transport of containers) used in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

Article 9

ASSOCIATED ENTERPRISES

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.

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 beneficial owner of the dividends is a resident of the other Contracting State 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 which holds directly at least 25 per cent of the capital of the company paying the dividends;
 - b) 15 per cent of the gross amount of the dividends in all other cases.

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- This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.
3. Notwithstanding the provisions of paragraph 2, dividends derived from a company which is a resident of Norway by a resident of Belgium may be taxed in Norway at a rate not exceeding 15 per cent as long as dividends paid by Norwegian companies are allowed as deductions from their profits for the purpose of computing their liability to Norwegian national tax.
 4. The term «dividends» as used in this Article means income from shares, «jouissance» shares or «jouissance» rights, mining shares, founders' shares or 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. This term means also income – even when paid in the form of interest – which is taxable as income from capital invested by the members of a company other than a company with share capital, which is a resident of Belgium.
 5. The provisions of paragraphs 1, 2, and 3 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.
 6. 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 beneficial owner of the interest is a resident of the other Contracting State the tax so charged shall not exceed 15 per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest shall be exempt from tax in the Contracting State in which it arises if:
 - a) the interest is beneficially owned by a Contracting State, a political subdivision or a local authority thereof or by an instrumentality of that State which is not subject to tax therein;
 - b) the interest is paid by a purchaser to a seller in connection with a commercial credit resulting from deferred payments for goods, merchandise, equipment or services; or

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- c) the interest is paid with respect to loans of any nature granted by a banking enterprise, except where such loans are represented by bearer instruments.
4. The term «interest» as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. However, the term «interest» shall not include for the purpose of this Article penalty charges for late payment nor interest regarded as dividends under the second sentence of paragraph 4 of Article 10.
 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 in the Contracting State in which the interest arises according to the laws of that State.

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 films or tapes for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, 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

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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. Royalties 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 royalties, 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 liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
5. 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 in the Contracting State in which the royalties arise, according to the laws of that State.

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.
3. Gains from the alienation of ships, aircraft or containers operated in international traffic, or movable property pertaining to the operation of such ships, aircraft or containers, shall be taxable only in the Contracting State in which the profits of the enterprise are taxable according to Article 8 of this Convention.
4. Gains from the alienation of shares in a company which is a resident of a Contracting State may be taxed in that State, but only if the shares alienated form part of an interest of at least 30 per cent in the company.
5. Gains from the alienation of any property other than those referred to in paragraphs 1, 2, 3 and 4 shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14

INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting

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State in respect of professional services or other activities of an independent character shall be taxable only in that State. However, such income may be taxed in the other Contracting State if:

- a) the individual has a fixed base regularly available to him in that other State for the purpose of performing his activities; or
 - b) the individual is present in the other State for a period or periods exceeding in the aggregate 183 days in any period of twelve months;
- but only so much thereof as is attributable to that fixed base or to services performed in that State.
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 that other State for a period or periods not exceeding in the aggregate 183 days in any period of twelve months; and
 - b) the remuneration is paid by, or on behalf of, an employer who is a resident of the State of which the recipient is a resident, and whose activity does not consist of the hiring out of labour; 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 may be taxed in the Contracting State in which the place of effective management of the enterprise is situated. Where, however, the provisions of paragraph 4 of Article 8 apply, such remuneration shall be taxable only in the Contracting State of which the recipient is a resident.
4. Where a resident of a Contracting State derives remuneration in respect of an employment exercised aboard an aircraft operated in international traffic by the Scandinavian Airlines System (SAS) consortium, such remuneration shall be taxable only in that State.

Article 16

DIRECTORS' FEES

1. Directors' fees and 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

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State may be taxed in that other State. The provisions of this paragraph shall also apply to payments received in respect of the discharge of functions which under the laws of the Contracting State of which the company is a resident are treated as functions of a similar nature as those performed by a person as referred to in the preceding sentence.

2. However, remunerations which a person to whom paragraph 1 applies derives from the company in respect of the discharge of day-to-day functions of a managerial or technical nature may be taxed in accordance with the provisions of Article 15.

Article 17

ARTISTES AND ATHLETES

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 an athlete, 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 an athlete in his capacity as such accrues not to the entertainer or athlete 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 athlete are exercised.
3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities performed in a Contracting State by entertainers if the visit to that State is substantially supported by public funds of the other Contracting State or a political subdivision or a local authority thereof.

Article 18

PENSIONS, ANNUITIES, ALIMONY AND SOCIAL SECURITY PAYMENTS

1. Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration, alimony and annuities as well as pensions and other payments under the social security system paid to a resident of a Contracting State shall be taxable only in that State.
2. The term «annuity» means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth.
3. Notwithstanding the provisions of paragraph 1, any alimony or other maintenance payment paid by a resident of a Contracting State to a resident of the other Contracting State shall, to the extent it is not allowable as a relief to the payer, be taxable only in the first-mentioned 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.

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- b) Notwithstanding the provisions of subparagraph a), 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. Where such pension is not subject to tax in that State, the pension may be taxed in the other Contracting State.
- b) Notwithstanding the provisions of subparagraph a), such pension shall be taxable only in the other Contracting State if the individual is a resident 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

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

OFFSHORE ACTIVITIES

1. The provisions of this Article shall apply notwithstanding any other provision of this Convention where activities are carried on offshore in a Contracting State in connection with the exploration or exploitation of the sea-bed and subsoil and their natural resources situated in that State (in this Article referred to as «offshore activities»).
2. A person who is a resident of a Contracting State and carries on offshore activities in the other Contracting State shall subject to paragraphs 3 and 4 of this Article, be deemed to be carrying on such activities in that other State through a permanent establishment or fixed base situated therein.
3. The provisions of paragraph 2 shall not apply where the activities are carried on for a period not exceeding 30 days in the aggregate in any period of twelve months. However, for the purposes of this paragraph activities carried on by an enterprise associated with another enterprise within the meaning of Article 9 shall be regarded as carried on by the enterprise with which it is associated if the activities in question are substantially the same as those carried on by the last-mentioned enterprise.

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4. Profits derived by a resident of a Contracting State from the transportation of supplies or personnel to a location, or between locations, where offshore activities are being carried on in a Contracting State, or from the operation of tugboats and other vessels auxiliary to such activities, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
5.
 - a) Subject to subparagraphs b) and c), salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment connected with offshore activities in the other Contracting State may, to the extent that the duties are performed offshore in that other State, be taxed in that other State provided that the employment offshore is carried on for a period exceeding 30 days in the aggregate in any period of twelve months.
 - b) Salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment, shall be taxable only in that State, provided that the duties are performed on behalf of an employer from that State in connection with the utilisation of petroleum reservoirs which extend across the transmedian line between a Contracting State and any other State, and provided that there is an agreement between these two States on a joint exploitation of the reservoir, and the exploitation is performed simultaneously on both sides of the transmedian line. This provision shall, however, only come into force by a separate agreement between the competent authorities of the Contracting States.
 - c) Salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft engaged in the transportation of supplies or personnel to a location, or between locations, where offshore activities are being carried on in a Contracting State, or in respect of an employment exercised aboard tugboats or other vessels operated auxiliary to such activities, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

Article 22

OTHER INCOME

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention 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.

CHAPTER IV

Taxation of capital

Article 23

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, aircraft or containers operated in international traffic and by movable property pertaining to the operation of such ships, aircraft or containers, shall be taxable only in the Contracting State in which the profits of the enterprise are taxable according to Article 8 of this Convention.
4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

CHAPTER V

Elimination of double taxation

Article 24

1. In Norway double taxation shall be avoided as follows:
 - a) Where a resident of Norway derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Belgium, Norway shall, subject to the provisions of subparagraphs b) and d), exempt such income or capital from tax.
 - b) Where a resident of Norway derives items of income which, in accordance with the provisions of paragraph 2 of Article 10, of paragraph 2 of Article 11, of paragraph 1 of Article 16, and of Article 21 may be taxed in Belgium, Norway shall allow as a deduction from the tax on the income of that person an amount equal to the tax paid in Belgium. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such items of income derived from Belgium.
 - c) Notwithstanding the provisions of subparagraph b), dividends paid by a company which is a resident of Belgium to a company which is a resident of Norway shall be exempt from Norwegian tax, provided that in accordance with the laws of Norway the dividends would be exempt from tax if both companies had been residents of Norway, and provided further that in so far as the amount of dividends declared in respect of an accounting period by a company which is a resident of Belgium corresponds to dividends which it has received, directly or through another legal person, in the same or a previous accounting period on shares of a company resident in a third State, the exemption from Norwegian tax shall be granted only to the extent that the dividends received on shares of

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the company resident in that third State have been subject to corporate income tax in Belgium or, if that is not the case, the dividends would be exempt from Norwegian tax if the shares had been held directly by the company which is a resident of Norway.

- d) Where in accordance with any provision of the Convention income derived or capital owned by a resident of Norway is exempt from tax in Norway, Norway may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital.
2. In Belgium double taxation shall be avoided as follows:
 - a) Where a resident of Belgium derives income or owns capital which may be taxed in Norway in accordance with the provisions of this Convention, other than those of paragraphs 2 or 3 of Article 10, of paragraphs 2 and 7 of Article 11 and of paragraph 5 of Article 12, Belgium shall exempt such income or capital from tax but may, in calculating the amount of tax on the remaining income or capital of that resident, apply the rate of tax which would have been applicable if such income or capital had not been exempted.
 - b) Where a resident of Belgium derives items of his aggregate income for Belgian tax purposes which are dividends taxable in accordance with paragraphs 2 or 3 of Article 10, and not exempt from Belgian tax according to subparagraph c), interest taxable in accordance with paragraphs 2 or 7 of Article 11, or royalties taxable in accordance with paragraph 5 of Article 12, the fixed proportion in respect of the foreign tax for which provision is made under Belgian law shall, under the conditions and at the rate provided for by such law, be allowed as a credit against Belgian tax relating to such income.
 - c) Where a company which is a resident of Belgium owns shares in a company with share capital which is a resident of Norway and which is subject to Norwegian tax on its profits, the dividends which are paid to it by the latter company and which may be taxed in Norway in accordance with paragraphs 2 or 3 of Article 10, shall be exempt from the corporate income tax in Belgium to the extent that exemption would have been accorded if the two companies had been residents of Belgium.
 3. A Contracting State may tax income which in accordance with the Convention may be taxed in the other Contracting State, insofar as such income has not been taxed in that other State because it was set off in that State against losses which have also been deducted, in respect of any accounting period, from income taxable in the first-mentioned State.

CHAPTER VI

Special provisions

Article 25

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

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- State in the same circumstances 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. Stateless persons who are residents 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 are or may be subjected.
 3. 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.
 4. Except where the provisions of Article 9, paragraph 7 of Article 11 or paragraph 5 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.
 5. 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.
 6. The provisions of this Article shall not be construed:
 - a) as obliging a Contracting State to grant to nationals of the other Contracting State not being nationals of the first Contracting State any exceptional tax relief accorded to repatriating nationals of this Contracting State;
 - b) as preventing Norway from taxing a permanent establishment which a company which is a resident of Belgium has in Norway at the rate applying to non-distributed profits of a company which is a resident of Norway;
 - c) as preventing Belgium from taxing the total amount of the profits attributable to a permanent establishment in Belgium of a company which is a resident of Norway or of an association having its place of effective management in Norway at the rate of tax provided by the Belgian law;
 - d) as preventing Belgium from imposing prepayment on dividends derived from a holding which is effectively connected with a permanent establishment or a fixed base maintained in Belgium by a company which is a resident of Norway or by an association which has its place of effective management in Norway and is taxable as a body corporate in Belgium.

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7. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

Article 26

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 Convention, 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 25, to that of the Contracting States 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 Convention.
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 Convention. Provided that the case has been presented within the time period specified in paragraph 1, any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.
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 Convention. In particular the competent authorities of the Contracting States may agree:
 - a) to the same attribution of income, deductions, credits, or allowances of an enterprise of a Contracting State to its permanent establishment situated in the other Contracting State;
 - b) to the same allocation of income, deductions, credits, or allowances between associated enterprises;
 - c) to a common meaning of a term used in the Convention;
 - d) to the same characterization of particular items of income; and
 - e) to the same determination of the source of particular items of income.
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 and for the purpose of giving effect to the provisions of the Convention.

Article 27

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention and of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the do-

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mestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Convention. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:
 - a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
 - b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
 - c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (ordre public).

Article 28

ASSISTANCE IN RECOVERY

1. The Contracting States shall provide assistance to each other in the service of documents relating to, and in the recovery of, claims in respect of taxes mentioned in Article 2 of this Convention as well as surcharges, additions, interest, costs and fines of a non-penal nature.
2. At the request of the competent authority of a Contracting State the competent authority of the other Contracting State shall, in accordance with laws and administrative practice applying to the service of its own tax claims, serve upon the addressee the documents which emanate from the first-mentioned State and which relate to tax claims referred to in paragraph 1.
3. At the request of the competent authority of a Contracting State the competent authority of the other Contracting State shall, in accordance with the laws and administrative practice applying to the recovery of its own tax claims, recover tax claims referred to in paragraph 1 which are due in the first-mentioned State and which may no longer be contested. Such tax claims shall not have in the requested State any priority specially accorded to the tax claims of that State. The requested State shall not be obliged to apply any means of enforcement which are not authorised by the laws and administrative practice of the requesting State.
4. The request for assistance in the recovery of a tax claim shall be accompanied by an official copy of the instrument permitting enforcement in the requesting State and, where appropriate, by a certified copy of any final decision of an administrative body or of a court of law.
5. At the request of the competent authority of a Contracting State, the competent authority of the other Contracting State shall take measures of conservancy to guarantee recovery of a tax claim even if it is not finally assessed or is contested or is not yet the

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subject of an instrument permitting enforcement; the provisions of paragraph 3 shall apply, *mutatis mutandis*, to such measures.

6. The provisions of paragraph 1 of Article 27 shall also apply to any information which, by virtue of this Article, is supplied to the competent authority of the requested State.

Article 29

LIMITATION OF THE EFFECTS OF THE CONVENTION

1. The provisions of this Convention shall not limit the taxation in accordance with Belgian law of a company which is a resident of Belgium, in the event of the purchase of its own shares or in the event of the distribution of its assets.
2. Nothing in the Convention shall affect the fiscal privileges of members of a diplomatic mission or consular post under the general rules of international law or under the provisions of special agreements.
3. The Convention shall not apply to international organizations, to organs or officials thereof and to persons who are members of a diplomatic mission or consular post of a third State, being present in a Contracting State and not treated in either Contracting State as residents in respect of taxes on income or on capital.

CHAPTER VII

Final provisions

Article 30

ENTRY INTO FORCE

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Brussels as soon as possible.
2. The Convention shall enter into force on the fifteenth day after the date of the exchange of instruments of ratification and its provisions shall have effect:
 - a) In Norway:
in respect of taxes on income or on capital relating to the calendar year (including accounting periods beginning in any such year) next following that in which the Convention enters into force and subsequent years;
 - b) In Belgium:
in respect of taxes relating to income of any taxable period beginning on or after January 1 in the calendar year next following that in which the Convention enters into force.
3. The Convention between Norway and Belgium for the avoidance of double taxation and the settlement of other matters with respect to taxes on income and capital and the final Protocol signed at Brussels on June 30, 1967, shall terminate and cease to be effective in relation to any tax for any period for which this convention has effect in accordance with paragraph 2 as respects that tax.
4. The Convention of October 29, 1928, between Belgium and Norway for the avoidance of double taxation of income of shipping enterprises shall cease to be effective for any period for which Article 8 of this Convention has effect.

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Article 31

TERMINATION

This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention, through diplomatic channels, by giving notice of termination at least six months after the expiration of the fifth year after the year in which the convention enters into force. In such event, the Convention shall cease to have effect:

a) In Norway:

in respect of taxes on income or on capital relating to the calendar year (including accounting periods beginning in such year) next following that in which the notice of termination is given;

b) In Belgium:

in respect of taxes relating to income of any taxable period beginning on January 1 in the calendar year next following that in which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Convention.

DONE in duplicate at Oslo this 14th day of april 1988, in the English language.

For the Government of the
Kingdom of Norway

Arne Øien
(sign.)

For the Government of
the Kingdom of Belgium

F. Aerts
(sign.)
