

**No. 9201**

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**DENMARK  
and  
ITALY**

**Convention for the avoidance of double taxation with respect to duties on the estates of deceased persons. Signed at Copenhagen, on 10 March 1966**

*Official texts: Danish, Italian and English.*

*Registered by Denmark on 29 August 1968.*

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**DANEMARK  
et  
ITALIE**

**Convention tendant à éviter la double imposition en matière d'impôts sur les successions. Signé à Copenhague, le 10 mars 1966**

*Textes officiels danois, italien et anglais.*

*Enregistrée par le Danemark le 29 août 1968.*

No. 9201. CONVENTION<sup>1</sup> BETWEEN DENMARK AND ITALY FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO DUTIES ON THE ESTATES OF DECEASED PERSONS. SIGNED AT COPENHAGEN, ON 10 MARCH 1966

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The Government of the Kingdom of Denmark and the Government of Italy, desiring to conclude a Convention for the avoidance of double taxation with respect to duties on the estates of deceased persons, have agreed as follows :

*Article I*

This Convention refers to duties applicable to the estates of deceased Italian and Danish nationals.

*Article II*

1. This Convention shall be applicable to the following duties :
  - a) in Italy : the succession duty (*imposta di successione*) and the estate duty (*imposta sul valore globale netto dell'asse ereditario*);
  - b) in Denmark : the succession duty (*arveafgiften*).
2. This Convention shall also apply to any identical or substantially similar duties which are subsequently imposed in addition to, or in place of the existing duties.

*Article III*

1. Immovable property situated in one of the Contracting States shall be subject to duty only in the State, in which such property is situated.
2. The term "immovable property" shall be defined in accordance with the laws 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 of agricultural and forestry enterprises, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

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<sup>1</sup> Came into force on 9 July 1968, by the exchange of the instruments of ratification, which took place at Rome, in accordance with article XI.

*Article IV*

1. Movable property forming part of the business property employed in a permanent establishment situated in one of the Contracting States shall be subject to duty only in the State in which such permanent establishment is situated.

2. The term “ permanent establishment ” means a fixed place of business in which the business of the deceased person was wholly or partly carried on.

3. A 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, quarry or other place of extraction of natural resources;

(g) a building site or construction or assembly project which exists for more than twelve months.

4. 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.

*Article V*

1. Property not mentioned in the Articles III and IV is subject to duty in the Contracting State in which the deceased person had his domicile at the date of his death.

2. For the purposes of this Convention, the term “ domicile ” shall be defined in accordance with the laws of each of the Contracting States.

3. Where by reason of the provisions of the preceding paragraph a deceased person had his domicile in both Contracting States, then this case shall be solved in accordance with the following rules :

a) He shall be deemed to have had his domicile in the Contracting State in which he had a permanent home available to him. If he had a permanent home available to him in both Contracting States, he shall be deemed to have had his domicile in the Contracting State with which his personal and economic relations were closest (centre of vital interests);

b) If the Contracting State in which he had his centre of vital interests cannot be determined, or if he had not a permanent home available to him in either Contracting State, he shall be deemed to have had his domicile in the Contracting State in which he had an habitual abode;

c) If he had an habitual abode in both Contracting States or in neither of them, he shall be deemed to have had his domicile in the Contracting State of which he was a national;

d) If he was a national of both Contracting States the competent authorities of the Contracting States shall determine the question by mutual agreement.

#### *Article VI*

1. Debts on property mentioned in the Articles III and IV of this Convention, or which are secured by such property, shall be deducted in the Contracting State in which the property is subject to duty from the value of the said property, or from the value of any other property that this Contracting State has the right to tax. Any other debt shall be deducted from the property subject to duty in the Contracting State in which the deceased person was domiciled at the date of his death.

2. Where the debts deductible in one of the States under the provisions of the first paragraph exceed the value of all the assets on which the said State has the right to levy duty, the amount of debt in excess shall be deducted from assets subject to duty in the other State.

#### *Article VII*

1. Notwithstanding anything contained in this Convention each Contracting State may in calculating duty on the parts of an estate or a succession, on which the State has a right to impose a duty, apply the rate of duty which would have been applicable if all the properties forming the estate or the succession were subject to duty in its territory.

2. The provisions of the preceding paragraph shall not be applied in the Contracting States as long as these provisions cannot be applied in one of the States by reason of its laws.

*Article VIII*

Nothing in this 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.

*Article IX*

1. If it can be shown that the actions of one or both of the actions of one or both of the Contracting States result or will result in taxation not in accordance with this Convention any person so affected may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authorities of the Contracting State in which he has his domicile. The claim must be lodged within three years from the end of the calendar year in which the double taxation came to the notice of the person liable to duty.

2. The competent authorities shall endeavour, if the objection appears to them to be justified and if they are not themselves able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authorities of the other Contracting State, with a view to the avoidance of taxation not in accordance with this 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 this Convention. They may also consult together for the elimination of double taxation in cases not provided for in this 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 X*

1. This Convention shall not, in respect of Denmark, apply to the Faroe Islands or Greenland.

2. This Convention may be extended, either in its entirety or with modifications, to the territories of the Faroe Islands and Greenland if in these territories there are imposed duties substantially similar in character to those which are the subject of this Convention. The extension of the Convention and the modifications thereto shall be specified and agreed between the Contracting States in notes to be exchanged for this purpose.

3. The termination of this Convention under Article XII shall, unless otherwise expressly agreed by both Contracting States, terminate the application of this Convention to any territory to which the Convention has been extended under this Article.

*Article XI*

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

2. This Convention shall enter into force from the date of the exchange of instruments of ratification and shall apply in respect of the estate of any person dying, whether testate or intestate, on or after that date.

*Article XII*

This Convention shall remain in force until denounced by one of the Contracting States. Either Contracting State may denounce the Convention, through diplomatic channels, not earlier than five years after its entry into force by giving notice of termination at least six months before the end of the calendar year. Where due notice is given, the Convention shall cease to be effective at the end of the calendar year but shall continue to apply in respect of the estate of any person dying, whether testate or intestate, before the end of the year.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed the present Convention.

DONE in duplicate at Copenhagen, this 10th March, 1966, in the Danish, Italian and English languages, all texts being equally authentic, except in the case of doubt when the English text shall prevail.

For the Government of the Kingdom of Denmark :

Per HÆKKERUP

For the Government of the Italian Republic :

LUCIANO CONTI

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