

No. 2629

**GREECE
and
UNITED STATES OF AMERICA**

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons. Signed at Athens, on 20 February 1950

Protocol. Signed at Athens, on 18 July 1953

Official texts: English and Greek.

Registered by Greece on 10 August 1954.

**GRÈCE
et
ÉTATS-UNIS D'AMÉRIQUE**

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière de droits de succession. Signée à Athènes, le 20 février 1950

Protocole. Signé à Athènes, le 18 juillet 1953

Textes officiels anglais et grec.

Enregistrés par la Grèce le 10 août 1954.

No. 2629. CONVENTION¹ BETWEEN THE KINGDOM OF GREECE AND THE UNITED STATES OF AMERICA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON THE ESTATES OF DECEASED PERSONS. SIGNED AT ATHENS, ON 20 FEBRUARY 1950²

The Government of the Kingdom of Greece and the Government of the United States of America, desiring to conclude a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, have appointed for that purpose as their respective Plenipotentiaries :

The Government of the Kingdom of Greece : His Excellency Panayotis Pipinelis, Minister of Foreign Affairs, and the Government of the United States of America : the Honorable Henry F. Grady, Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece, who having exhibited their respective full powers, found in good and due form, have agreed as follows :

Article I

1. The taxes which are the subject of the present Convention are :

a) In the case of the United States of America : the Federal estate tax, and

b) In the case of Greece : the tax on inheritances.

2. The present Convention is concluded with reference to United States and Greek law in force on the day of its signature. Accordingly, if these laws are appreciably modified, the competent authorities of the two States will consult together for the purpose of adapting the provisions of the present Convention to such changes.

Article II

1. In the present Convention :

a) The term " United States " means the United States of America, and for the application of this Convention, includes the States, the Territories of Alaska and Hawai, and the District of Columbia.

b) The term " Greece " means the territories of the Kingdom of Greece.

¹ Came into force on 30 December 1953, by the exchange of the instruments of ratification at Athens, in accordance with article XII.

² The text of the Convention reproduced herein is the text modified in accordance with the Protocol signed at Athens, on 18 July 1953. See p. 283 of this volume.

c) The term "Tax" means the Greek tax on inheritances or the Federal estate tax of the United States, as the context requires.

d) The term "competent authorities" means, in the case of the United States, the Commissioner of Internal Revenue or his duly authorized representative, and, in the case of Greece, the General Director of Direct Taxes or his duly authorized representative.

2. In the application of the provisions of the present Convention by either of the Contracting States, any term which is not defined in the present Convention shall, unless the context otherwise requires, have the meaning which that term has under the laws of such Contracting State relating to the taxes which are the subject of the present Convention.

Article III

1. Immovable property situated in Greece shall be exempt from the application of the taxes imposed by the United States.

2. Immovable property situated in the United States shall be exempt from the application of the taxes imposed by Greece.

3. The question whether rights relating to or secured by immovable property are to be considered as immovable property for the purposes of the present Convention shall be determined in accordance with the laws of the Contracting State imposing the tax.

Article IV

1. For the purposes of the present Convention, the question whether a decedent was domiciled in the territory of the Contracting States at the time of his death shall be determined in conformity with the laws in force in that territory.

2. In the case of a person domiciled in the territory of one of the Contracting States, the situs of any of the following property or property rights shall, for the purpose of the imposition of the tax and for the purpose of the credit provided for in Article VI, be determined exclusively in accordance with the following rules :

a) Corporeal movable property, except as hereinafter prescribed, as well as bank notes, any other kind of money which is legal tender at the place of issuance, and bearer checks, shall be deemed to be situated where it is physically located at the time of the decedent's death.

b) Ships and aircraft shall be deemed to be situated at the place of documentation or registration of the ship or aircraft.

c) The goodwill of a business firm or the goodwill attached to the practice of one of the liberal professions shall be deemed to be situated where the business is carried on or the profession is practised.

d) Patents, trademarks and designs shall be deemed to be situated at the place where they are registered.

e) Copyrights and rights or licenses to use any copyrighted material, patent, trademark or design shall be deemed to be situated at the place where the rights arising therefrom are exercisable.

f) Shares in a corporation (including shares held by a nominee for the benefit of the decedent) shall be deemed to be situated at the place under the laws of which such corporation was created or organized.

g) Bills of exchange shall be deemed to be situated at the place of the drawee's residence, negotiable promissory notes at the place of residence of the maker, and checks payable to a designated payee at the place of such payee's residence.

h) Claims secured by a mortgage on immovable property or on ships shall be deemed to be situated at the place where, in accordance with the provisions of the present Convention, the immovable property or the ship is deemed to be situated.

i) Bonds, bank deposits, and claims of any other nature, secured or unsecured, and other property not otherwise mentioned herein before, shall be deemed to be situated in the State in which the deceased person was domiciled at the time of his death.

Article V

The Contracting State which imposes tax, in the case of a decedent who, at the time of his death, was not a citizen or subject of such Contracting State and was not domiciled in its territory, but was a citizen or subject of the other contracting State or was domiciled in the territory of such other Contracting State :

a) Shall allow every abatement, exemption, deduction, or credit (except the marital deduction provided by the United States Revenue Act of 1948), which would be applicable under its law if the decedent had been domiciled in its territory, in an amount not less than the proportion thereof which the value of the property, situated according to article IV in such State and subject to the tax of such State, bears to the value of the property which would have been subject to the tax of such State if the decedent had been domiciled in its territory and

b) Shall (except for the purpose of the subparagraph (a) of this article

and for the purpose of any other proportionate allowance otherwise provided) take no account of property situated according to article IV outside its territory in determining the amount or rate of tax.

Article VI

1. The Contracting State imposing tax in the case of a deceased person who, at the time of his death, was domiciled in such State or was a citizen or subject thereof, shall allow against its tax a credit for the amount of the tax imposed by the other Contracting State with respect to property situated in the territory of such other Contracting State and included for tax purposes by both States, but the amount of credit shall not exceed the portion of the tax imposed by the former State which is attributable to such property. No credit shall be allowed under this paragraph for property which is situated or deemed to be situated in both Contracting States.

2. If the decedent is regarded by each of the Contracting States as having been domiciled in its own territory at the time of his death, each State shall allow against its tax a credit for the part of the tax imposed by the other State with respect to property included for tax purposes by both States and situated or deemed to be situated outside both territories. The credit authorized by this paragraph shall be equal to the amount of tax imposed with respect to such property by the State imposing the smaller tax, and shall be divided between the two States in proportion to the amount of tax imposed by each of the two Contracting States with respect to such property.

3. For the purpose of this article, the amount of the tax of each Contracting State attributable to any designated property shall be ascertained after taking into account any applicable abatement, credit, remission, diminution, or increase, as provided by its law, other than any credit authorized by this article.

Article VII

1. Any claim for a credit or a refund of tax founded on the provisions of the present Convention shall be made within a period of five years from the date of the termination of the period during which the return is required to be filed under the applicable law of the respective Contracting States.

2. Any such refund shall be made without payment of interest on the amount so refunded.

Article VIII

The competent authorities of the Contracting States shall exchange such information (being information which such authorities have at their disposal) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of the present Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any person other than those concerned with the assessment and collection of the taxes which are the subject of the present Convention. No information shall be exchanged which would disclose a technical secret or process relating to trade, industry, business, or a profession.

Article IX

(1) In no case the provisions of Article VIII shall be construed so as to impose upon either of the Contracting States the obligation:

(a) To carry out administrative measures at variance with the regulations and practice of either Contracting State, or

(b) To supply information which is not procurable under its own legislation or that of the State making application.

(2) The State to which application is made for information or assistance shall comply as soon as possible with the request addressed to it. Nevertheless, such State may refuse to comply with the request for reasons of public policy or if compliance would involve disclosure of a technical secret or process relating to trade, industry, business, or a profession. In such case, it shall inform, as soon as possible, the State making the application.

Article X

(1) The authorities of each of the Contracting States, in accordance with the practices of that State, may prescribe regulations necessary to carry out the provisions of the present Convention.

(2) With respect to the provisions of the present Convention relating to exchange of information and mutual assistance in the collection of taxes, the Contracting States may, in accordance with their respective practices, prescribe rules concerning matters of procedure, conversion of currency, disposition of amounts collected, minimum amounts subject to collection, and related matters.

Article XI

When the action of the revenue authorities of the Contracting States has resulted or will result in double taxation contrary to the provisions of the present Convention, the taxpayer shall be entitled to lodge a claim with the State of which he is a citizen or subject or, if he is not a citizen or subject of either of the Contracting States, with the State of which he is a resident, or, if the taxpayer is a corporation, with the State in which it is created or organized. Should the claim be upheld, the competent authority of such State shall undertake to come to an agreement with the competent authority of the other State with a view to equitable avoidance of the double taxation in question.

Article XII

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Athens as soon as possible.

(2) The present Convention shall become effective on the day of the exchange of instruments of ratification and shall be applicable solely to estates or inheritances in the case of persons who die on or after that date. It shall continue effective for a period of five years beginning with that date and indefinitely after that period, but may be terminated by either of the Contracting States at the end of that five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

DONE at Athens, in duplicate, in the English and Greek languages, the two texts having equal authenticity, this 20th of February, 1950.

For the Government
of the United States
of America :
Henry F. GRADY
[SEAL]

For the Government
of the Kingdom
of Greece :
Pan. PIPINELIS
[SEAL]

PROTOCOL. SIGNED AT ATHENS, ON 18 JULY 1953

With reference to the convention between the Kingdom of Greece and the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estate of deceased persons, signed in Athens on February 20, 1950, the undersigned, His Excellency Stephanos Stephanopoulos, Minister of Foreign Affairs of Greece, and The Honorable John E. Peurifoy, Ambassador of the United States of America in Greece, being duly authorized thereto by their respective Governments and having considered the fact that the aforesaid convention was approved by the United States Senate subject to the deletion of Article IX thereof, have reached an understanding that Article IX of the aforesaid convention shall be deemed as deleted from the convention and that Articles X and XI which follow shall be deemed as applicable in accordance with the said deletion of Article IX.¹

This Protocol shall be considered to be an integral part of the convention as signed in Athens on February 20, 1950, and shall enter into force on the date on which the Government of the United States of America receives formal notice of the ratification of this Protocol by the Parliament of the Kingdom of Greece.

IN WITNESS WHEREOF, the respective Plenipotentiaries have signed the present Protocol.

DONE at Athens, in duplicate in the Greek and English languages, both texts having equal authenticity, this 18th day of July 1953.

For the Government of the Kingdom of Greece :

S. STEPHANOPOULOS

For the Government of the United States of America :

John E. PEURIFOY

¹ See footnote 2, p. 271 of this volume.