Convention between the Kingdom of Norway and the United Republic of Tanzania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital

The Government of the Kingdom of Norway and the Government of the United Republic of Tanzania,

Desiring to conclude a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital,

Have agreed as follows:

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 each Contracting State or of its regional 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 taxes which are the subject of this Convention are in particular:

(a) in Tanzania:
the income tax and any other tax deemed to be an income tax under the Income Tax Act (hereinafter referred to as «Tanzanian tax»);

(b) In Norway:
(i) the national and municipal taxes on income (including contributions to the tax equalization fund) and capital;
(ii) the national dues on the profits of non-resident artists;
(iii) the seamen's tax
(hereinafter referred to as «Norwegian tax»).

4. This Convention shall also apply to any identical or substantially similar taxes which are imposed in addition to, or in the place of, the existing taxes.

The competent authorities of the Contracting States shall notify each other of any changes which are made in their respective taxation laws.

Article 3.

General definitions.

1. In this Convention, unless the context otherwise requires:

(a) the term «Norway» means the Kingdom of Norway, including any area outside the territorial waters of Norway where Norway, according to Norwegian legislation and in accordance with inter-

national law, may exercise her rights with respect to the sea bed and subsoil and their natural resources; the term does not comprise Svalbard, Jan Mayen and the Norwegian dependencies outside Europe;

(b) the term «Tanzania» means the United Republic of Tanzania, including any area outside the territorial waters of Tanzania which, in accordance with international law, has been or may be designated, under the laws of Tanzania concerning the Continental Shelf, as an area over which Tanzania may exercise sovereign rights with respect to the exploration for and exploitation of natural resources;

(c) the term «person» comprises an individual, a company and any other body of persons;

(d) the term «company» means any body corporate or any entity which is treated as a body corporate for tax purposes;

(e) the term «nationals» means:

(1) all individuals posessing the nationality of a Contracting State;

(2) all legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State.

(f) the term «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 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;

(h) the term «competent authority» means:

(i) in the case of Norway, the Minister of Finance or his authorized representative;

(ii) in the case of Tanzania, the Minister for Finance or his authorized representative.

2. As regards the application of the provisions of this Convention by a Contracting State, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

Article 4.

Fiscal domicile.

1. For the purpose of this Convention, the term «resident of a Contracting State» means any person who, under the law of that state, is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature.

However, this term does not include any person who is liable to tax in the Contracting State in respect only of income from sources therein or capital situated in the state.

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 resident of the Contracting State in which he has a permanent home available to him. If he has a

permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (centre of vital interests);

(b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;

(c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;

(d) if he is a national of both Contracting 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 Contracting State in which its place of effective management is situated.

Article 5.

Permanent establishment.

1. For the purpose of this Convention, the term «permanent establishment» means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term «permanent establishment» shall include especially:

(a) a place of management;
(b) a branch;
(c) an office;
(d) a factory;
(e) a workshop;
(f) a mine, quarry or other place of extraction of natural resources;

(g) a building site or construction or assembly project which exists for more than six months.

3. The term «permanent establishment» shall not be deemed 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 for collecting information for the enterprise;

(e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

4. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State — other than an agent of an

independent status to whom the provisions of paragraph 5 of this Article apply — shall be deemed to be a permanent establishment in the first-mentioned State if he has, and habitually exercises in that State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.

5. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.

6. 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 from immovable property, including income from agriculture or forestry, may be taxed in the Contracting State in which such property is situated.

2. The term «immovable property» shall be defined in accordance with 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, boats 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. In the determination of the income from immovable property which a resident of a Contracting State has in the other Contracting State expenses (including interest on debt-claims) which are incurred for the purpose of such property shall be allowed as deductions on the same conditions as are provided for residents of that other State.

5. The provisions of paragraphs 1 and 3 of this Article shall also apply to income from immovable property of an enterprise and to income from immovable property used for the performance of professional 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. Where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establish-

ment 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 at arm's length with the enterprise of which it is a permanent establishment.

3. If an enterprise of a Contracting State, which has a permanent establishment in the other Contracting State, sells goods or merchandise in that other State of the same or similar kind as those rendered by the permanent establishment, the profits of such activities may be attributed to the permanent establishment unless the enterprise proves that such sales or services are not attributable to the activity of the permanent establishment.

4. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses of the enterprise 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. The provisions of this paragraph do not, however, authorize a deduction for expenses which would not be deductable if the permanent establishment were a distinct and separate enterprise.

5. 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 of this Article.

6. 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.

7. For the purpose 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.

8. Where profits include items 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.

9. The term «profits» as used in this Article also includes such business income as is derived by a partner from his participation in a partnership.

Article 8.
Air transport and shipping.

1. Profits derived by an enterprise of a Contracting State from the operation of 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. Profits derived by an enterprise of a Contracting State from the operation of ships in international traffic may be taxed in both Contracting States according to the law of each Contracting State.

3. Where an enterprise of a Contracting State derives profits referred to in paragraph 2 from operations in the other Contracting State, then

(a) such profits shall be deemed not to exceed an amount equal to 5 per cent of the gross amount derived by the enterprise

from transporting passengers or freight embarked in that other State;

(b) the tax chargeable on such profits in that other State shall be reduced by 50 per cent.

4. The provisions of paragraph 1 shall also apply to profits derived from the participation in a pool, in a joint business or in an international operating agency.

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, by reason of these 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 being 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 law of that State, but the tax so charged shall not exceed 20 per cent of the gross amount of the dividends.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

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 or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights assimilated to income from shares by the taxation law 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 recipient 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 professional 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 a case, the provisions of Article 7 or 15, 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.

If the system of taxation applicable in either of the Contracting States to the profits and dividends of companies is altered after the date of signature of this Convention, the competent authorities may consult each other to determine whether it is necessary for this reason to amend the provisions of this Convention relating to dividends.

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 be taxed in the Contracting State in which it arises, and according to the law of that State, but the tax so charged shall not exceed 15 per cent of the amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3. The term «interest» as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and other debt-claims of every kind, as well as all other income assimilated to income from money lent by the taxation law of the State in which the income arises.

4. The provisions of paragraph 1 and 2 shall not apply if the recipient of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arise, through a permanent establishment situated therein, or performs in that other State professional 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 a case, the provisions of Article 7 or 15, as the case may be, shall apply.

5. 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 in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient, or between both of them and some other person, the amount of the interest paid, 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 recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the pay-

ments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

7. If the system of taxation applicable in either of the Contracting States to interest is altered after the date of signature of this Convention, the competent auhorities may consult each other to determine whether it is necessary for this reason to amend the provisions of this Convention relating to interest.

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.

2. However, such royalties may be taxed in the Contracting State in which they arise, and according to the law of that State, but the tax so charged shall not exceed 20 per cent of the gross amount of the royalties.

3. 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 to literary, artistic or scientific works (including cinematographic films, and films or tapes for radio or television broadcasting), any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraph 1 and 2 shall not apply if the recipient of the royalties, being a resident of a Contracting State, carries on in the other Contracting State in which the royalties arise a business through a permanent establishment situated therein, or performs in the other State professional 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 a case, the provisions of Article 7 or 15, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that Contracting 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 in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient, or both of them and some other person, the amount of the royalties paid, 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 recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of the Convention.

7. If the system of taxation applicable in either of the Contracting States to the profits and royalties of companies is altered after the date of signature of this Convention, the competent autho-

rities may consult each other in order to determine whether it is necessary for this reason to amend the provisions of the Convention relating to royalties.

Article 13.

Capital gains.

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.

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 professional services, including such gains from the alienation of such permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains from the alienation of movable property of the kind referred to in paragraph 4 of Article 23 shall be taxable only in the Contracting State in which such movable property is taxable according to the said Article.

3. Gains from the alienation of any property other than that mentioned in paragraphs 1 and 2 shall be taxable only in the Contracting State of which the alienator is a resident.

4. The provisions of paragraph 3 shall not affect the right of a Contracting State to levy, according to its own law, a tax on capital gains from the alienation of any property derived by an individual who is a resident of the other Contracting State at any time during the seven years immediately preceding the alienation of the property.

Article 14.

Management or professional fees.

1. Management or professional fees 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 management or professional fees may be taxed in the Contracting State in which they arise, and according to the law of that State, but the tax so charged shall not exceed 20 per cent of the gross amount of the fees.

3. The term «management or professional fees» as used in this Article means payments of any kind to any person, other than to an employee of the person making the payments, in consideration for any services of a managerial, technical, professional or consultancy nature.

4. The provisions of paragraph 1 and 2 shall not apply if the recipient of the management or professional fees, being a resident of a Contracting State, carries on business in the other Contracting State in which the fees arise, through a permanent establishment situated therein, or performs in that other State professional services from a fixed base situated therein, and the fees are effectively connected with such permanent establishment or fixed base. In such a case the provisions of Article 7 or 15, as the case may be, shall apply.

5. Management or professional fees shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, or a political sub-division, a local authority or a resident of that State. Where, however, the person paying the fees, whether he

is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the fees was incurred, and such fees are borne by such permanent establishment, then such fees shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. If the system of taxation applicable in either of the Contracting States to the profits and management fees of companies is altered after the date of signature of this Convention, the competent authorities may consult each other in order to determine whether it is necessary for this reason to amend the provisions of this Convention relating to management fees.

Article 15.

Independent personal services.

1. Subject to the provisions of Article 14, income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless:

(a) he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities, in which case so much of the income may be taxed in that other State as is attributable to that fixed base; or
(b) he is present in the other Contracting State for the purpose of performing his activities for a period or periods exceeding in the aggregate 183 days in the calendar year concerned, in which case so much of the income may be taxed in that other State as is attributable to the activities performed in that other 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 16.

Dependent personal services.

1. Subject to the provisions of Articles 17, 19, 20 and 21, 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 it 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 fiscal 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 in respect of an employment exercised abroad a ship

or aircraft in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 17.

Directors' fees.

Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or of the Committee of the shareholders' representatives («representantskapet») of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 18.

Artists and athletes.

1. Notwithstanding the provisions of Articles 15 and 16, income derived by public entertainers, such as theatre, motion picture, radio or television artists, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.

2. Where income in respect of the personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 15 and 16, 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 services of public entertainers and athletes if their visit to a Contracting State is supported wholly or substantially from public funds of the other Contracting State.

Article 19.

Pensions.

1. Subject to the provisions of paragraph 2 of Article 20, 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.

2. Notwithstanding the provisions of paragraph 1, Social Security contributions arising in a Contracting State according to the legislation of that state and paid to a resident of the other Contracting State, may be taxed in the first-mentioned State.

Article 20.

Governmental functions.

1.

(a) Remuneration, other than a pension, paid by a Contracting State or a regional or local authority thereof to any individual in respect of services rendered to that State, or corporation or local authority thereof, 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 recipient is a resident of that other Contracting State who:

(i) is a national of that State; or
(ii) did not become a resident of that State solely for the purpose of performing the services.

2.

(a) Any pension paid by, or out of, funds created by a Contracting State, or a regional or local authority thereof, to any individual in respect of services rendered to that State, or a regional or local authority thereof, shall be taxable only in that State;

(b) However, such pension shall be taxable only in the other Contracting State if the recipient is a national of and a resident of that State.

3. The Provisions of Articles 16, 17 and 19 shall apply to remuneration and pension in respect of services rendered in connection with any business carried on by one of the Contracting States, or a regional or local authority thereof.

Article 21.

Students.

1. Payments which a student or business, technical, agricultural or forestry 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 Contracting State solely for the purpose of this education or training receives for the purpose of his maintenance, education or training shall not be taxed in the first-mentioned State, provided that such payments are made to him from sources outside that State.

2. An individual who, while a student at a university or other recognized educational institution in a Contracting State, is employed either in that Contracting State or in the other Contracting State for a period or periods not exceeding a total of 183 days during the fiscal year concerned shall not be taxed in the Contracting State where the employment is exercised in respect of his remuneration therefrom if:

(a) the employment is directly related to his studies or vocational training; and
(b) he was not, immediately before the commencement of his studies at the university or institution in the first-mentioned Contracting State, a resident of the Contracting State where the employment is exercised.

Article 22.

Income not expressly mentioned.

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in that State.

Article 23.

Capital.

1. Capital represented by immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.

2. Debts contracted for the purposes of immovable property situated in a Contracting State which is owned by a resident of the other Contracting State shall be allowed as deductions on the same conditions as are provided for residents of that first-mentioned State.

3. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise, or by movable property pertaining to a fixed base used for the preformance of professional services, may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.

4. Capital represented by ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft shall be taxable only in the State in which the place of effective management of the enterprise is situated.

5. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 24.

Elimination of double taxation.

1. Subject to the provisions of the law of Tanzania regarding the allowance as a credit to a Tanzania resident against Tanzanian tax of tax payable in a territory outside Tanzania, Norwegian tax payable under the laws of Norway and in accordance with this Convention, whether directly or by deduction, in respect of income from sources within Norway shall be allowed as a credit against any Tanzanian tax payable in respect of that income. The credit shall not however, exceed the Tanzanian tax, computed before allowing any such credit, which is appropriate to the income derived from Norway.

2.

(a) Where a resident of Norway derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Tanzania, Norway shall, subject to the provisions of sub-paragraph (b), exempt such income or capital from tax.

(b) Where a resident of Norway derives income which, in accordance with the provisions of Articles 8, 10, 11, 12 or 14 may be taxed in Tanzania, Norway shall allow as deduction from the tax on the income of that person an amount equal to the tax paid in Tanzania. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is appropriate to the income derived from Tanzania.

3. Where under this Convention income derived by a resident of a Contracting State from the other Contracting State is exempt from tax in the first-mentioned State, then the first-mentioned State may, in calculating tax on the remaining income of that person, apply the rate of tax which would have been applicable if the income exempted from tax in accordance with the Convention had not been so exempted.

4. For the purpose of paragraph 2, the term «Tax paid in Tanzania» shall be deemed to include any amount which would have been payable as Tanzanian tax for any year but for:

(i) any investment deduction granted under paragraphs 24, 25 and 26 of the Second Schedule to the Income Tax Act, 1973; or

(ii) any other provisions which may subsequently be enacted granting an exemption or reduction of tax which the competent authorities of the Contracting States agree to be for the purpose of economic development.

5. The provisions of paragraph 4 shall apply for the first 5 years for which this Convention is effective but the competent authorities of the Contracting States may consult each other to determine whether this period shall be extended.

Article 25.

Non-discrimination.

1. The 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 the other State in the same circumstances are or may be subjected.

2. The taxation of a permanent establishment or a fixed base which an enterprise or a person being a resident 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 or persons of that other State carrying on the same activities.

This provision shall not be construed as obliging a Contracting State to grant to persons being 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.

This provision shall not be construed as preventing a Contracting State from taxing profits derived by a permanent establishment according to the legislation of that State if the permanent establishment is maintained by a company being a resident of the other Contracting State. The taxation, however, shall not exceed that to which companies being residents of the first mentioned State are liable with respect to their retained profits.

3. 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 that first-mentioned State are or may be subjected.

4. The provisions of this Article shall not be construed as obliging Norway to grant to nationals of Tanzania, not being nationals of Norway, the exceptional tax relief which is accorded to Norwegian nationals and individuals born in Norway of parents having Norwegian nationality pursuant to section 22 of the Norwegian Taxation Act for the Rural Districts and Section 17 of the Norwegian Taxation Act for the Urban Districts.

Article 26.

Mutual agreement procedure.

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of these States, present his case to the competent authority of the Contracting State of which he is a resident.

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 an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to avoidance of taxation not in accordance with the Con-

vention. Any agreement reached shall be implemented notwithstanding any time limits in the national laws 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. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

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 preceeding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 27.

Exchange of information.

1. The competent authorities of the Contracting States shall exchange such information as is necesary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is in accordance with this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities, including courts, other than those concerned with the assessment, collection, enforcement or prosecution in respect of the taxes which are the subject of the Convention.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States the obligation:

(a) to carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;
(b) to supply particulars which are 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.

Diplomatic and consular officials.

Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

Article 29.

Territorial extension.

1. This Convention may be extended, either in its entirety or with modifications, to any territory which is excluded from the application of this Convention under the provisions of paragraph 1 (a) of Article 3, and in which taxes are imposed which are substantially similar in character to those to which this Convention applies.

Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed between the Contracting States in notes to be exchanged through diplomatic channels.

2. Unless otherwise agreed by both Contracting States, in case of this Convention being terminated according to Article 31, it shall cease to have effect for any territory to which it has been extended under the provisions of this Article.

Article 30.

Entry into force.

This Convention shall come into force on the date when the last of all such things shall have been done in Norway and Tanzania as are necessary to give the Convention the force of law in Norway and Tanzania, respectively, and shall thereupon have effect;

(a) in respect of taxes withheld at source, to amounts derived on or after 1 January in the calendar year next following the year in which the Convention enters into force;
(b) in respect of other taxes on income and taxes on capital, to taxes chargeable for the taxable year beginning on or after 1 January in the calendar year next following the year in which the Convention enters into force.

Article 31.

Termination.

This Convention shall remain in force until denounced by one of the Contracting States.

Either Contracting State may — after 30 June in a calendar year, but not before five years after the end of the year in which the convention entered into force — through diplomatic channels and in writing denounce the Convention to the other Contracting State:

(a) in respect of taxes withheld at source, to amounts derived on or after 1 January in the calendar year in which the notice is given;
(b) in respect of other taxes on income and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January in the calendar year next following the year in which the notice is given.

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

Done in duplicate at Oslo this 28th day of April 1976 in the English language.

For the Kingdom of Norway:	For the United Republic of Tanzania:
Per Kleppe	Amir Habib Jamal

Protocol

At the signing of the Convention between the Kingdom of Norway and the United Republic of Tanzania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital the undersigned have agreed that the following shall form an integral part of the Convention:

The Contracting States agree that paragraph 2 of Article 24 shall be replaced by the following text, at the request of Norway, which shall be forwarded through diplomatic channels. The new text below shall thereupon become effective in a manner similar to that set out in paragraphs (a) and (b) of Article 30 of the Convention:

«When a resident of Norway derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Tanzania, Norway shall allow as a deduction from the income tax or capital tax of that person an amount equal to the income tax or capital tax paid in Tanzania. Such deduction shall not, however, exceed that part of the Norwegian tax, as computed before the deduction is given, which is appropriate to the income derived from or capital owned in Tanzania.»