

No. 8193

**FINLAND
and
UNITED ARAB REPUBLIC**

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Cairo, on 1 April 1965

Official text: English.

Registered by Finland on 11 May 1966.

**FINLANDE
et
RÉPUBLIQUE ARABE UNIE**

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu. Signée au Caire, le 1^{er} avril 1965

Texte officiel anglais.

Enregistrée par la Finlande le 11 mai 1966.

No. 8193. CONVENTION¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE UNITED ARAB REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME. SIGNED AT CAIRO, ON 1 APRIL 1965

The Government of the Republic of Finland and the Government of the United Arab Republic,

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows :

CHAPTER I

SCOPE OF THE CONVENTION

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 imposed on behalf of each Contracting State or of its subdivisions or on behalf of a public community, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income, or on all elements of income including taxes on gains from the alienation of movable or immovable property and taxes on the total amounts of wages or salaries paid by enterprises.

3. The existing taxes to which the Convention shall apply are in particular :

¹ Came into force on 2 April 1966, thirty days after the exchange of the instruments of ratification which took place at Helsinki on 3 March 1966, in accordance with article 28.

- a) In the case of Finland :
- 1) State income tax;
 - 2) Communal tax;
 - 3) Sailors' tax;
- (hereinafter referred to as " Finnish tax ")
- b) In the case of the United Arab Republic :
- 1) Tax on income derived from immovable property (including the land tax, the buildings tax and the ghaffir tax);
 - 2) Tax on income from movable capital;
 - 3) Tax on commercial and industrial profits;
 - 4) Tax on wages, salaries, indemnities and pensions;
 - 5) Tax on profits from liberal professions and all other non-commercial professions;
 - 6) General income tax;
 - 7) Defence tax;
 - 8) Supplementary taxes imposed as a percentage of taxes mentioned above or otherwise;
- (hereinafter referred to as " United Arab Republic tax ").

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

5. At the end of each year, the competent authorities of the Contracting States shall notify to each other any significant changes which have been made in their respective taxation laws.

CHAPTER II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires :
- a) The term " Finland " means the Republic of Finland;
 - b) the term " United Arab Republic " means Egypt;
 - c) the terms " a Contracting State " and " the other Contracting State " mean Finland or the United Arab Republic, as the context requires;
 - d) the term " tax " means Finnish tax or United Arab Republic tax, as the context requires;

e) the term “ person ” includes individuals, companies and all other entities which are treated as taxable units under the tax laws in force in either Contracting State;

f) the term “ company ” means any body corporate or any entity which is treated as a body corporate for tax purposes;

g) the terms “ 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;

h) the term “ competent authorities ” means in the case of Finland the Ministry of Finance; and in the case of the United Arab Republic, the Ministry of Treasury.

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

Article 4

FISCAL DOMICILE

1. For the purposes 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.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then this case shall be determined in accordance with the following rules :

a) He shall be deemed to be a 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 has not 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 purposes 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, a quarry, an oilfield or other place of extraction of natural resources;
- g) a farm, a plantation and a warehouse;
- h) 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 paragraph 5 applies—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.

CHAPTER III

TAXATION OF INCOME

Article 6

INCOME FROM IMMOVABLE PROPERTY

1. Income from immovable property 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 land 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 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. The provisions of paragraphs 1 and 3 shall also apply to the 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 establishment 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 wholly independently with the enterprise of which it is a permanent establishment.

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purpose 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.

4. 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 laid down in this Article.

5. 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.

6. For the purposes 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.

7. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of these Articles shall not be affected by the provisions of the present Article.

Article 8

SHIPPING AND AIR TRANSPORT

1. Profits from the operation of ships or 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. The provisions of paragraph 1 shall likewise apply in respect of participations in pools of any kind by Finnish or United Arab Republic enterprises engaged in shipping or air transport.

3. Where profits as referred to in this Article are derived by a company which is a resident of a Contracting State, dividends paid by that company to persons which are not resident in the other Contracting State, shall be exempt from tax in that other State.

Article 9

ASSOCIATED ENTERPRISES

1. 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 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.

2. If the information available to the taxation authority concerned is inadequate to determine, for the purposes of paragraph 1 of this Article, the profits which might be expected to accrue to an enterprise, nothing in that paragraph shall affect the application of the law of either Contracting State in relation to the liability of that enterprise to pay tax on an amount determined by the exercise of a discretion or the making of an estimate by the taxation authority of that State : Provided that such discretion shall be exercised or such estimate shall be made, so far as the information available to the taxation authority permits, in accordance with the principle stated in that paragraph.

Article 10

DIVIDENDS

1. Dividends paid by a company which is a resident of Finland to a resident of the United Arab Republic may be taxed in Finland at a rate not exceeding 10 per cent of the gross amount of the dividend.

2. Dividends paid by a company which is a resident of the United Arab Republic to a resident of Finland may be taxed in the United Arab Republic. But such dividends shall only be subject to the tax on income derived from movable capital, the supplementary taxes and the defence tax (which taxes shall be deducted at the source). Dividends paid shall be deducted from the amount of the distributing company's taxable income or profits subject to the tax chargeable in respect of its industrial and commercial profits if such dividends are distributed out of the taxable profits of the same taxable year and not distributed out of accumulated reserves or other assets. If such dividends are paid to a natural person also the general income tax levied on the net total income may be imposed, provided that such dividends shall not be subject to general income tax at a rate in excess of 20 per cent.

3. Dividends paid by a company which is a resident of Finland whose activities lie solely or mainly in the United Arab Republic, shall in the United Arab Republic be treated as mentioned in paragraph 2 of this Article.

4. Dividends, deemed to be paid out of the yearly profits of a permanent establishment maintained in the United Arab Republic by a Finnish company whose activities extend to countries other than the United Arab Republic, shall in the United Arab Republic be treated as mentioned in paragraph 2 of this Article.

The permanent establishment shall be considered to have distributed as dividends in the United Arab Republic within 60 days from the closing of its financial year an amount equivalent to 90 per cent of its total net profits liable to the tax on industrial and commercial profits without applying the provisions of Article 36 of law 14 of 1939, provided that the remaining 10 per cent of the net profits shall be set aside to form a special reserve which shall be entered in the local balance sheet submitted annually to the United Arab Republic tax authorities. Such amount shall only be subject to the tax on commercial and industrial profits.

All amounts deducted from the aforesaid 10 per cent set aside to form the special reserve for purposes other than the redemption of losses incurred in the trade or business carried on by that permanent establishment situated in the United Arab Republic shall be deemed to have been distributed in the United Arab Republic and shall be taxed accordingly.

5. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends, being a resident of a Contracting State, has in the other Contracting State, of which the company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, Article 7 shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, such other State may not impose any tax on the dividends paid by the company to persons who are not residents of that other State, or subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

7. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other similar 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.

Article 11

INTEREST

1. Interest paid by a resident of Finland to a resident of the United Arab Republic shall be exempt from Finnish tax.

2. Interest paid by a resident of the United Arab Republic to a resident of Finland may be taxed in the United Arab Republic. But such interest shall only be subject to the tax on income derived from movable capital, the supplementary taxes and the defence tax (which taxes shall be deducted at the source). If paid to a natural person also the general income tax levied on the net total income may be imposed, provided that such interest shall not be subject to general income tax at a rate in excess of 15 per cent.

3. The term "interest" as used in this Article means income from Government securities, bonds or debentures, (exclusive of interest on debts secured by mortgages on real estate, in which case Article 6 shall apply) whether or not carrying a right to participate in profits, and 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 paragraphs 1 and 2 shall not apply if the recipient of the interest, being a resident of a Contracting State, has in the other Contracting

State in which the interest arises a permanent establishment with which the debt-claim from which the interest arises is effectively connected. In such a case, Article 7 shall apply.

5. 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 payments shall remain taxable according to the law of each Contracting State.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a subdivision, a public community 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.

Article 12

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in the first-mentioned State at a rate not exceeding 25 per cent of its gross value.

2. The term "royalties" as used in this Article means payments of any kind received as consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, 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.

3. Notwithstanding any provision of this Convention rents and royalties in respect of cinematographic films may continue to be taxed under the laws of the two Contracting States.

4. The provisions of paragraph 1 shall not apply where founders' shares are issued in the United Arab Republic as consideration for the rights mentioned in paragraph 2 of this Article and taxed in accordance with the provisions of

Article 1 of Law 14 of 1939. In such event Article 10 of this Convention shall be applicable.

5. The provisions of paragraph 1 shall not apply if the recipient of the royalties, being a resident of a Contracting State, has in the other Contracting State in which the royalties arise a permanent establishment with which the right or property giving rise to the royalties is effectively connected. In such a case, Article 7 shall apply.

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 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.

7. A royalty shall be deemed to arise in a Contracting State when the payer is that State itself, a subdivision, a public community or a resident of that State. Where, however, the person paying royalty, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment by which the royalty is paid, then such royalty shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

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 employed in 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 a 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 1 of Article 8, 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 or assets other than those mentioned in paragraphs 1 and 2, shall be taxable only in the State where the income arises.

Article 14

INDEPENDENT PERSONAL SERVICES

1. 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 he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities or he is present within that State for a period or periods exceeding in the aggregate 183 days in the fiscal year concerned. If he has such a fixed base or remains in that State for the aforesaid period, the income may be taxed in the other Contracting State but only so much of it as is attributable to that fixed base or the period aforementioned.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, dentists, lawyers, engineers, architects and accountants.

Article 15

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18, 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 the employment 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 aboard 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 16

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 of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 17

ARTISTS AND ATHLETES

Notwithstanding the provision of Articles 14 and 15, 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.

Article 18

PENSIONS

Subject to the provisions of paragraph 1 of Article 19, 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.

Article 19

GOVERNMENTAL AND OTHER PUBLIC FUNCTIONS

1. Remuneration, including pensions (also widows', orphans' and other legal beneficiaries' pensions), paid by, or out of funds created by, a Contracting State, a subdivision or by a public community to any individual in respect of services rendered to that State, subdivision or public community in the discharge of functions of a governmental or other public nature may be taxed in that State.

2. The provisions of paragraph 1 shall *mutatis mutandis* apply to such remuneration and pensions paid in Finland by the Bank of Finland and the National Pension Administration and in the United Arab Republic by the Central Bank, the Post, Railways, Telephone and Telegraph, Radio and Television organizations and by other general organizations engaged in public services of either Contracting State.

3. The provisions of articles 15, 16 and 18 shall apply to remuneration or pensions in respect of services rendered in connection with any trade or business other than those mentioned in paragraph 2 carried on by any of the legal entities mentioned in this article.

Article 20

STUDENTS

A resident of one of the Contracting States, who is temporarily present in the other Contracting State solely :

- a) as a student at a university, college or school in the latter Contracting State,
- b) as a business or technical apprentice, or
- c) as the recipient of a grant, allowance or award for the primary purpose of study or research from a religious, charitable, scientific or educational organization

shall not be taxed in the other Contracting State in respect of remittances from abroad for the purposes of his maintenance, education or training or in respect of a scholarship grant. The same shall apply to any amount representing remuneration for services rendered in that other State, provided that such services are in connection with his studies or training or are necessary for the purpose of his maintenance.

Article 21

PROFESSORS, TEACHERS AND RESEARCHERS

A resident of one of the Contracting States who, at the invitation of a university, college or other establishment for higher education or scientific research in the other Contracting State, visits that other State solely for the purpose of teaching or scientific research at such institution for a period not exceeding two years shall not be taxed in that other State in respect of his remuneration for such teaching or research.

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 the Convention shall be taxable only in the State where the income arises.

CHAPTER IV

METHOD FOR ELIMINATION OF DOUBLE TAXATION

Article 23

EXEMPTION AND CREDIT METHODS

1. Where a person being a resident of a Contracting State derives income from the other Contracting State and that income, in accordance with the provisions of this Convention, may be taxed in that other Contracting State, the first-mentioned State shall, subject to the provisions of paragraph 2, exempt such income from tax but may, in calculating tax on the remaining income of that person, apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

2. Where a person being a resident of a Contracting State derives income from the other Contracting State and that income, in accordance with the provisions of Articles 10, 11, and 12 may be taxed in that other Contracting State, the first-mentioned State shall allow as a deduction from the tax on the income of that person an amount equal to the tax paid in that other Contracting State. 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 that other Contracting State.

CHAPTER V

SPECIAL PROVISIONS

Article 24

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

2. The term “nationals” means:

a) all individuals possessing the nationality of a Contracting State;

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

3. The taxation on a permanent establishment which an enterprise 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 of that other State carrying on the same activities.

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

4. 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 Contracting 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.

5. The provisions of this Article shall not be construed as affecting the application in the United Arab Republic of Article 11 paragraphs 1 and 2 and Article 11 *bis* of law 14 of 1939 and the exemptions conferred in the United Arab Republic by Articles 5 and 6 of law 14 of 1939.

6. In this Article the term “taxation” means taxes of every kind and description.

Article 25

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 those 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 the avoidance of taxation not in accordance with the Convention.

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 preceding 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 26

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention in so far 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 other than those concerned with the assessment, including judicial determination, or collection of the taxes which are the subject of this 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 27

DIPLOMATIC AND CONSULAR PRIVILEGES

Nothing in the present 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.

CHAPTER VI
FINAL PROVISIONS

Article 28

ENTRY INTO FORCE

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Helsinki as soon as possible.

2. This Convention shall enter into force thirty days after the exchange of the instruments of ratification and shall for the first time have effect :

a) In Finland :

to the income acquired during the calendar year in which this Convention comes into force or during any financial year closed on or after the date of entry into force of this Convention.

b) In the United Arab Republic :

1) as respects tax on income from movable capital and tax on wages, salaries, indemnities and pensions, which taxes are due on or after the date of entry into force of this Convention;

2) as respects tax on commercial and industrial profits for any period ending on or after the date of entry into force of this Convention;

3) as respects tax on income derived from immovable property, tax on liberal professions and all other non-commercial professions and the general income tax for the calendar year in which this Convention is in force.

The rules in subparagraph *b)* shall be correspondingly applicable respectively to the defence tax and to the supplementary taxes.

Article 29

TERMINATION

The present Convention shall remain in force until denounced by a Contracting State. Either Contracting State may denounce the Convention, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the year 1970. In such event, the Convention shall cease to have effect :

a) In Finland :

to the income acquired in the calendar year next following that in which the notice is given or to any financial year closed on or after the 1st day of January in the calendar year next following that in which the notice is given.

b) In the United Arab Republic :

1) as respects tax on income from movable capital and tax on wages, salaries, indemnities and pensions, which taxes are due on or after the 1st day of July in the calendar year next following that in which the notice is given;

2) as respects tax on commercial and industrial profits for any period ending on or after the 1st day of July in the calendar year next following that in which the notice is given;

3) as respects tax on income derived from immovable property, tax on liberal professions and all other non-commercial professions and the general income tax for the calendar year next following that in which the notice is given.

The rules in subparagraph *b*) shall be correspondingly applicable respectively to the defence tax and to the supplementary taxes.

DONE at Cairo, this first day of April, 1965, in duplicate in the English language.

For the Government of the Republic of Finland :

Osmo ORKOMIES

For the Government of the United Arab Republic :

A. H. RAAFAT
