

N° 3161.

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**BELGIQUE ET GRAND-  
DUCHÉ DE LUXEMBOURG**

Convention ayant pour but d'éviter la double imposition en matière d'impôts directs et de garantir l'assistance réciproque des deux pays pour le recouvrement de ces impôts, avec protocole de clôture. Signés à Bruxelles, le 9 mars 1931.

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**BELGIUM AND GRAND  
DUCHY OF LUXEMBURG**

Convention for the Prevention of Double Taxation as regards Direct Taxes and to guarantee reciprocal Co-Operation between the two Countries in the Collection of such Taxes, with Protocol of Closure. Signed at Brussels, March 9, 1931.

<sup>1</sup> TRADUCTION. — TRANSLATION.

No. 3161. — CONVENTION<sup>2</sup> BETWEEN BELGIUM AND THE GRAND DUCHY OF LUXEMBURG FOR THE PREVENTION OF DOUBLE TAXATION AS REGARDS DIRECT TAXES AND TO GUARANTEE RECIPROCAL CO-OPERATION BETWEEN THE TWO COUNTRIES IN THE COLLECTION OF SUCH TAXES. SIGNED AT BRUSSELS, MARCH 9, 1931.

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*French official text communicated by the Belgian Minister for Foreign Affairs. The registration of this Convention took place March 17, 1933.*

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HIS MAJESTY THE KING OF THE BELGIANS and HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG, being desirous of preventing double taxation as regards direct taxes of nationals of their two countries and of affording each other mutual assistance in the collection of such taxes, have decided to conclude a Convention for this purpose and to this end have appointed as their Plenipotentiaries :

HIS MAJESTY THE KING OF THE BELGIANS :

M. Paul HYMANS, His Minister for Foreign Affairs, and

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG :

M. DUPONG, Her Director-General of Finance and Social Questions,

Who, having communicated their full powers, found in good and due form, have agreed upon the following Articles :

*Article 1.*

§ 1. — Taxpayers having their fiscal domicile in either of the two contracting States, a proportion of whose income is derived, in whole or in part, from the other State shall be entitled in respect of such income to the special treatment prescribed in the following Articles.

§ 2. — For the purposes of the present Convention, the fiscal domicile of natural persons shall be their normal place of residence to be construed as meaning their permanent home ; that of companies constituting a legal entity shall be the place in which are situate their actual headquarters or seat.

*Article 2.*

§ 1. — The purpose of the present Convention is to lay down rules relating exclusively to the levying of certain direct taxes.

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<sup>1</sup> Traduit par le Secrétariat de la Société des Nations, à titre d'information.

<sup>1</sup> Translated by the Secretariat of the League of Nations, for information.

<sup>2</sup> The exchange of ratifications took place at Luxemburg, December 30, 1931.

§ 2. — The direct taxes referred to are as follows :

A. — *In respect of Belgium :*

The land tax, the tax on movable property payable in respect of income derived from immovable property situated abroad, the occupational tax and the special tax on income derived from the letting of shooting, fishing or trapping rights.

B. — *In respect of the Grand Duchy of Luxemburg :*

Income tax, but not including income derived from floating capital, the surtax additional thereto and the supplementary tax on capital but not including floating capital.

*Article 3.*

Income derived from immovable property or such property itself shall be taxable in the State in which the property in question is situate.

*Article 4.*

§ 1. — Industrial, mining, commercial or agricultural undertakings shall be taxable in either State in proportion to the income brought in by permanent establishments situate in its territory.

§ 2. — In the absence of a system of accountancy showing separately and regularly such income, the competent authorities of the two States shall come to an agreement upon the rules of apportionment.

§ 3. — Permanent establishments shall be deemed to mean actual centres of management, branches, factories, workshops, agencies, warehouses, offices, buying or selling departments and depositories. Should an undertaking established in either of the two contracting States have business dealings with the other country through the intermediary of a genuinely independent agent or company (broker, commission agent, subsidiary, etc...), this shall not be deemed to imply that the undertaking in question possesses a permanent establishment in the latter country.

*Article 5.*

In the case of joint stock companies having their headquarters or chief centre of management in the Grand Duchy Luxemburg and permanently holding at least one quarter of the joint stock capital of a similar company established in Belgium, the Luxemburg tax shall be reduced to one-quarter in respect of all profits or income accruing and taxed in Belgium, provided always that Belgium accords Belgian companies a reduction to one-quarter of the tax on movable property in respect of income from capital holdings accruing and taxed in the Grand Duchy of Luxemburg.

*Article 6.*

§ 1. — Income derived from non-commercial occupations not covered by Article 8 by persons working at their private addresses shall be taxable in the contracting State in which such persons possess a permanent establishment for the purpose of carrying on their professional activity.

§ 2. — Income derived from copyright fees shall be taxable in the country in which the recipients have their fiscal domicile.

*Article 7.*

The remuneration of directors and auditors of joint stock companies and of persons performing duties similar to those of a director shall be taxable in the State in which are situate the actual headquarters of the company.

*Article 8.*

§ 1. — The remuneration of all persons in receipt of wages and salaries shall be taxable in the State in which those concerned carry on their activities.

§ 2. — Nevertheless, the salaries, wages or other remuneration of frontier workers who establish their status by the production of a special worker's card, the form of which shall be laid down by the High Contracting Parties in a special convention, shall only be liable to State taxes in the country where those concerned have their fiscal domicile.

§ 3. — Furthermore, the salaries of all public officials and employees of either of the two Contracting States performing their duties in the other State shall only be taxable in the country by which they are paid.

*Article 9.*

Public pensions are taxable in the State of the party liable for such payments.

*Article 10.*

Life annuities shall be taxable in the State in which the holders have their fiscal domicile.

*Article 11.*

§ 1. — The Contracting States undertake, on the basis of reciprocity, to afford each other aid and assistance, for the purpose of the collection, of the principal, plus interest and costs or fines, according to the stipulations of their own laws, of any of the aforementioned taxes having finally fallen due, even where such taxes were established prior to the date of the present Convention.

§ 2. — Legal proceedings and executory measures shall be instituted on production of an official copy of the executory documents together with any such decisions as have already acquired the force of *res judicata*.

§ 3. — Outstanding fiscal claims shall not be regarded in the State to which application is made as prior claims; their collection shall be effected in accordance with the stipulations of the laws of the latter State, which shall not be required to apply executory measures not provided for in the laws of the State making application.

§ 4. — Should a fiscal claim be still subject to appeal, the State making the application may request the State to which application is made to take conservatory measures to which *mutatis mutandis* the foregoing provisions shall apply.

§ 5. — The fiscal authorities of the two contracting States shall settle the administrative procedure to be followed in such cases.

*Article 12.*

§ 1. — Should either of the High Contracting Parties be called upon to deal with a case not expressly provided for in the foregoing provisions or to introduce amendments in its fiscal laws, the new situation shall be examined and any readjustments necessitated in the text of the present Convention shall be effected by agreement between the competent authorities of the two countries in the spirit of the foregoing Articles.

§ 2. — Any such amending or supplementary agreements shall be dealt with in notes exchanged through the diplomatic channel.

*Article 13.*

The present Convention shall only apply to the home territory of Belgium.

*Article 14.*

§ 1. — The present Convention shall be ratified, and the instruments of ratification shall be exchanged at Luxemburg at the earliest possible date.

§ 2. — The Convention shall come into force on the first day of January of the year following that in which ratification takes place.

§ 3. — It may cease to apply as from the first day of January of each year, if denounced at least six months previously.

In faith whereof the respective Plenipotentiaries have signed the present Convention and have thereto affixed their seals.

Done in Brussels, in duplicate, March 9, 1931.

(s.) HYMANS.

(s.) DUPONG.

## PROTOCOL OF CLOSURE.

At the moment of signing the Convention concluded on to-day's date, the undersigned Plenipotentiaries have agreed upon the following provision which shall form an integral part thereof :

The High Contracting Parties hereby agree to conclude at the earliest possible date a supplementary Agreement regarding the application of communal taxation payable in either of the two contracting States by persons in receipt of salaries and wages who carry on their activity in that State but reside in the territory of the other State.

In faith whereof the undersigned Plenipotentiaries have drawn up the present Protocol and have thereto appended their signatures.

Done in Brussels, in duplicate, March 9, 1931.

(s.) HYMANS.

(s.) DUPONG.