

No. 9717

**JAPAN
and
NORWAY**

Convention for the avoidance of double taxation with respect to taxes on income (with protocol and exchange of notes). Signed at Oslo on 11 May 1967

Authentic text: English.

Registered by Japan on 16 July 1969.

**JAPON
et
NORVÈGE**

Convention tendant à éviter la double imposition en matière d'impôts sur le revenu (avec protocole et échange de notes). Signée à Oslo le 11 mai 1967

Texte authentique: anglais.

Enregistrée par le Japon le 16 juillet 1969.

CONVENTION¹ BETWEEN JAPAN AND THE KINGDOM
OF NORWAY FOR THE AVOIDANCE OF DOUBLE
TAXATION WITH RESPECT TO TAXES ON INCOME

Japan and the Kingdom of Norway,
Desiring to conclude a Convention for the avoidance of double taxation
with respect to taxes on income,
Have agreed as follows :

Article 1

This Convention shall apply to persons who are residents of one or
both of the Contracting States.

Article 2

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

(a) In Japan :

the income tax ;
the corporation tax ; and
the local inhabitant taxes
(hereinafter referred to as " Japanese tax ").

(b) In Norway :

the national income tax ;
the national tax equalization dues on income ;
the national tax in aid of developing countries ;
the national dues on the salaries of foreign artistes ;
the municipal income tax ;
the tax on dependent children's earnings ; and
the seamen's tax
(hereinafter referred to as " Norwegian tax ").

2. This Convention shall also apply to any other taxes of a character
substantially similar to those referred to in the preceding paragraph and
introduced in either Contracting State after the date of signature of this
Convention.

¹ Came into force on 25 October 1968, the thirtieth day after the date of the exchange of the instruments of ratification, which took place at Tokyo on 25 September 1968, in accordance with article 28 (2).

3. The provisions of this Convention in respect of taxation of income or profits shall likewise apply to the Japanese local inhabitant taxes computed on a basis other than income or profits.

Article 3

1. In this Convention unless the context otherwise requires :

- (a) the term “ Japan ”, when used in a geographical sense, means all the territory in which the laws relating to Japanese tax are in force ;
- (b) the term “ Norway ”, when used in a geographical sense, means all the territory in which the laws relating to Norwegian tax are in force ; the term does not, however, comprise Svalbard (Spitzbergen), Jan Mayen and the Norwegian dependencies outside Europe ;
- (c) the terms “ a Contracting State ” and “ the other Contracting State ” mean Japan or Norway as the context requires ;
- (d) the term “ tax ” means Japanese tax or Norwegian tax, as the context requires ;
- (e) the term “ person ” includes a company and any other body of persons ;
- (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 authority ” means, in the case of Japan, the Minister of Finance or his authorized representative, and, in the case of Norway, the Minister of Finance and Customs or his authorized representative.

2. As regards the application of this Convention in a Contracting State any term not otherwise defined in this Convention shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes to which this Convention applies.

Article 4

1. For the purposes of this Convention, the term “ resident of a Contracting State ” means any person who, under the law of that Contracting State, is liable to taxation therein by reason of his domicile, residence, place

of head or main office, 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 the competent authorities shall determine by mutual agreement the Contracting State of which that individual shall be deemed to be a resident for the purposes of this Convention.

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 head or main office is situated.

Article 5

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, 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.

3. An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if

(a) it carries on supervisory activities in that other Contracting State for more than twelve months in connection with a building site or construction or assembly project which is being undertaken in that other Contracting State;

(b) it carries on a business which consists of providing in that other Contracting State such services of public entertainers referred to in Article 17 as are rendered on behalf of that enterprise.

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.

5. 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 6 applies — shall be deemed to be a permanent establishment in the first-mentioned Contracting State if

- (a) he has, and habitually exercises in that first-mentioned Contracting 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, or
- (b) he maintains in that first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise.

6. 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 Contracting 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.

7. 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 Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute for either company a permanent establishment of the other.

Article 6

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 immovable 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. Interest on debts, connected with immovable property which a resident of a Contracting State has in the other Contracting State is, for the computation of net income of that resident, deductible therein on the same conditions as it is for residents of that other Contracting State.

5. The provisions of paragraphs 1, 3 and 4 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

1. The profits of an enterprise of a Contracting State shall be taxable only in that Contracting 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 Contracting 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 purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the Contracting 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 those Articles shall not be affected by the provisions of this Article.

Article 8

1. Subject to the provisions of paragraph 3, profits from the operation of ships or aircraft in international traffic carried on by an enterprise of a Contracting State shall be taxable only in that Contracting State.

2. The provisions of paragraph 1 shall likewise apply to profits derived from the operation of vessels engaged in fishing, whaling or sealing activities on the high seas.

3. Where an enterprise consisting of two or more partners and deriving its status from the laws of a Contracting State is, for the purpose of taxation of that Contracting State, not treated as a taxable unit as such, but its partners are to be taxed individually, profits as mentioned in paragraphs 1 and 2 shall be taxable in the other Contracting State only in proportion to the share held by such partners resident in that other Contracting State.

4. In respect of the operation of ships or aircraft in international traffic carried on by an enterprise which is a resident of Norway, that enterprise shall be exempt from the enterprise tax in Japan, and in respect of the operation of ships or aircraft in international traffic carried on by an enterprise which is a resident of Japan, that enterprise shall be exempt from the capital taxes in Norway.

Article 9

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.

Article 10

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that Contracting State, but the tax so charged shall not exceed :

- (a) 10 per cent of the gross amount of the dividends if the recipient is a company which owns at least 50 per cent of the voting shares of the company paying such dividends during the period of twelve months immediately before the end of the accounting period for which the distribution of profits takes place ;
- (b) in all other cases, 15 per cent of the gross amount of the dividends.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term "dividends" as used in this Article means income from shares or other 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 Contracting State of which the company making the distribution is a resident.

4. 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, the provisions of Article 7 shall apply.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting State may not impose any tax on the dividends paid by the company to persons who are not residents of that other Contracting 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 that other Contracting State.

Article 11

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such interest may be taxed in the Contracting State in which it arises, and according to the law of that Contracting State, but the tax so charged shall not exceed 10 per cent of the gross amount of the interest.

3. The term "interest" as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and 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 Contracting 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, the provisions of Article 7 shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a local authority or a resident of that Contracting 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.

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 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, due regard being had to the other provisions of this Convention.

Article 12

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such royalties may be taxed in the Contracting State in which they arise, and according to the law of that Contracting State, but the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, 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, as well as receipts from a bare boat charter of ships or aircraft.

4. The provisions of paragraphs 1 and 2 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, the provisions of Article 7 shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a local authority or a resident of that Contracting State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. The provisions of paragraphs 1, 2 and 5 of this Article shall likewise apply to proceeds arising from the alienation of any copyright of literary,

artistic or scientific work including cinematograph films, any patent, trade mark, design or models, plan, or secret formula or process, except when the provisions of paragraph 2 of Article 13 are applicable to the gains to be derived from such proceeds.

7. 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 payment shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

Article 13

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 any property (other than immovable property) forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of any property (other than immovable 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 that other Contracting State. However, gains derived by a resident of a Contracting State from the alienation of ships or aircraft operated in international traffic as well as vessels operated in fishing, whaling or sealing activities on the high seas and any property (other than immovable property) pertaining to the operation of such ships, aircraft or vessels shall be exempt from tax of the other Contracting State.

3. Unless the provisions of paragraph 2 are applicable :

- (a) Gains derived by a resident of a Contracting State from the alienation of shares of a company being a resident of the other Contracting State may be taxed in that other Contracting State, if
 - (i) shares held or owned by the alienator (together with such shares held or owned by any other related persons as may be aggregated therewith) amount to at least 25 per cent of the entire share

- capital of such company at any time during the taxable year, and
- (ii) the total of the shares alienated by the alienator and such related persons during that taxable year amounts to at least 5 per cent of the entire share capital of such company.
- (b) Gains derived by a resident of a Contracting State from the alienation of personal property in the other Contracting State during his stay in that other Contracting State may be taxed in that other Contracting State.
4. Gains derived by a resident of a Contracting State from the alienation of any property other than those mentioned in the provisions of paragraph 6 of Article 12 and preceding paragraphs of this Article shall be exempt from tax of the other Contracting State.

Article 14

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 Contracting State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other Contracting State but only so much of it as is attributable to that fixed base.

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

Article 15

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 Contracting 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 Contracting 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 Contracting State, if

- (a) the recipient is present in that other Contracting State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned, and

- (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of that other Contracting State, and
- (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in that other Contracting State.

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State may be taxed in that Contracting State.

The provisions of this paragraph shall likewise apply to remuneration in respect of an employment exercised aboard a fishing, whaling or sealing vessel operated on the high seas, including remuneration paid in the form of a certain lay or share of the proceeds of the fishing, whaling or sealing activity.

Article 16

Remuneration 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 Contracting State.

Article 17

Notwithstanding the provisions of Articles 14 and 15, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, 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

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 Contracting State.

Article 19

1. Remuneration, including pensions, paid by, or out of funds to which contributions are made by, a Contracting State or a local authority thereof to any individual in respect of services rendered to that Contracting State or a local authority thereof in the discharge of functions of a governmental nature may be taxed in that Contracting State. Such remuneration shall be taxable only in that Contracting State if the recipient is a national of that Contracting State.

2. The provisions of Articles 15, 16, 17 and 18 shall apply to remuneration or pensions in respect of services rendered in connection with any business carried on by a Contracting State or a local authority thereof for the purpose of profits.

3. The application of the provisions of this Article shall not be limited by the provisions of Article 1.

Article 20

A professor or teacher who makes a temporary visit to a Contracting State for a period not exceeding two years for the purpose of teaching or conducting research at a university, college, school or other educational institution, and who is, or immediately before such visit was, a resident of the other Contracting State shall be taxable only in that other Contracting State in respect of remuneration for such teaching or research.

Article 21

Payments received for the purpose of his maintenance, education or training by a student or business apprentice who is present in a Contracting State solely for the purpose of his education or training and who is, or immediately before being so present was, a resident of the other Contracting State shall be exempt from tax of the first-mentioned Contracting State, provided that such payments are made to him from outside that first-mentioned Contracting State.

Article 22

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in that Contracting State.

Article 23

1. (a) Japan, in determining its tax on a resident of Japan, may, notwithstanding any other provisions of this Convention, include in the basis upon which that tax is imposed all items of income taxable under the law of Japan. The foregoing provisions shall not be construed to deny the application of the provisions of paragraph 1 of Article 19 and Articles 20 and 21.

(b) Where a resident of Japan derives income from Norway and that income, in accordance with the provisions of this Convention, may be taxed

in Norway, an amount equal to the Norwegian tax payable shall be allowed as a deduction from the Japanese tax on the income of that person subject to the provisions of the law of Japan. The deduction shall not, however, exceed that part of the Japanese tax, as computed before the deduction is given, which is appropriate to the income derived from Norway.

2. (a) Where a resident of Norway derives income from Japan and that income, in accordance with the provisions of this Convention, may be taxed in Japan, Norway shall, subject to the provisions of sub-paragraph (b), exempt such income from tax, provided that such provisions shall, in respect of remuneration referred to in Article 16, apply only if such remuneration is taxable in Japan. The Norwegian taxes, however, may be computed on the income taxable in Norway according to this Convention at the rate determined by reference to the total income taxable pursuant to the Norwegian tax legislation.

(b) Where a resident of Norway derives income from Japan and that income, in accordance with the provisions of Articles 10, 11 and 12 may be taxed in Japan, Norway may include such income in the basis upon which its tax is imposed but shall allow as a deduction from the tax on the income of that person an amount equal to the tax paid in Japan. Such deduction shall not, however, exceed that part of the Norwegian tax, as computed before the deduction is given, which is appropriate to the income derived from Japan.

Article 24

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 Contracting State in the same circumstances are or may be subjected.

2. The term "nationals" means:

(a) In respect of Japan:

all individuals possessing the nationality of Japan and all juridical persons created or organized under the law of Japan and all organizations without juridical personality treated for the purpose of Japanese tax as juridical persons created or organized under the law of Japan;

(b) In respect of Norway:

all individuals possessing the nationality of Norway and all legal persons, partnerships and associations deriving their status as such from the law in force in Norway.

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 Contracting State than the taxation levied on enterprises of that other Contracting 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 Contracting State are or may be subjected.

5. In this Article the term "taxation" means taxes of every kind and description.

6. The application of the provisions of this Article shall not be limited by the provisions of Article 1.

Article 25

1. Where a resident of a Contracting State considers that the actions taken in the other Contracting State result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the laws of those Contracting 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 that 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 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 directly with each other for the purposes of giving effect to the provisions of this Article.

Article 26

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of 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 or collection of the taxes to which this Convention applies.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State 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.

Article 27

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 28

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

2. This Convention shall enter into force on the thirtieth day after the date of the exchange of instruments of ratification and shall be applicable :

- (a) In Japan :
as respects income for any taxable year beginning on or after the first day of January in the calendar year in which this Convention enters into force ;
- (b) In Norway :
as respects income pertaining to the calendar year in which this Convention enters into force (including any accounting period beginning in the course of that year) and subsequently.

3. The Convention between Japan and Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Tokyo on February 21, 1959¹ shall terminate and cease to be applicable in respect of income to which this Convention applies.

Article 29

Either Contracting State may terminate this Convention after a period of five years from the date on which this Convention enters into force by giving to the other Contracting State, through the diplomatic channels written notice of termination, provided that any such notice shall be given only on or before the thirtieth day of June in any calendar year, and, in such event, this Convention shall cease to be applicable :

(a) In Japan :

as respects income for any taxable year beginning on or after the first day of January in the calendar year next following that in which the notice is given ;

(b) In Norway :

as respects income pertaining to the calendar year next following that in which the notice is given (including any accounting period beginning in the course of the said year).

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Convention.

DONE in duplicate at Oslo on May 11, 1967 in the English language.

For Japan :
Takashi FUKUDA

For the Kingdom of Norway :
John LYNG

PROTOCOL

At the signing of the Convention between Japan and the Kingdom of Norway for the Avoidance of Double Taxation with respect to Taxes on Income, the undersigned have agreed upon the following provisions which shall form an integral part of the said Convention :

¹ United Nations, *Treaty Series*, Vol. 356, p. 231.

Without prejudice to the position of the Government of Japan concerning the status in international law of continental shelf, the Government of Japan agrees that the profits of an enterprise which is a resident of Japan and carries on exploitation of petroleum resources through a fixed place of extraction in the submarine areas mentioned in the Act of the Kingdom of Norway of 21st June, 1963 relating to exploration and exploitation of submarine natural resources, shall be taxable in Norway, and that, for the purposes of the said Convention, the fixed place of extraction shall be regarded as a permanent establishment situated in Norway of an enterprise which is a resident of Japan.

DONE at Oslo in duplicate in the English language on May 11, 1967.

For Japan :
Takashi FUKUDA

For the Kingdom of Norway :
John LYNG

EXCHANGE OF NOTES

I

(Norwegian Note)

Oslo, May 11, 1967

Monsieur le Chargé d'Affaires,

I have the honour to refer to the Convention between the Kingdom of Norway and Japan for the Avoidance of Double Taxation with respect to Taxes on Income which was signed today, and to inform you of the following understanding of the Royal Norwegian Government.

1. With reference to the joint Norwegian, Danish and Swedish air traffic operating organization Scandinavian Airlines System (SAS) ;

The provisions of Article 8 shall be applied to profits derived from the operation of aircraft by that organization, but only to so much of the profits so derived as is allocable to the Norwegian partner of the organization in proportion to its share in that organization.

2. With reference to Article 16 ;

The term " a member of the board of directors of a company " is understood to include, in the case of Norway, a member of the " representantskap ".

I should be appreciative if you would confirm on behalf of your Government that this is also the understanding of the Government of Japan.

Please accept, Sir, the assurance of my high consideration.

John LYNG

Monsieur Takashi Fukuda
Chargé d'Affaires a.i.
Embassy of Japan
Oslo

II

(Japanese Note)

Oslo, May 11, 1967

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows :

[See note I]

I have further the honour to confirm on behalf of my Government that the foregoing is also the understanding of the Government of Japan.

I have the honour to be, With the highest consideration, Your Excellency's obedient Servant.

Takashi FUKUDA

His Excellency M. John Lyng
Minister for Foreign Affairs of Norway
Oslo

III

(Japanese Note)

Oslo, May 11, 1967

Your Excellency,

I have the honour to refer to the Convention between Japan and the Kingdom of Norway for the Avoidance of Double Taxation with respect to Taxes on Income which was signed today, and to inform Your Excellency of the following understanding of the Government of Japan.

The arrangements effected by the exchange of Notes at Tokyo on December 23, 1931¹ providing for relief from double taxation on shipping profits shall, on the entry into force of the said Convention, cease to have effect as from the dates from which the provisions of the said Convention have effect.

I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Royal Norwegian Government.

I have the honour to be, With the highest consideration, Your Excellency's obedient Servant.

Takashi FUKUDA

His Excellency M. John Lyng
The Minister for Foreign Affairs of Norway
Oslo

IV

(Norwegian Note)

Oslo, May 11, 1967

Monsieur le Chargé d'Affaires,

I have the honour to acknowledge the receipt of your Note of today's date which reads as follows :

[See note III]

I have further the honour to confirm on behalf of my Government that the foregoing is also the understanding of the Royal Norwegian Government.

Please accept, Sir, the assurance of my high consideration.

John LYNG

Monsieur Takashi Fukuda
Chargé d'Affaires a.i.
Embassy of Japan
Oslo

¹ League of Nations, *Treaty Series*, Vol. CXXVII, p. 21.