

No. 4179

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**NETHERLANDS  
and  
DENMARK**

**Convention (with Protocol and exchange of letters) for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance with respect to taxes on income and fortune. Signed at Copenhagen, on 20 February 1957**

*Official text of the Convention and Protocol: Dutch and Danish.*

*Official text of the exchange of letters: English.*

*Registered by the Netherlands on 21 February 1958.*

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**PAYS-BAS  
et  
DANEMARK**

**Convention (avec Protocole et échange de lettres) tendant à éviter la double imposition et à établir des règles d'assistance administrative réciproque en matière d'impôts sur le revenu et sur la fortune. Signée à Copenhague, le 20 février 1957**

*Textes officiels de la Convention et du Protocole: néerlandais et danois.*

*Texte officiel de l'échange de lettres: anglais.*

*Enregistrée par les Pays-Bas le 21 février 1958.*

## EXCHANGE OF LETTERS — ÉCHANGE DE LETTRES

[TRADUCTION — TRANSLATION]

I

Copenhagen, February 20, 1957

Monsieur le Ministre,

With reference to the Convention between the Kingdom of the Netherlands and the Kingdom of Denmark for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance with respect to taxes on income and capital, which Convention has been signed today,<sup>1</sup> I suggest, that in connection with Article 23 of the said Convention the following proviso be made :

“It is agreed that the obligation to exchange information does not concern information obtained from banks or from institutions assimilated therewith.”

I would appreciate it if I could receive from Your Excellency the confirmation of the agreement of the Danish Government.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

*(Signed)*

J. A. BEELAERTS VAN BLOKLAND

His Excellency  
Mr. H. C. Hansen  
Prime Minister and Minister  
for Foreign Affairs  
Christiansborg, Copenhagen

I

Copenhague, le 20 février 1957

Monsieur le Ministre,

Me référant à la Convention tendant à éviter la double imposition et à établir des règles d'assistance administrative réciproque en matière d'impôts sur le revenu et sur la fortune que le Royaume des Pays-Bas et le Royaume de Danemark ont conclue ce jour<sup>1</sup>, j'ai l'honneur de proposer que la réserve suivante soit formulée en ce qui concerne l'article 23 de ladite Convention :

« Il est convenu que l'obligation d'échanger des renseignements n'a pas trait aux renseignements obtenus de banques ou d'institutions analogues. »

Je vous serais reconnaissant de me confirmer l'accord du Gouvernement danois à ce sujet.

Veuillez agréer, etc.

*(Signé)*

J. A. BEELAERTS VAN BLOKLAND

A Son Excellence  
Monsieur H. C. Hansen  
Premier Ministre et Ministre  
des affaires étrangères  
Christiansborg, Copenhague

<sup>1</sup> See p. 74 of this volume.<sup>1</sup> Voir p. 75 de ce volume.

## II

UDENRIGSMINISTERIET<sup>1</sup>

Copenhagen, February 20, 1957

Monsieur le Chargé d'Affaires,

I have the honour to acknowledge receipt of your letter of this day, reading as follows :

[See letter I]

I have the honour to inform you that the Danish Government agree with the proviso stated in your above-mentioned letter.

I avail myself of this opportunity to renew to you, Monsieur le Chargé d'Affaires, the assurance of my high consideration.

(Signed) H. C. HANSEN

Jonkheer  
J. A. Beelaerts van Blokland  
Chargé d'Affaires a.i.  
of the Netherlands  
Copenhagen

## II

MINISTÈRE DES AFFAIRES ÉTRANGÈRES

Copenhague, le 20 février 1957

Monsieur le Chargé d'affaires,

J'ai l'honneur d'accuser réception de votre lettre de ce jour ainsi conçue :

[Voir lettre I]

J'ai l'honneur de vous informer que le Gouvernement danois approuve la réserve indiquée dans la lettre susmentionnée.

Veuillez agréer, etc.

(Signé) H. C. HANSEN

Le jonkheer  
J. A. Beelaerts van Blokland  
Chargé d'affaires des Pays-Bas  
Copenhague

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<sup>1</sup> Ministry of Foreign Affairs.

[TRANSLATION — TRADUCTION]

No. 4179. CONVENTION<sup>1</sup> BETWEEN THE KINGDOM OF THE NETHERLANDS AND THE KINGDOM OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE ESTABLISHMENT OF RULES OF RECIPROCAL ADMINISTRATIVE ASSISTANCE WITH RESPECT TO TAXES ON INCOME AND FORTUNE. SIGNED AT COPENHAGEN, ON 20 FEBRUARY 1957

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Her Majesty the Queen of the Netherlands and His Majesty the King of Denmark,

Desiring to avoid double taxation so far as possible and to establish rules of reciprocal administrative assistance with respect to taxes on income and fortune,

Have decided to include a Convention for that purpose,

And have appointed as their plenipotentiaries :

Her Majesty the Queen of the Netherlands :

Jonkheer Johan Anthony Beelaerts van Blokland, Secretary of Embassy, Her Acting Chargé d'Affaires at Cöpenhagen ;

His Majesty the King of Denmark :

Mr. Hans Christian Svane Hansen, His Prime Minister and Minister of Foreign Affairs,

Who, having communicated to each other their full powers, found in good and due form, have agreed on the following provisions :

*Article 1*

1. This Convention shall apply to taxes on income and capital payable to the State or to a province, commune or other political subdivision.

2. The taxes which are the subject of this Convention shall be :

In the case of the Netherlands :

(a) Income tax,

(b) Tax on wages,

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<sup>1</sup> Came into force on 29 January 1958 by the exchange of the instruments of ratification at The Hague, in accordance with article 32.

- (c) Company tax,
- (d) Dividend tax,
- (e) Tax on directors' salaries,
- (f) Fortune tax,

(these are referred to hereinafter as "Netherlands tax").

In the case of Denmark :

- (a) State income tax including the special company tax,
- (b) State fortune tax,
- (c) Communal income tax,

(these are referred to hereinafter as "Danish Tax").

3. This Convention shall also apply to other taxes of a substantially similar character imposed by either State after the signature of this Convention.

4. If any appreciable change takes place in the revenue law of either State, the competent authority of that State shall notify the competent authority of the other State of the change with a view to making such amendments in or giving such interpretation to this Convention as appear to be necessary.

## *Article 2*

1. In this Convention :

(a) The term "Netherlands" means that part of the Kingdom of the Netherlands which is situated in Europe ;

(b) The term "Denmark" means the Kingdom of Denmark excluding the Faroe Islands and Greenland ;

(c) The terms "resident or domiciled in one of the States" and "resident or domiciled in the other State" mean resident or domiciled in the Netherlands, or resident or domiciled in Denmark, as the context requires ; and the terms "resident or domiciled in the Netherlands" and "resident or domiciled in Denmark" mean an individual who is resident or a body corporate which is domiciled in the Netherlands, or an individual who is resident or a body corporate which is domiciled in Denmark, in accordance with the provisions of article 3 of this Convention ;

(d) The term "body corporate" means a company, association or other organization which is taxable as such under the law ;

(e) The terms "enterprise of one of the States" and "enterprise of the other State" mean a Netherlands enterprise or a Danish enterprise, as the context requires; and the term "Netherlands enterprise" means an enterprise carried on by a person

resident or domiciled in the Netherlands, and the term "Danish enterprise" means an enterprise carried on by a person resident or domiciled in Denmark ;

(f) The term "permanent establishment" means a branch, factory, office or other fixed place of business, or a mine, stone quarry or any other place where natural resources are worked. It does not include an agency unless the agent has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of the enterprise for which he is an agent, or has a stock of merchandise from which he regularly fills orders on its behalf.

In this connexion :

- (i) An enterprise of one of the States shall not be deemed to have a permanent establishment in the other State merely because it carries on business dealings in that other State through a *bona fide* broker or agent (commission agent) acting in the ordinary course of his business as such ;
- (ii) The fact that an enterprise of one of the States maintains in the other State a fixed place of business exclusively for the purchase of goods or merchandise shall not of itself constitute that fixed place of business a permanent establishment of the enterprise ;
- (iii) The fact that a body corporate which is domiciled in one of the States has a subsidiary company which is domiciled in the other State or which is engaged in trade or business in that other State (whether through a permanent establishment or otherwise) shall not of itself constitute that subsidiary company a permanent establishment of its parent company ;

(g) The term "competent authority" means, in the case of each State, the Minister of Finance or his authorized representative ;

(h) The term "national" means :

- (i) In relation to the Netherlands :
  - (a) All Netherlands nationals ;
  - (b) All Netherlands subjects domiciled in the Netherlands ; and
  - (c) All bodies corporate whose activities are directed or controlled in any territory of the Kingdom of the Netherlands to which this Convention applies ;
- (ii) In relation to Denmark :

All Danish nationals and all bodies corporate whose activities are directed or controlled in any Danish territory to which this Convention applies ;

(i) The term "State" means the Netherlands or Denmark, and the term "States" means the Netherlands and Denmark.

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

### *Article 3*

1. For the purposes of this Convention, an individual shall be considered to be resident in one of the States if he has a fixed residence in the sense of a permanent dwelling in that State or, not having such a dwelling in either State, if he resides in that State regularly. An individual shall be considered to reside in one of the States regularly if he resides in that State under circumstances which give reason to assume that he does not intend to reside there on a temporary basis only.

2. An individual who lives on board a ship or an aircraft without a fixed residence in either of the States shall be deemed to be resident in the State in which the ship or aircraft is registered.

3. If under paragraph 1 an individual can be regarded as resident in both States, he shall be deemed to be resident in the State with which he has the closer personal and economic ties. If his residence cannot be determined in accordance with the foregoing provision, he shall be deemed to be resident in the State of which he is a national. If he is a national of both States or of neither, the competent authorities shall come to an agreement in each particular case.

4. For the purposes of this Convention, a body corporate shall be considered to be domiciled in the State in which its activities are directed and controlled.

5. The undivided estate of a deceased person shall be deemed to be domiciled in the State in which the deceased was deemed to have been resident at his death.

### *Article 4*

Unless otherwise provided in this Convention, income and fortune shall be taxed only in the State in which the taxpayer is resident or domiciled.

### *Article 5*

Income from immovable property and royalties derived from the working of mines, stone quarries or other natural resources shall be taxed in the State where such property, mines, quarries or resources are situated.

*Article 6*

1. The profits of an enterprise of one of the States shall not be subject to tax in the other State unless the enterprise is engaged in trade or business in the other State through a permanent establishment situated therein. If it is so engaged, tax may be imposed on those profits by the other State, but only on so much of them as is attributable to that permanent establishment.

2. Where an enterprise of one of the States is engaged in trade or business in the other State through a permanent establishment situated therein, there shall be attributed to such permanent establishment the profits which it might be expected to derive in the other State if it were an independent enterprise engaged in the same or similar activities under the same or similar condition and dealing at arms' length with the enterprise of which it is a permanent establishment.

3. Where an enterprise of one of the States derives profits, under contracts concluded in that State, from sales of goods or merchandise stocked in a warehouse in the other State for convenience of delivery and not for display, such profits shall not be attributed to a permanent establishment of the enterprise in that other State, even if the purchase orders are received by an agent in that other State and are transmitted by him to the enterprise for confirmation.

4. No portion of any profits accruing to an enterprise of one of the States shall be attributed to a permanent establishment situated in the other State by reason of the mere purchase of goods or merchandise within that other State by the enterprise.

5. The competent authorities of the two States may by agreement make rules for the apportionment of profits.

*Article 7*

Where —

- (a) An enterprise of one of the States participates directly or indirectly in the management, control or capital of an enterprise of the other State, or
- (b) The same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the States and of an enterprise of the other State, then —

if conditions are made or imposed between the two enterprises in their commercial or financial relations which are different from those which would have been made between two independent enterprises, 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 8*

Notwithstanding the provisions of article 6 of this Convention, profits derived by an enterprise of one of the States from the operation of ships or aircraft shall be exempt from tax in the other State.

*Article 9*

1. Dividends paid by a body corporate domiciled in one of the States to an individual who is resident or a body corporate which is domiciled in the other State shall be taxed only in the latter State.

2. The provisions of paragraph 1 shall not apply if the dividends are attributable to a permanent establishment in the former State belonging to an enterprise of the other State.

3. Where a body corporate domiciled in one of the States receives profits or income from the other State, the latter State may not levy taxes of any kind on dividends paid by the body corporate to individuals not resident or bodies corporate not domiciled in that State nor any tax in the nature of an undistributed-profits tax on the undistributed profits of the body corporate by reason of the fact that the said dividends or undistributed profits consist entirely or partly of profits or income received from that State.

*Article 10*

1. Interest derived from a source in one of the States by an individual who is resident or a body corporate which is domiciled in the other State shall be taxable only in the latter State.

2. The provisions of paragraph 1 shall not apply if the interest is attributable to a permanent establishment in the former State belonging to an enterprise of the other State.

3. The term "interest" as used in this article includes interest on bonds, notes, debentures or any other form of indebtedness.

4. If interest exceeds a fair and reasonable consideration in respect of the debt for which it is paid, the provisions of this article shall apply only to so much of the interest as represents such fair and reasonable consideration.

*Article 11*

1. Any royalty derived from a source in one of the States by an individual who is resident or a body corporate which is domiciled in the other State shall be taxable only in the latter State.

2. The provisions of paragraph 1 shall not apply if the royalty is attributable to a permanent establishment in the former State belonging to an enterprise of the other State.

3. The term "royalty" as used in this article means any royalty or sum paid in consideration of the use of or of the right to the use of a copyright, patent, design, secret process or formula, trade mark or other like property, or of the use of industrial, commercial or scientific equipment or technical aids, and any royalty or sum paid in respect of the right to reproduce, perform or copy any literary, dramatic or musical work or work of art, but the term does not include any royalty of the kind mentioned in article 5.

4. The provisions of paragraphs 1 and 2 of this article shall also apply to any lump-sum amount which, by reason of the sale of any of the rights referred to in this article, is received in one of the States by an individual who is resident or a body corporate which is domiciled in the other State.

5. If a royalty or a lump-sum amount as referred to in paragraph 4 exceeds a fair and reasonable consideration in respect of the rights for which it is paid, the provisions of this article shall apply only to so much of the royalty or lump-sum amount as represents such fair and reasonable consideration.

#### *Article 12*

Remuneration for services performed by a person resident in one of the States in the exercise of a profession shall not be taxable in the other State unless the profession is carried on from a permanent establishment situated in the latter State. If the profession is carried on in the aforesaid manner, the remuneration may be taxed by the latter State, but only in respect of that portion that is attributable to activities carried on from such permanent establishment.

#### *Article 13*

Remuneration for labour or services — other than remuneration derived from the exercise of a profession — performed in one of the States by a person resident in the other State shall be taxable in the former State unless otherwise provided in articles 14 to 18 of this Convention.

#### *Article 14*

A person resident in one of the States shall be exempt from tax in the other State on remuneration for labour or services — other than remuneration derived from the exercise of a profession — performed in that other State, if :

- (a) He is present in the latter State for a period or periods not exceeding in the aggregate 183 days in the tax year, and
- (b) The labour or services are performed for or on behalf of an individual or body corporate not resident or domiciled in the latter State, and
- (c) The remuneration is not as such deducted from the profits of a permanent establishment that is liable to taxation in the latter State.

#### *Article 15*

1. Wages, salaries and similar remuneration, and pensions other than as referred to in paragraph 3 of this article, paid either directly by one of the States or a political subdivision thereof or from a fund or foundation established by one of the States or a political subdivision thereof to an individual shall be taxable in the latter State.

2. The provisions of the preceding paragraph shall not apply to wages, salaries and similar remuneration paid in respect of services performed in connexion with a trade or business carried on by one of the States or a political subdivision thereof for purposes of profit.

3. Private pensions, including pensions paid in respect of the services referred to in paragraph 2 of this article, and life annuities derived from sources in one of the States and paid to persons resident in the other State shall be taxable only in the latter State.

4. The term "pensions" as used in this article means periodic amounts paid in respect of services rendered, or as compensation for injuries sustained, or in respect of old age or disability.

5. The term "life annuities" as used in this article means a fixed sum payable periodically at fixed times for life or for a specified number of years in virtue of an obligation to make the payments in return for adequate and full consideration in money or money's worth.

#### *Article 16*

Remuneration of a director, member of a supervisory board or similar officer of a body corporate domiciled in one of the States shall be taxable in the State in which the body corporate is domiciled.

#### *Article 17*

A person resident in one of the States shall be exempt from tax in the other State in respect of remuneration for services performed on board a vessel or aircraft in international service.

*Article 18*

A professor or teacher resident in one of the States who temporarily resides in the other State for a period not exceeding two years for the purpose of teaching at a university, college, school or other educational establishment in that State shall be deemed to remain resident in the former State and not to be resident in the other State. The remuneration he receives for teaching shall not be taxable in the other State.

*Article 19*

A student or business apprentice from one of the States who is present in the other State exclusively for purposes of study or in order to acquire business or technical experience shall, even if he is a resident of that State, be exempt in that State from tax on remittances received by him from outside the country for the purposes of his maintenance, education or training.

*Article 20*

1. Where under the provisions of this Convention a person resident in the Netherlands is exempt from Danish tax, a similar exemption shall apply to the undivided estate of a deceased person in so far as one or more of the beneficiaries is resident in the Netherlands.

2. For the purposes of article 22, paragraph 2, of this Convention, Danish tax on the undivided estate of a deceased person shall, in so far as the income or capital falls to a beneficiary resident in the Netherlands, be regarded as tax on the income or fortune of such beneficiary.

*Article 21*

In so far as fortune consists of :

- (a) Immovable property ;
- (b) Fortune invested in an enterprise as referred to in article 6 of this Convention ;
- (c) Fortune used in the exercise of a profession,

it shall be taxable in the State where, in accordance with the preceding articles of this Convention, income from immovable property, income from an enterprise as referred to in article 6 of this Convention or income derived from the exercise of a profession is taxable.

*Article 22*

1. Each State may, in levying tax on its residents, include in the basis upon which the tax is computed the items of income and fortune which under the provisions of this Convention are taxable in the other State.

2. Subject to the application of those provisions of the domestic regulations for the avoidance of double taxation which concern the setting-off of losses, the Netherlands shall allow from the tax computed in accordance with paragraph 1 of this article a deduction which bears the same ratio to the amount of that tax as the total income or fortune which under articles 5, 6, 7, 9, paragraph 2, 10, paragraph 2, 11, paragraph 2, 12, 13, 15, 16, 20, paragraph 2, and 21 of this Convention is taxable in Denmark bears to the total income or fortune constituting the basis referred to in paragraph 1 of this article.

3. With a view to the avoidance of double taxation, Denmark shall allow from the tax computed in accordance with paragraph 1 of this article a deduction which bears the same ratio to the amount of that tax as the total income or fortune which under articles 5, 6, 7, 9, paragraph 2, 10, paragraph 2, 11, paragraph 2, 12, 13, 15, 16 and 21 of this Convention is taxable in the Netherlands bears to the total income or fortune constituting the basis referred to in paragraph 1 of this article. The aforesaid deduction may not, however, exceed the taxes on income and fortune payable in the Netherlands.

#### *Article 23*

The competent authorities of the two States shall exchange such information (being information which the tax authorities have in proper order at their disposal) as is necessary carrying out the provisions of this Convention, or preventing fraud, or giving effect to statutory provisions against evasion of the law in respect of the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to persons other than those responsible for the assessment and collection of the taxes which are the subject of this Convention. No information as aforesaid shall be exchanged which would disclose any trade, business, industrial or professional secret or trade process.

#### *Article 24*

1. The two States undertake to lend support and assistance to each other in the collection of the taxes which are the subject of this Convention, together with interest, costs and additions to the taxes and non-penal fines.

2. Where application is made for the recovery of tax, a tax claim of one of the States enforceable in that State shall be recognized as enforceable by the other State, and the tax shall be recovered in that other State in accordance with the law governing the recovery and collection of its own taxes. Such claims shall not enjoy priority in the latter State and shall not be recoverable by imprisonment of the debtor. The State to which application is made shall not be required to enforce executory measures for which there is no provision in the law of the State making the application.

3. Every application shall be accompanied by documents establishing that under the law of the State making the application the claim is enforceable.

4. The assistance provided for in this article shall not be given with respect to nationals of the State to which application is made.

#### *Article 25*

1. In no case shall the provisions of articles 23 and 24 of this Convention be construed so as to impose upon either State the obligation :

- (a) To carry out administrative measures at variance with the regulations and practice of either State ; or
- (b) To supply particulars which are not obtainable under its own legislation or that of the State making the application.

2. The State to which application is made for information or assistance shall comply therewith as soon as possible. Nevertheless, it may refuse to comply with the application for reasons of public policy. In such case it shall forthwith so inform the State making the application.

#### *Article 26*

1. The nationals of one of the States shall not be subjected in the other State to any taxation, or to any obligation connected therewith, which is other, higher or more burdensome than the taxation, or obligations connected therewith, to which under similar circumstances the nationals of the other State are or may be subjected.

2. Enterprises domiciled in one of the States shall not be subjected in the other State, in respect of profits or fortune attributable to their permanent establishments, to any taxation which is other, higher or more burdensome than the taxation to which similar enterprises of the other State are or may be subjected in respect of like profits or fortune.

3. The term "taxation" as used in this article means taxes of any kind, irrespective of how designated, levied by any authority.

#### *Article 27*

Nothing in this Convention shall be construed as limiting in any way whatsoever any exemption, deduction, abatement or other relief granted under the laws of one of the States in connexion with the determination of the taxes levied by that State.

*Article 28*

1. The competent authority of each State may make regulations necessary for giving effect to the provisions of this Convention.

2. With respect to the provisions of this Convention relating to the exchange of information and reciprocal assistance in the collection of taxes, the competent authorities may by common agreement prescribe rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of amounts collected, minimum amounts for the collection of which application may be made, and related matters.

*Article 29*

1. A taxpayer who shows proof that the action of the tax authorities of the two States has resulted or may result in double taxation contrary to the provisions of this Convention may lodge a claim with the State of which he is a national or, if he is not a national of either State, with the State in which he is resident or domiciled. If the claim is considered to be valid, the competent authority of that State shall endeavour to come to an agreement with the competent authority of the other State with a view to equitable avoidance of double taxation.

2. The competent authorities of the two States shall also endeavour to come to an agreement for the purpose of overcoming double taxation in cases not otherwise provided for in this Convention, as well as in cases where the interpretation or application of this Convention gives rise to difficulties or doubts.

*Article 30*

This Convention may be extended, either in its entirety or with modifications, to any part of the Kingdom of the Netherlands outside Europe or to the Faroe Islands or Greenland if the taxes levied in such part of the Kingdom of the Netherlands or in the Faroe Islands or Greenland are substantially similar in nature to those referred to in article 1 of this Convention, and if such part of the Kingdom of the Netherlands or, as the case may be, the Faroe Islands or Greenland so wishes and the Kingdom of Denmark or the Kingdom of the Netherlands, respectively, give its consent thereto. The two States shall come to an agreement on any such extension by means of an exchange of notes. In these notes they shall specify the modifications and conditions (including conditions as to entry into force and termination) subject to which the Convention shall apply.

*Article 31*

The following agreements between the Kingdom of the Netherlands and the Kingdom of Denmark shall not apply in respect of any year or period for which the present Convention is valid :

- (a) The Agreement of 8 November 1930 for the avoidance, in certain cases, of double taxation of shipping profits ;<sup>1</sup>
- (b) The Exchange of Notes of 15 December 1937 and 24 March 1938 constituting an agreement for the avoidance of double taxation of certain income derived from air transport.<sup>2</sup>

*Article 32*

1. This Convention is drawn up in the Dutch and Danish languages, both texts being equally authentic. It shall be ratified, and the instruments of ratification shall be exchanged at The Hague as soon as possible.

2. Upon the exchange of the instruments of ratification, this Convention shall have effect :

(a) In the Netherlands :

As respects income, company and fortune taxes for any tax year beginning after 31 December 1953 ;

As respects income tax deducted at source during the calendar year 1954 and subsequent years ;

(b) In Denmark :

As respects Danish tax for any tax year beginning after 31 March 1955.

*Article 33*

This Convention shall continue in effect for an indefinite period, but either of the States may, on or before 30 June of any calendar year not earlier than the year 1960, give written notice of termination to the other State through the diplomatic channel, and in such event this Convention shall cease to have effect :

(a) In the Netherlands :

As respects income, company and fortune taxes for any tax year beginning after the end of the calendar year in which the notice is given ;

As respects income tax deducted at source during the calendar year beginning after that in which the notice is given ;

<sup>1</sup> League of Nations, *Treaty Series*, Vol. CIX, p. 115.

<sup>2</sup> League of Nations, *Treaty Series*, Vol. CXC, p. 225.



(b) In Denmark :

As respects the tax year beginning after the end of the calendar year next following that in which the notice is given.

IN WITNESS WHEREOF the above-mentioned plenipotentiaries have signed this Convention and have thereto affixed their seals.

DONE at Copenhagen on 20 February 1957.

(Signed) J. A. BEELAERTS VAN BLOKLAND

(Signed) H. C. HANSEN

### PROTOCOL

On signing the Convention concluded this day<sup>1</sup> between the Kingdom of the Netherlands and the Kingdom of Denmark for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance with respect to taxes on income and fortune, the undersigned plenipotentiaries have agreed that the following provisions shall constitute an integral part of the Convention :

#### *Ad article 1*

As respects the Danish tax year running from 1 April 1955 to 31 March 1956, this Convention shall, in addition to the taxes specified in article 1, paragraph 2, apply to :

- (a) Supplementary State income tax ;
- (b) National defence tax ;
- (c) Intercommunal tax on income and fortune.

The notice referred to in article 1, paragraph 4, shall not be a condition for the application of paragraph 3 of the same article.

#### *Ad article 3*

If an individual has permanently transferred his residence from one State to the other, he shall cease to be liable in the former State to taxes levied on the basis of residence as from the end of the calendar month in which the transfer of residence occurred.

Liability for taxes levied on the basis of residence shall not commence in the other State before the beginning of the calendar month next following that in which the transfer of residence has occurred.

<sup>1</sup> See p. 74 of this volume.

*Ad article 26*

Those provisions of the Danish legislation on State tax under which minimum rates of income and fortune tax are prescribed for individuals who although not resident in Denmark have a restricted liability for tax there shall not apply to individuals resident in the Netherlands.

Similarly, bodies corporate which are domiciled in the Netherlands and have a restricted liability for tax in Denmark shall not be subject to the minimum rate of State income tax prescribed for bodies corporate not domiciled in Denmark ; such bodies corporate shall not be liable for fortune tax in Denmark so long as bodies corporate domiciled in Denmark are not so liable.

Furthermore, the provisions of article 26 shall not affect those provisions of the Danish legislation on State tax under which bodies corporate not domiciled in Denmark but having a restricted liability for tax there are assessed for income tax in accordance with the tax scale applicable to individuals.

DONE at Copenhagen on 20 February 1957.

(Signed) J. A. BEELAERTS VAN BLOKLAND

(Signed) H. C. HANSEN

## EXCHANGE OF LETTERS

[See p. 72 of this volume.]