

No. 10818

**FINLAND
and
IRELAND**

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital. Signed at Dublin on 21 April 1969

Authentic text: English.

Registered by Finland on 4 November 1970.

**FINLANDE
et
IRLANDE**

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 Dublin le 21 avril 1969

Texte authentique: anglais.

Enregistrée par la Finlande le 4 novembre 1970.

CONVENTION ¹ BETWEEN THE GOVERNMENT OF FINLAND AND THE GOVERNMENT OF IRELAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL

The Government of Finland and the Government of Ireland,
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 agreed as follows:

Chapter I

SCOPE OF THE CONVENTION

Article 1

PERSONAL SCOPE

This Convention shall apply to persons who for tax purposes are resident in one or both of the Contracting States.

Article 2

TAXES COVERED

1. The taxes which are the subject of this Convention are:
 - a) in the case of Ireland:
the income tax (including sur-tax) and the corporation profits tax;

(hereinafter referred to as "Irish tax");
 - b) in the case of Finland:
 - 1) State income and capital tax;

¹ Came into force on 3 August 1970 by the exchange of the instruments of ratification, which took place at Helsinki, in accordance with article 30.

- 2) communal tax;
 - 3) sailors' tax;
- (hereinafter referred to as "Finish tax").

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

Chapter II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:
 - a) the terms "a Contracting State" and "the other Contracting State" mean Ireland or Finland, as the context requires;
 - b) the term "tax" means Irish tax or Finnish tax, as the context requires;
 - c) the term "person" comprises an individual, a company and any other body of persons;
 - d) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
 - e) i) subject to the provisions of clauses ii) and iii) of this subparagraph, the terms "resident of Ireland" and "resident of Finland" mean respectively any person who is resident in Ireland for the purposes of Irish tax and not resident in Finland for the purposes of Finnish tax, and any person who is resident in Finland for the purposes of Finnish tax and not resident in Ireland for the purposes of Irish tax;
 - ii) a company shall be regarded as resident only in Ireland if its business is managed and controlled in Ireland. Provided that nothing in this paragraph shall affect any provisions of the law of Ireland regarding the imposition of corporation profits tax in the case of a company incorporated in Ireland and whose business is not managed and controlled in Finland;
 - iii) a company shall be regarded as resident only in Finland if its business

is managed and controlled in Finland or if it is incorporated in Finland and its business is not managed and controlled in Ireland;

f) the terms “resident of a Contracting State” and “resident of the other Contracting State” mean a person who is a resident of Ireland or a person who is a resident of Finland, as the context requires;

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 “component authority” means:

- 1) in Ireland: the Revenue Commissioners or their authorised representative;
- 2) in Finland: the Ministry of Finance or its authorised representative;

2. Where any Article of the Convention provides (with or without conditions) that income derived by a resident of a Contracting State from sources within the other Contracting State shall be taxable only in the first-mentioned State or entitled to a reduced rate of tax in the other State and, under the law in force in the first-mentioned State, the said income is subject to tax by reference to the amount thereof which is remitted to or received in that State and not by reference to the full amount thereof, then the exemption or reduction in rate in the other State resulting from such Article shall apply only to so much of the income as is remitted to or received in the first-mentioned State.

3. Where under any provision of the Convention a partnership is entitled to exemption or relief from Irish tax as a resident of Finland on any income, such provision shall not be construed as restricting the right of Ireland to charge any member of the partnership, being a person who is resident in Ireland for the purposes of Irish tax (whether or not he is also resident in Finland for the purposes of Finnish tax), to tax on his share of the income of the partnership; but such income shall be deemed for the purposes of Irish tax and of Article 24 to be income from sources within Finland.

4. As regards the application of the Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the same meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

Article 4

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term “permanent establish-

ment” 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. The term “permanent establishment” shall not be deemed to include:

- a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
- e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

4. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State — other than an agent of an independent status to whom paragraph 5 applies — shall be deemed to be a permanent establishment in the first mentioned State if he has, and habitually exercises in that State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.

5. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or

any other agent of an independent status, where such person is acting in the ordinary course of his business.

6. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Chapter III

TAXATION OF INCOME

Article 5

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. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional services.

Article 6

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise car-

ries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

4. In so far 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 purpose 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 7

SHIPPING AND AIR TRANSPORT

Profits of an enterprise 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.

Article 8

ASSOCIATED ENTERPRISES

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 9

DIVIDENDS

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 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 be limited pursuant to the provisions of subparagraphs a) and b):

- a) dividends paid by a company which is a resident of Ireland to a resident of Finland shall be exempt from Irish sur-tax;
- b) dividends paid by a company which is a resident of Finland to a resident of Ireland shall be exempt from Finnish tax.

3. 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.

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 dividends shall remain taxable in that other State according to its own law, due regard being had to the other provisions of this Convention.

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

Article 10

INTEREST

1. Interest derived by a resident of a Contracting State from sources within the other Contracting State shall be taxable only in the first-mentioned State.

2. 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, by the taxation law of the State in which the income arises, to income from money lent.

3. The provisions of paragraph 1 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 interest shall remain taxable in that other Contracting State according to its own law, due regard being had to the other provisions of this Convention.

4. 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 11

ROYALTIES

1. Royalties derived by a resident of a Contracting State from sources within the other Contracting State shall be taxable only in the first-mentioned State.

2. 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 and films or tapes for radio or television broadcasting) any patent, trademark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience.

3. The provisions of paragraph 1 shall not apply if the recipient of the royalties, being a resident of a Contracting State, has in the other Contracting State in which the royalties arise a permanent establishment with which the right or property giving rise to the royalties is effectively connected. In such a case, the royalties shall remain taxable in that other Contracting State according to its own law, due regard being had to the other provisions of this Convention.

4. 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 12

UNDIVIDED ESTATES

1. Where, under the provisions of this Convention, a resident of Ireland is entitled to exemption or relief from Finnish tax, similar exemption or relief shall be applied to the undivided estates of deceased persons in so far as one or more of the beneficiaries is a resident of Ireland.

2. Finnish tax on the undivided estate of a deceased person shall, in so far as the income accrues to a beneficiary who is resident in Ireland, be allowed as a credit under Article 24.

Article 13

CAPITAL GAINS

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 5, 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 or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing professional services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains from the alienation of movable property of the kind referred to in paragraph 3 of Article 23 shall be taxable only in the Contracting State in which such movable property is taxable according to the said Article.

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

Article 14

INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. 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

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18, 19, 20 and 21, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, an individual who sojourns in one of the Contracting States solely for the purpose of an employment exercised in that State, and who immediately prior to such sojourn was a resident of the other Contracting State, shall be taxable only in the last-mentioned State in respect of the remuneration from that employment if:

- a) he is present in the first-mentioned State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned, and
- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the first-mentioned State, and
- c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the first-mentioned State.

3. Notwithstanding the preceding provisions of this Article, remuneration

in respect of an employment exercised aboard a ship or aircraft in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 16

DIRECTORS' FEES

Directors' fees and similar payments, derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 17

ARTISTES AND ATHLETES

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

PENSIONS

Subject to the provisions of paragraph 1 of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

Article 19

PUBLIC REMUNERATION, ETC.

1. Remuneration, including pensions, paid by, or out of funds created by, a Contracting State, a local authority or a public community thereof to any individual (other than an individual who is a national of and a resident of the other Contracting State and who is not also a national of the first-mentioned State) in respect of services rendered to the first-mentioned State, a local authority or a public community thereof as an employee or officeholder thereunder may be taxed in that State.

2. The provisions of Articles 15, 16 and 18 shall apply to remuneration or pensions in respect of services rendered in connection with any trade or business carried on by one of the Contracting States, a local authority or a public community thereof.

Article 20

PROFESSORS, TEACHERS AND RESEARCHERS

An individual who sojourns in one of the Contracting States for a period not exceeding two years, for the purpose of teaching or of carrying out advanced study or research in that State at a university, college, school or other educational establishment, or at a research institute (operated without any profit motive), and who immediately prior to such sojourn was a resident of the other Contracting State, shall not be taxed in the first-mentioned State in respect of any payments which he receives for such activity.

Article 21

STUDENTS AND APPRENTICES

An individual who sojourns in one of the Contracting States solely

- a) as a student at a university, college or school in that Contracting State,
- b) as a business, agricultural, forestry or technical apprentice in that Contracting State, or
- c) as the recipient, from a religious, charitable, scientific or educational organisation, of a grant, allowance or award for the primary purpose of study or research which he undertakes at a university, research institute, college or other similar establishment in that Contracting State

and who immediately prior to such sojourn was a resident of the other Contracting State shall not be taxed in the first-mentioned State in respect of:

- i) remittances from sources outside that first-mentioned State for the purposes of his maintenance, education or training;
- ii) such grant, allowance or award as is mentioned at c) above;
- iii) any scholarship grant.

Remuneration for services rendered in the first-mentioned State by such individual, for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned, shall likewise not be taxed in that State, provided that such services are directly related to his studies, training or research or are undertaken for the sole purpose of his maintenance.

Article 22

INCOME NOT EXPRESSLY MENTIONED

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

Chapter IV

TAXATION OF CAPITAL

Article 23

CAPITAL

1. Capital represented by immovable property, as defined in paragraph 2 of Article 5, may be taxed in the Contracting State in which such property is situated.

2. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise, or by movable property pertaining to a fixed base used for the performance of professional services, may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.

3. Ships and aircraft operated in international traffic and movable 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

METHODS FOR ELIMINATION OF DOUBLE TAXATION

Article 24

1. Subject to the provisions of the law of Ireland regarding the allowance as a credit against Irish tax of tax payable in a territory outside Ireland, Finnish tax payable under the laws of Finland and in accordance with this Convention, whether directly or by deduction, in respect of income from sources within Finland shall be allowed as a credit against any Irish tax payable in respect of that income. Where such income is an ordinary dividend paid by a company which is a resident of Finland the credit shall take into account the Finnish tax payable by the company in respect of its profits; and, where it is a dividend paid on participating preference shares and representing both a dividend at the fixed rate to which the shares are entitled and an additional participation in profits, the Finnish tax so payable by the company shall likewise be taken into account in so far as the dividend exceeds that fixed rate.

2. *a)* Where a resident of Finland derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Ireland, Finland shall, subject to the provisions of sub-paragraph *b)* of this paragraph, allow as a deduction from the Finnish tax that part of the Finnish tax which is appropriate to the income derived from or the capital owned in Ireland.

b) Where a person being resident in Finland (whether or not such person is also resident in Ireland) derives a dividend which, in accordance with the provisions of paragraph 2 of Article 9, may be taxed in Ireland, Finland shall allow as a deduction from the Finnish tax on the income of that person an amount equal to the Irish income tax appropriate to the dividend. Such deduction shall not, however, exceed that part of the Finnish tax, as computed before the deduction is given, which is appropriate to the dividend.

When the Irish income tax appropriate to a dividend has been wholly relieved or reduced for a limited period of time, the deduction from Finnish tax shall be allowed in an amount equal to the Irish income tax which would have been appropriate to the dividend if no such relief had been given or no such

reduction had been allowed. Such deduction shall not, however, exceed that part of the Finnish tax, as computed before the deduction is given, which is appropriate to the dividend.

c) Notwithstanding the provisions of subparagraph b) of this paragraph, dividends paid by a company which is a resident of Ireland to a company which is a resident of Finland shall be exempt from Finnish tax. This exemption shall not apply unless in accordance with the laws of Finland the dividends would have been exempt from Finnish tax if the first-mentioned company had been a resident of Finland and not a resident of Ireland.

3. In the case of an individual who is resident in Ireland for the purposes of Irish tax and is also resident in Finland for the purposes of Finnish tax, the provisions of paragraph 1 shall apply in relation to income which that person derives from sources within Finland, and the provisions of paragraph 2 shall apply in relation to income which that person derives from sources within Ireland. If such person derives income from sources outside both Ireland and Finland, tax may be imposed on that income in both Contracting States (subject to the laws in force in the Contracting States and to any Convention which may exist between either of the Contracting States and the territory from which the income is derived) but the Finnish tax on any part of that income which is subjected to tax in both Contracting States shall be limited to tax on one-half of such part and the Irish tax on such part shall be reduced by a credit, in accordance with paragraph 1, in respect of the Finnish tax so computed.

4. Notwithstanding the provisions of paragraph 3, income derived from sources in the United Kingdom of Great Britain and Northern Ireland by an individual who is resident in Ireland shall be deemed to be income from sources in Ireland if such income is not subject to United Kingdom income tax.

5. For the purposes of this Article, profits or remuneration arising from the exercise of a profession or employment in a Contracting State shall be deemed to be income from sources within that Contracting State, and the services of an individual whose services are wholly or mainly performed in ships or aircraft operated by a resident of a Contracting State shall be deemed to be performed in that Contracting State.

Chapter VI

SPECIAL PROVISIONS

Article 25

PERSONAL ALLOWANCES FOR NON-RESIDENTS

1. Individuals who are residents of Finland shall be entitled to the same personal allowances, reliefs and reductions for the purposes of Irish tax as Irish citizens who are not resident in Ireland.

2. Individuals who are residents of Ireland shall be entitled to the same personal allowances, reliefs and reductions for the purposes of Finnish tax as those to which Finnish nationals not resident in Finland may be entitled.

Article 26

NON-DISCRIMINATION

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

2. The term “nationals” means:

- a) in relation to Ireland, all citizens of Ireland and all legal persons, partnerships and associations deriving their status as such from the law in force in Ireland,
- b) in relation to Finland, all citizens of Finland and all legal persons, partnerships and associations deriving their status as such from the law in force in Finland.

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of that first-mentioned State are or may be subjected.

5. The provisions of this Article shall not be construed as obliging Ireland to grant to any company other than a company incorporated in Ireland and resident therein for the purposes of income tax, any relief or exemption allowed in accordance with the provisions of:

- i) the Finance (Profits of Certain Mines) (Temporary Relief from Taxation) Act, 1956 (No. 8 of 1956), as subsequently amended, or
- ii) Part II of the Finance (Miscellaneous Provisions) Act, 1956 (No. 47 of 1956), as subsequently amended, or
- iii) Chapter II or Chapter III of Part XXV of the Income Tax Act, 1967 (No. 6 of 1967), as subsequently amended.

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

Article 27

MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 28

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is in accordance with this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than persons, including a court or other adjudicating authority, concerned with the assessment or collection of the taxes which are the subject of the Convention.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States the obligation:

- a) to carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;
- b) to supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (*ordre public*).

Article 29

DIPLOMATIC AND CONSULAR OFFICIALS

1. 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.

2. For the purposes of this Convention, persons who are members of a diplomatic or consular mission of a Contracting State in the other Contracting State or in a third State and who are nationals of the sending State, shall be deemed to be residents of the sending State if they are subject therein to the same obligations in respect of taxes on income and capital as are residents of that State.

Chapter VII

FINAL PROVISIONS

Article 30

ENTRY INTO FORCE

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Helsinki 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 Ireland:

- 1) as respects income tax (including sur-tax) for any year of assessment beginning on or after the 6th April, 1969;
- 2) as respects corporation profits tax for any accounting period beginning on or after the 1st April, 1969, and for the unexpired portion of any accounting period current at that date;

b) in Finland:

as respects taxes on income and capital for any year of assessment beginning on or after the 1st January, 1969, and chargeable on the income or capital of the year 1968 or thereafter.

3. The Agreement dated the 15th September, 1965,¹ between the Government of Ireland and the Government of Finland for the avoidance of double taxation on income derived from the business of sea and air transport shall not have effect for any period for which the present Convention has effect.

Article 31

TERMINATION

This Convention shall remain in force indefinitely, but either of the Contracting States may terminate the Convention, through diplomatic channels, by

¹ United Nations, *Treaty Series*, vol. 654, p. 371.

giving notice of termination at least six months before the end of any calendar year after the year 1973. In such event the Convention shall cease to have effect:

a) in Ireland:

- 1) as respects income tax (including sur-tax) for any year of assessment beginning on or after the 6th April in the calendar year next following that in which such notice is given;
- 2) as respects corporation profits tax for any accounting period beginning on or after the 1st April in the calendar year next following that in which such notice is given and for the unexpired portion of any accounting period current at the date;

b) in Finland:

as respects taxes on income and capital for any year of assessment beginning on or after the 1st January next following the date on which notice is given and chargeable on the income or capital of the year in which the notice is given or thereafter.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed the Convention and have affixed thereto their seals.

DONE at Dublin, this twenty-first day of April 1969.

For the Government of Finland:

SIGURD VON NUMERS

For the Government of Ireland:

PROINSIAS MAC AOGÁIN
