

**No. 10602**

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**NORWAY  
and  
BRAZIL**

**Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital. Signed at Rio de Janeiro on 20 October 1967**

*Authentic texts: Norwegian, Portuguese and English.*

*Registered by Norway on 27 July 1970.*

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**NORVÈGE  
et  
BRÉSIL**

**Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et d'impôts sur la fortune. Signée à Rio de Janeiro le 20 octobre 1967**

*Textes authentiques: norvégien, portugais et anglais.*

*Enregistrée par la Norvège le 27 juillet 1970.*

CONVENTION<sup>1</sup> BETWEEN THE GOVERNMENT OF THE  
KINGDOM OF NORWAY AND THE GOVERNMENT OF  
THE REPUBLIC OF BRAZIL FOR THE AVOIDANCE OF  
DOUBLE TAXATION AND THE PREVENTION OF FISCAL  
EVASION WITH RESPECT TO TAXES ON INCOME AND  
CAPITAL

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His Majesty the King of Norway and

The President of the Republic of Brazil,

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

Have appointed for that purpose as their respective Plenipotentiaries :

His Majesty the King of Norway :

His Excellency Sven Brun Ebbell, Ambassador Extraordinary and Plenipotentiary of the Kingdom of Norway in Brazil;

The President of the Republic of Brazil :

Congressman José de Magalhães Pinto, Minister of External Relations and the Honourable Antonio Delfim Netto, Minister of Finances,

Who, having communicated to one another their full powers, found in good and due form,

Have agreed upon the following Articles :

Chapter I

SCOPE OF THE CONVENTION

*Article I*

PERSONAL SCOPE

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

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<sup>1</sup> Came into force on 17 December 1969 by the exchange of the instruments of ratification, which took place at Oslo, in accordance with article XXXI (2).

*Article II*

## TAXES COVERED

(1) The existing taxes to which the Convention shall apply, are in particular :

(a) In the case of Brazil :

all taxes covered by the Federal Income Tax Law applicable to individual taxpayers and legal persons which may result from the application of Brazilian Income Tax regulations, except for the tax imposed under Article 295 (Tax on activities of minor importance) and Article 299 (Excess Tax regulations), consolidated by Decree No. 58,400 of 10th May, 1966;

(b) In the case of Norway :

- (1) national income tax;
- (2) national tax-equalization dues;
- (3) national tax in aid of developing countries;
- (4) national dues on the salaries of foreign artistes;
- (5) national capital tax;
- (6) municipal income tax;
- (7) municipal capital tax;
- (8) seamen's tax;
- (9) tax on dependent children's earnings.

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

## Chapter II

## DEFINITIONS

*Article III*

## GENERAL DEFINITIONS

(1) In this Convention, unless the context otherwise requires :

- (a) the term "Brazil" means the Republic of Brazil;
- (b) the term "Norway" means the Kingdom of Norway, including any area adjacent to the territorial waters of the Kingdom of Norway which has been designated under the laws of the Kingdom of Norway concerning the Continental Shelf, as an area within which the rights of the Kingdom of Norway with respect to the sea bed and sub-soil and their natural resources

may be exercised, the term does not comprise Svalbard (Spitzbergen), Jan Mayen and the Norwegian dependencies outside Europe;

- (c) the term “tax” means “Brazilian tax” or “Norwegian tax”, as the context requires;
- (d) the term “person” comprises an individual, a legal person, including a company, and other body of persons;
- (e) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes in the Contracting State of which it is a resident;
- (f) the term “Brazilian enterprise” means an industrial or commercial enterprise or undertaking carried on by a resident of Brazil; the term “Norwegian enterprise” means an industrial or commercial enterprise or undertaking carried on by a resident of Norway, and the terms “enterprise of one of the Contracting States” and “enterprise of the other Contracting State” mean a Brazilian enterprise or a Norwegian enterprise as the context requires;
- (g) the term “competent authorities” means in the case of Brazil, 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 the 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 of that Contracting State relating to the taxes which are the subject of the Convention.

#### *Article IV*

##### FISCAL DOMICILE

(1) For the purpose of this Convention, the term “resident of one of the Contracting States” 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 V*

#### PERMANENT ESTABLISHMENT

(1) The term “permanent establishment” means a fixed place of business through which a resident or a company of one of the Contracting States engages in trade or business.

(2) The term “a fixed place of business” includes, but is not limited to, an office; a store or other sales outlet, a workshop; a factory; a warehouse; a mine, quarry or other place of extraction of natural resources; a building, construction or installation site.

(3) Notwithstanding paragraph (1) of this Article, a permanent establishment shall not include sites or facilities used only for one or more of the following activities.

- (a) for the processing by another person of goods or merchandise belonging to the resident or company;
- (b) for the purchase of goods or merchandise for the account of the resident or company;
- (c) for the storage and or delivery of goods belonging to the resident or company, other than goods or merchandise
  - (i) held for sale by such resident or company in a store or other sales outlet;  
or
  - (ii) purchased and resold in that Contracting State by the resident or company, or by an independent agent or agents for or on behalf of the resident or company;
- (d) for the collection of information for the resident or company;

- (e) for advertising, the conduct of scientific research, the display of goods or merchandise, or the supply of information if such activities have a preparatory and auxiliary character in the trade or business of the resident or company;
- (f) for construction, assembly, or installation projects if the site or facilities are used for such purpose for less than six months.

(4) Even if a resident or company of one of the Contracting States does not have a permanent establishment in the other Contracting State under paragraphs (1)-(3) of this Article, nevertheless he shall be deemed to have a permanent establishment in the latter State if he engages in trade or business in that State through an agent who

- (a) has an authority to conclude contracts in the name of that resident or company and regularly exercises that authority in the latter State unless the exercise of its authority is limited to the purchase of goods or merchandise;
- (b) regularly secures orders in the latter State for that resident or company; or
- (c) maintains in the latter State a stock of goods or merchandise belonging to that resident or company from which it regularly makes deliveries.

(5) Notwithstanding paragraph (4) of this Article, a resident or company of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it uses the services in that State of a bona fide broker, general commission agent, forwarding agent, custodian or other agent of independent status acting in the ordinary course of its business. For this purpose, an agent shall not be considered to be an agent of independent status if it acts as an agent exclusively or almost exclusively for the resident or company (or for that resident or company and any other person controlling, controlled by or under common control with that resident or company) and carries on any of the activities described in paragraph (4) of this Article.

(6) The fact that a company of one of the Contracting States controls or is controlled by or is under common control with (a) a company of the other Contracting State or (b) a company which engages in trade or business in that State (whether through a permanent establishment or otherwise), shall not be taken into account in determining whether the activities or fixed place of business of either company constitutes a permanent establishment of the other company.

(7) A resident or company of one of the Contracting States shall be deemed to have a permanent establishment in the other Contracting State if that resident

or company provides the service in the latter State of public entertainers referred to in Article XVI.

(8) If a resident or company of one of the Contracting States has a permanent establishment in the other Contracting State at any time during the taxable year, it shall be considered to have a permanent establishment in that other State for the entire taxable year.

### Chapter III

## TAXATION OF INCOME

### *Article VI*

#### 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 landed 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, boats 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 one of the Contracting States has in the other Contracting State is for the computation of net income deductible therein on the same conditions as it is for residents of that other State.

(5) The provisions of paragraphs (1) and (3) shall also apply to the income from immovable property of an enterprise.

### *Article VII*

#### BUSINESS PROFITS

(1) The profits of an enterprise of one of the Contracting States 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, tax may also be imposed in the other State on the profits of the enterprise, but only on so much of them as is attributable to that permanent establishment, in accordance with the provisions of the tax legislation of that State.

(2) Where an enterprise of one of the Contracting States 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 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, provided they can be attributed to the permanent establishment in accordance with the provisions of the tax legislation of the Contracting State in which the permanent establishment is situated.

(4) If the information available to the taxation authority concerned is inadequate to determine the profits to be attributed to the permanent establishment, nothing in this Article shall affect the application of the law of either Contracting State in relation to the liability of the 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 principles stated 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, except in such cases as are envisaged by the provisions of paragraph (5) of Article V.

(6) 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, unless those items of income are attributable to a permanent establishment by which an enterprise of one of the Contracting States carries on business in the other Contracting State.

### *Article VIII*

#### 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) Where the enterprise is carried on by one or more partners jointly and severally responsible and resident in one of the Contracting States and by one or more partners jointly and severally responsible and resident in the other Contracting State and the competent authorities of both States agree that it is not feasible to determine that the place of effective management is situated in one of the States only, profits as mentioned in paragraph (1) of this Article, gains as mentioned in paragraph (2) of Article XIII and capital as mentioned in paragraph (3) of Article XXII shall be taxable, in proportion to the share which each of the partners jointly and severally responsible is holding, only in the Contracting State of which that partner is a resident.

### *Article IX*

#### ASSOCIATED ENTERPRISES

Where

- (a) an enterprise of one of the Contracting States 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 one of the Contracting States 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 X*

#### DIVIDENDS

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

(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but the tax so charged shall not exceed 25 per cent.

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

(3) Notwithstanding the provisions of paragraph (1) of this Article, dividends paid by a company which is a resident of Brazil to a company, being a resident of Norway, shall be exempt from tax in Norway, provided

- (i) that in accordance with the Norwegian tax laws the dividends would have been exempt from tax if both companies had been residents of Norway, and
- (ii) that the dividends are not deductible from the total net profits of the paying company for the purposes of computing Brazilian income taxes.

(4) The term “dividends” as used in this Article means income from shares, “jouissance” shares or “jouissance” rights, mining shares, founders’ 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 State of which the company making the distribution is a resident.

(5) The provisions of paragraphs (1) and (2) shall not apply if the recipient of the dividends, being a resident of one of the Contracting States, 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 VII shall apply.

### *Article XI*

#### INTEREST

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

(2) However, such interest may be taxed in the Contracting State in which it arises, and according to the law of that State, but the tax so charged shall not exceed 25 per cent of the amount of the interest.

(3) Notwithstanding the provisions of this Article interest received by the Government of one of the Contracting States or any agency or instrumentality wholly owned by that Government shall be exempt from tax by the other Contracting State.

(4) 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 State in which the income arises.

(5) The provisions of paragraphs (1) and (2) shall not apply if the recipient of the interest, being a resident of one of the Contracting States, 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 VII shall apply.

(6) Interest shall be deemed to arise in one of the Contracting States when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of one of the Contracting States 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.

(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 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 XII*

### ROYALTIES

(1) Royalties as defined in paragraph (3) and items of income mentioned in paragraph (4) of this Article arising in one of the Contracting States and paid to a resident of the other Contracting State may be taxed in that other State.

(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the law of that State, but the tax so charged shall not exceed 15 per cent of the gross amount of the royalties. This limitation shall not apply to royalties derived from Brazil during the first three calendar years of the application of the present Convention during which period of time Brazil is thus entitled to apply the tax on royalties provided for in the Brazilian tax legislation.

(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, dramatic, musical, 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.

(4) The term "royalties" does not include rentals or payments of any kind received as a consideration for the use of, or the right to use cinematograph films, films or tapes for radio or television broadcasting. Such payments may be taxed in the Contracting State in which they arise and according to the law of that State.

(5) The provisions of paragraph (1) and (2) shall not apply if the recipient of the royalties, being a resident of one of the Contracting States, 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 VII shall apply.

(6) Where any royalty exceeds a fair and reasonable consideration in respect of the rights for which it is paid, the provisions of the present Article shall apply only to so much of the royalty as represents such fair and reasonable consideration in accordance with the provisions of the tax legislation of the Contracting State from which the royalty is derived. 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 both cases, the excess part of the payments shall remain taxable according to the other provisions of this Convention.

(7) A royalty shall be deemed to arise in a Contracting State if the payer is that State itself, a political subdivision or local authority thereof or a resident of that State.

### *Article XIII*

#### CAPITAL GAINS

(1) Gains from the alienation of immovable property, as defined in paragraph (2) of Article VI, 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 of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) may be taxed in the other State. However, gains from the alienation of movable property of the kind referred to in Article VIII shall be taxable only in the Contracting State in which income from such movable property is taxable according to the said Article.

(3) Gains from the alienation of any property other than those mentioned in paragraphs (1) and (2) shall be taxable only in the Contracting State of which the alienator is a resident.

(4) The provisions of paragraph (3) shall not affect the right of each of the Contracting States to levy according to its own law a tax on gains from the alienation of shares or "jouissance" shares in a company, the capital of which is wholly or partly divided into shares and which is a resident of that Contracting State, derived by an individual who is a resident of the other State.

#### *Article XIV*

##### PERSONAL SERVICES

(1) Subject to the provisions of Articles XV, XVII, XVIII, XIX and XX, income from personal services derived by a resident of one of the Contracting States shall be taxable only in that State unless the personal services are performed in the other Contracting State.

The term "income from personal services" means :

- (a) salaries, wages and other similar remuneration derived in respect of an employment;
- (b) income derived in respect of professional services including especially independent scientific, literary, artistic, educational or teaching activities as well as independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

(2) Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of one of the Contracting States 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, including normal working suspensions, 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 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 in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated. When it is not feasible to determine that the place of effective management is in one of the Contracting States alone, and when a shipping enterprise is carried on by one or more partners jointly and severally

responsible and resident in the other Contracting State, remuneration for such services may be taxed in the Contracting State in which the ship is registered.

The provisions of the present paragraph shall likewise apply to remuneration derived by a resident of one of the Contracting States in respect of an employment exercised aboard a fishing, sealing or whaling vessel; also if the remuneration is paid to him in the form of a certain lay or share of the proceeds of the fishing, sealing or whaling activity.

(4) In cases where the employment wholly or mainly is exercised aboard a Brazilian or a Norwegian aircraft (including aircraft belonging to or chartered by the Scandinavian Airlines System) remuneration as referred to in paragraph (1) of this Article is taxable only in the Contracting State of which the recipient is a resident.

#### *Article XV*

##### DIRECTORS' FEES

Directors' fees and similar payments derived by a resident of one the Contracting States in his capacity as a member of the board of directors or of the shareholders' committee of a company which is a resident of the other Contracting State may be taxed in that other State, in accordance with its tax legislation.

#### *Article XVI*

##### ARTISTES AND ATHLETES

(1) Notwithstanding the provisions of Article XIV, 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.

(2) However, such income will be entirely taxable in both Contracting States if the income exceeds an amount in Brazilian or Norwegian currency equivalent to US\$ 100 for each day of sojourn in one of the Contracting States or the income exceeds in the aggregate an amount in Brazilian or Norwegian currency equivalent to US\$ 4,000.

*Article XVII*

## PENSIONS AND ANNUITIES

(1) Subject to the provisions of paragraph (2) of Article XVIII, any pension or annuity derived from sources within one of the Contracting States by an individual who is a resident of the other Contracting State shall be exempt from tax in the first-mentioned State.

(2) As used in this Article :

- (a) the term “pension” means periodic payments made in consideration of past services;
- (b) the term “annuity” means a stated sum payable periodically at stated times, during life or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money’s worth.

*Article XVIII*

## PUBLIC REMUNERATION, ETC.

(1) Wages, salaries, and similar compensation, and pensions, annuities, or similar benefits paid by, or from public funds of, one of the Contracting States or the political subdivisions thereof to an individual who is a national of that State for services rendered to that State or to any of its political subdivisions in the discharge of governmental functions shall be exempt from tax by the other Contracting State.

(2) Pensions and all other remunerations whether periodical or not, paid by, or out of funds created by, one of the Contracting States in the execution of the social legislation of that State shall be taxable only in that State.

*Article XIX*

## STUDENTS

(1) 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, or
- (b) as a commercial or technical apprentice, or
- (c) as a 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 that other State in respect of remittances received for the purposes of his maintenance, education or training or in respect of a scholarship grant.

(2) An individual from one of the Contracting States who is present in the other Contracting State solely as a student at a university, college or school in that other State or as a business apprentice, shall not be taxed in that other State for a period not exceeding three consecutive fiscal years in respect of remuneration from employment in such State, provided that

- (a) the remuneration constitutes earnings necessary for his maintenance and education, and
- (b) the said remuneration does not exceed in the fiscal year an amount in Brazilian or Norwegian currency equivalent to US\$ 1,500.

### *Article XX*

#### PROFESSORS, TEACHERS AND RESEARCHERS

(1) An individual from one of the Contracting States who at the invitation of the other Contracting State or of a university, college, school, museum or other cultural institution in that other State or under an official programme of cultural exchange, visits that other State solely for the purpose of teaching, giving lectures or carrying out research at such institution for a period not exceeding two years, shall be taxable on the remuneration received for such activities only in the Contracting State from which that remuneration is derived.

(2) Where, however, such remuneration is paid by an institution which is a resident of a third State, tax will be imposed in the Contracting State in which the activities referred to in this Article are performed.

### *Article XXI*

#### GENERAL RULE OF TAXATION

Any income not dealt with in the foregoing provisions derived by a resident of one of the Contracting States from sources in the other Contracting State may be taxed in both States.



## Chapter IV

## TAXATION OF CAPITAL

*Article XXII*

## CAPITAL

Where taxes on capital are imposed by one or both of the Contracting States, the following provisions shall apply :

(1) Capital represented by immovable property, as defined in paragraph (2) of Article VI, may be taxed in the Contracting State in which such property is situated.

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

(2) Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise, may be taxed in the Contracting State in which the permanent establishment is situated.

(3) Ships and aircraft operated in international traffic and assets, other than real property, pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

(4) All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

## Chapter V

## METHOD FOR ELIMINATION OF DOUBLE TAXATION

*Article XXIII*

## EXEMPTION AND CREDIT SYSTEMS

(1) Where a resident of Norway derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Brazil, Norway shall, subject to the provisions of paragraph (2), exempt such income or capital from tax but may, in calculating tax on the remaining income or capital of that person, apply the rate of tax which would have been applicable if the exempted income or capital had not been so exempted.

(2) Where a resident of Norway derives income which in accordance with the provisions of Articles X, XI, XII, XVI, paragraph (2), and XXI may be taxed in Brazil, Norway shall, subject to the provisions of paragraphs (3) and (4), allow as a deduction from the tax on the income of that person an amount equal to the tax paid in Brazil. 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 Brazil.

(3) When Brazilian income tax has been relieved or reduced for a limited period of time, the credit against Norwegian tax shall, irrespective of the provisions of paragraph (2), be allowed in an amount equal to the Brazilian tax which would have been appropriate to the income concerned, as if no such relief had been given or no such reduction had been allowed. The provisions of this paragraph shall also apply for a period not exceeding ten years, when the Brazilian income tax has been relieved or reduced under a programme of economic development.

(4) The provisions of paragraph (2) do not apply where dividends paid by a company which is a resident of Brazil to a company, being a resident of Norway, and exempt from Norwegian taxes in accordance with the provisions of paragraph (3) of Article X.

(5) Where income from sources within Norway or capital situated therein under the laws of Norway and in accordance with this Convention may be taxed in Norway, Brazil shall allow the Norwegian tax paid in respect of such income or capital as a credit against any Brazilian tax payable in respect of that income or capital. The deduction in either case shall not, however, exceed that part of the Brazilian income tax or capital tax, respectively, as computed before the deduction is given, which is appropriate, as the case may be, to the income or the capital which may be taxed in Norway.

(6) The graduated rate of Brazilian tax to be imposed on residents of Brazil may be calculated as though income or capital which under this Convention is taxable only in Norway were included in the amount of the total income or capital.

(7) Except in the cases of exemption or of exclusive taxation stated in Articles VIII, XIV, XV, XVII, XVIII, XIX and XX of this Convention, a resident of Brazil may be taxed on his income derived from sources situated in Norway.

## Chapter VI

## SPECIAL PROVISIONS

*Article XXIV*

## 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 “national” 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 on 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.

These provisions 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 obliging Norway to grant to nationals of Brazil the exceptional tax relief which is accorded to Norwegian nationals and persons born of parents having Norwegian nationality pursuant to Section 22 of the Norwegian Taxation Act for the Rural Districts and Section 17 of the Norwegian Taxation Act for the Urban Districts.

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

*Article XXV*

## 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.

*Article XXVI*

## EXCHANGE OF INFORMATION

(1) The competent authority of one of the Contracting States shall exchange such information with the competent authority of the other Contracting State as is pertinent to carrying out the provisions of the present Convention or preventing fraud or fiscal evasion in relation to the taxes which are the subject of the present Convention.

(2) The competent authority of the Contracting State to which request for information is made shall not exchange information unless that information would be available under the taxation laws and administrative procedures of the State if the tax of the other State, to which the request for information relates, were the tax of the former State and were being imposed by that State.

(3) Any information exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a court or administrative body) concerned with the assessment, collection or enforcement of the taxes which are the subject of the present Convention.

(4) No information shall be exchanged which would disclose any trade, business, industrial, or professional secret.

(5) The competent authorities of the Contracting States shall notify each other of any amendments of the tax laws referred to in Article II (1) and of the adoption of any taxes referred to in Article II (2) by transmitting the texts of any amendments or new statutes at least once a year.

(6) The competent authorities of the Contracting States shall exchange texts of all published material interpreting the present Convention under the laws of the respective States, whether in the form of regulations, rulings or judicial decisions.

(7) The texts transmitted under this Article shall be in the language of the transmitting State.

### *Article XXVII*

#### REGULATIONS

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

### *Article XXVIII*

#### TERRITORIAL EXTENSION

This Convention may be extended, either in its entirety or with any necessary modifications, to any part of the territory of Norway, which is specifically excluded from the application of the Convention, which imposes taxes substantially similar in character to those to which the Convention applies. Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed between the Contracting States in notes to be exchanged through diplomatic channels.

### *Article XXIX*

#### DIPLOMATIC AND CONSULAR OFFICIALS

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.

Nevertheless, each Contracting State reserves the right to tax its own diplomatic or consular officials, regardless of the provisions of this Convention.

*Article XXX*

## ASSISTANCE IN THE COLLECTION OF TAXES

Whether the Contracting States should undertake to lend assistance and support to each other in the collection of taxes which are the subject of the present Convention and if so, to which extent, may be agreed, when it is feasible, between the Contracting States through a future exchange of notes.

## Chapter VII

## FINAL PROVISIONS

*Article XXXI*

## ENTRY INTO FORCE

(1) This Convention shall be ratified by the Contracting States in accordance with their respective constitutional and legal requirements. The instruments of ratification shall be exchanged in Oslo as soon as possible.

(2) The Convention shall enter into force upon the exchange of instruments of ratification and its provisions shall have effect :

- (a) in respect of taxes on income, as to income acquired on or after 1st January in the calendar year next following that in which the exchange of the instruments of ratification takes place,
- (b) in respect of taxes on capital, as to the capital as per the end of the calendar year next following that in which the exchange of the instruments of ratification takes place.

*Article XXXII*

## TERMINATION

This Convention shall remain in force until denounced by one of the Contracting States. 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, not earlier than the third year after the calendar year in which the exchange of the instruments of ratification takes place. In such event, the Convention shall cease to have effect :

- (1) in respect of taxes on income, for the income of the taxable years or accounting periods beginning on or after the first day of January of the calendar year next following that in which the notice is given;

- (2) in respect of taxes on capital, for the tax the payment of which is required on or after the first day of January of the calendar year next following that in which the notice is given.

IN WITNESS WHEREOF the Plenipotentiaries of the two States have signed the Convention and have affixed thereto their seals.

DONE in the city of Rio de Janeiro, this October 20th, 1967, in duplicate, in the English, Norwegian and Portuguese languages, all three texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

For the Government  
of the Kingdom of Norway :  
SVEN B. EBBELL

For the Government  
of the Republic of Brazil :  
JOSÉ DE MAGALHÃES PINTO  
ANTONIO DELFIM NETTO