

N° 4338.

**TCHÉCOSLOVAQUIE
ET YOUGOSLAVIE**

Convention tendant à éviter la double
imposition en matière de droits
de succession, et protocole final.
Signés à Praha, le 24 février 1936.

**CZECHOSLOVAKIA
AND YUGOSLAVIA**

Convention for the Prevention of
Double Taxation in the Matter of
Succession Duties, and Final
Protocol. Signed at Prague, Fe-
bruary 24th, 1936.

¹ TRADUCTION. — TRANSLATION.

No. 4338. — CONVENTION² BETWEEN THE CZECHOSLOVAK REPUBLIC AND THE KINGDOM OF YUGOSLAVIA FOR THE PREVENTION OF DOUBLE TAXATION IN THE MATTER OF SUCCESSION DUTIES. SIGNED AT PRAGUE, FEBRUARY 24TH, 1936.

French official text communicated by the Permanent Delegates of the Kingdom of Yugoslavia and of the Czechoslovak Republic to the League of Nations. The registration of this Convention took place April 20th, 1938.

THE KINGDOM OF YUGOSLAVIA and THE CZECHOSLOVAK REPUBLIC, being desirous to prevent double taxation in the matter of succession duties, have decided to conclude a Convention.

For this purpose, on behalf of HIS MAJESTY KING PETER II, THE REGENTS OF THE KINGDOM OF YUGOSLAVIA have appointed as their Plenipotentiary :

Monsieur Svetislav PREDIĆ, Doctor of Law, Director of the Department of Economic and Consular Affairs at the Ministry of Foreign Affairs ; and

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC has appointed as his Plenipotentiary :

His Excellency Dr. J. FRIEDMANN, Envoy Extraordinary and Minister Plenipotentiary at the Ministry of Foreign Affairs.

The Plenipotentiaries, having communicated their full powers, found in good and due form, have agreed as follows :

Article I.

For the purposes of the present Convention, the following shall be regarded as succession duties : all duties levied on the transfer of property on death in accordance with the legislative provisions regarding taxes in force in the two States or the provisions which have been or may be imposed in their place.

Article II.

1. Real property forming part of the estate left by nationals of either of the Contracting States shall be liable to succession duties only in the State in which such property is situate.

2. This provision shall also apply to the personal property appertaining to the real property. The term " appertaining to " should be interpreted in accordance with the laws of the State in which the real property is situate. The question whether property is to be regarded as personal or real shall be settled in accordance with the laws of the State in which the property is situate.

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

¹ Translated by the Secretariat of the League of Nations, for information.

² The exchange of ratifications took place at Prague, January 25th, 1938. Came into force January 25th, 1938.

3. For the purpose of the application of the provisions of paragraph 1, rights of usufruct and use of the real property, and also rights which are secured by or constitute a charge upon the said real property, shall be treated in the same way as the real property itself.

Article III.

1. As regards property forming part of an estate left by deceased persons who are nationals of one of the Contracting States and to which the provisions of Article II do not apply, the following principles shall be observed :

(a) As a rule, such property shall be liable to succession duties in the State of which the deceased was a national at the time of his death.

(b) If, however, the deceased at the time of his death had his domicile, or in the absence of a domicile, his permanent residence in the other Contracting State, the estate situate in the other Contracting State shall be liable to succession duties therein.

(c) If, at the time of his death, the deceased was domiciled in each of the two Contracting States, the property constituting his estate shall be liable to succession duties only in the Contracting State of which he was a national.

(d) The method of taxing estate left by persons who were nationals of both Contracting States shall be settled by a special agreement in each particular case.

2. For the purposes of the present Convention, the domicile of a person is the place where such person has an abode, under circumstances showing that it is his intention to maintain such abode permanently.

3. For the purposes of the present Convention, the permanent residence of a person is the place where such person resides, under circumstances showing that it is his intention to remain otherwise than temporarily at the place or within the country in question.

Article IV.

1. For the purposes of the application of the provisions of Articles II and III, legacies not relating to a particular object or to a right on a particular object shall be treated as if they were to be charged in the first instance to the property referred to in Article III, and only the residue which such property is not sufficient to cover to the property referred to in Article II.

2. If the property forming part of an estate referred to in Articles II and III is situate in both Contracting States, legacies shall be chargeable in proportion to the value of the parts of the estate situate in the two Contracting States.

Article V.

Questions as to the situation of the property referred to in Article III shall be settled by the application of the following principles :

(a) In the case of claims, the place of domicile of the deceased person entitled thereto shall decide the matter and, if he had no domicile, the place of his permanent residence. The same principle shall apply by analogy to shares in companies, co-operative societies or other associations of persons, unless the exercise of the rights resulting from such shares is dependent on the ownership of the share certificate (see paragraph (b)). If, in accordance with the legal provisions in force in either of the Contracting States, a fraction of the property owned *pro indiviso* is included in the deceased's estate, it is to be assumed that the property owned *pro indiviso* is also situate in the place of domicile and, failing a domicile, in the place of permanent residence of the deceased.

(b) In the case of cash and securities, the place where they were deposited at the time of the deceased's death shall decide the matter.

(c) In the case of objects and rights in respect of which the authorities keep books or registers in which the names of the persons entitled thereto are entered, the place in which such books or registers are kept shall decide the matter.

Article VI.

1. Debt charges on the property referred to in Article II and debts secured on the same shall be deducted therefrom. Otherwise, debts shall be deducted in the first instance from the property referred to in Article III.

2. The provisions of Article IV, paragraph 2, shall apply by analogy to the present Article.

Article VII.

If, in accordance with the provisions of the present Convention, property is only partly liable to succession duties in each of the two Contracting States, the amount of the duty shall be fixed with sole regard for the property liable thereto in the Contracting State concerned.

Article VIII.

The two Contracting Parties shall afford each other assistance in assessing the duties to which the present Convention relates and in remitting the respective notifications. The two Governments reserve the right to settle the details of the procedure to be applied by means of an exchange of notes.

Article IX.

The foregoing provisions shall apply to all estates opened after the entry into force of the present Convention, and also to estates opened before that date, provided the order for the payment of the succession duties has not yet acquired legal force. These provisions shall be applied by the competent authorities without any further formalities.

Article X.

The present Convention shall not affect the right of each of the two Contracting States to levy succession duties on property which, in accordance with the present Convention, is not liable to succession duties in the other Contracting State, in accordance with its own legislation, and particularly in accordance with the provisions which make the obligation to pay the duty dependent on the person of the acquirer.

Article XI.

Should any doubts arise as to the application of the present Convention in particular cases, they shall be settled by agreement between the supreme financial authorities of the two States. Any disputes which cannot be settled by this means shall be settled in accordance with the general conventions in force between the States of the Little Entente.

Article XII.

The present Convention, done in two originals, shall be ratified and the exchange of the instruments of ratification shall take place as soon as possible at Prague. It shall come into force on the day on which the instruments of ratification are exchanged, and shall remain in force until it is denounced by either of the Contracting Parties on giving six months' notice before the expiration

of the calendar year. Should it be denounced within the prescribed time-limit, the Convention shall cease to take effect on the expiration of the said calendar year in respect of all estates opened after the expiration of the said calendar year.

In faith whereof the Plenipotentiaries of the two Contracting States have signed the present Convention and have thereto affixed their seals.

PRAGUE, *February 24th*, 1936.

(*L. S.*) Dr. S. PREDIĆ, *m. p.*

(*L. S.*) Dr. J. FRIEDMANN, *m. p.*

FINAL PROTOCOL

TO THE CONVENTION FOR THE PREVENTION OF DOUBLE TAXATION IN THE MATTER OF SUCCESSION DUTIES.

The provisions of the present Convention shall not apply to the fixed duty (*droit forfaitaire*) levied in respect of the judicial settlement of the succession and the stamp affixed to the will.

PRAGUE, *February 24th*, 1936.

(*L. S.*) Dr. S. PREDIĆ, *m. p.*

(*L. S.*) Dr. J. FRIEDMANN, *m. p.*
