

**No. 13173**

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**FINLAND  
and  
BRAZIL**

**Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (with protocol). Signed at Helsinki on 16 February 1972**

*Authentic texts: Finnish, Portuguese and English.*

*Registered by Finland on 22 March 1974.*

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**FINLANDE  
et  
BRÉSIL**

**Convention tendant à éviter les doubles impositions et à prévenir l'évasion fiscale en matière d'impôts sur le revenu (avec protocole). Signée à Helsinki le 16 février 1972**

*Textes authentiques : finnois, portugais et anglais.*

*Enregistrée par la Finlande le 22 mars 1974.*

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

The Government of the Republic of Finland and the Government of the Federative 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;

Have agreed as follows:

*Article 1. PERSONAL SCOPE*

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

*Article 2. TAXES COVERED*

1. The existing taxes to which this Convention is applicable are:

a) In the case of Brazil:

— the federal income tax, excluding the tax on excess remittances and on activities of minor importance (hereinafter referred to as “Brazilian tax”);

b) In the case of Finland:

— the state income tax;  
— the communal tax;  
— the church tax; and  
— the sailors’ tax;

(hereinafter referred to as “Finnish tax”).

2. This Convention shall also apply to taxes identical or substantially similar to those covered by paragraph 1 which are introduced in either Contracting State after the date of signature of this Convention. The competent authorities of the Contracting States shall notify to each other any significant changes which have been made in their respective taxation laws.

*Article 3. GENERAL DEFINITIONS*

1. In this Convention, unless the context otherwise requires:

a) The term “Brazil” means the Federative Republic of Brazil;

b) The term “Finland” means the Republic of Finland, including any area outside the territorial sea of Finland within which in accordance with international law and under the laws of Finland concerning the continental shelf the rights of Finland with respect to the sea bed and sub-soil and their natural resources may be exercised;

<sup>1</sup> Came into force on 22 December 1973, i.e. the thirtieth day after the date (22 November 1973) on which the Governments of the Contracting States notified each other that the constitutional requirements had been complied with, in accordance with article 28.

c) The terms “a Contracting State” and “the other Contracting State” mean Finland or Brazil as the context requires;

d) The term “person” comprises an individual, a company and any 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;

f) 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;

g) The term “competent authority” means:

I. In Brazil: The Minister of Finance, the Secretary of the Federal Revenue or their legal representatives;

II. In Finland: the Ministry of Finance or its authorised representative.

2. As regards the application of the Convention by a Contracting State 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 4. FISCAL DOMICILE*

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

2. Where, by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined according to 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 in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (centre of vital interests);
- b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;
- c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;
- d) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where, by reason of the provisions of paragraph 1, a person, other than an individual, is a resident of both Contracting States then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

#### *Article 5. PERMANENT ESTABLISHMENT*

1. For the purposes of this Convention, the term “permanent establishment” means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term “permanent establishment” includes 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 six months.

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

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

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

5. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.

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

#### *Article 6.* INCOME FROM IMMOVABLE PROPERTY

1. Income from immovable property may be taxed in the Contracting State in which such property is situated.

2. a) The term “immovable property” shall, subject to the provisions of subparagraphs b) and c) below, be defined in accordance with the law of the Contracting State in which the property in question is situated:

b) The term “immovable property” 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 pay-

ments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources;

c) Ships and aircraft shall not be regarded as immovable property.

3. Income from shares or other similar participations, other than profits distributed, in a company which entitle to the occupation of immovable property owned by the company may be taxed in the Contracting State in which the immovable is situated.

4. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property, including income from agriculture and forestry.

5. The provisions of paragraphs 1 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.* BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

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

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

4. 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.

5. 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.

6. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this article.

#### *Article 8.* SHIPPING AND AIR TRANSPORT

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.

#### *Article 9.* 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 10. 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 laws of that State, but the tax so charged shall not exceed 25 per cent of the gross amount of the dividends.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

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 dividends paid by a company which is a resident of Brazil to a company which is a resident of Finland shall be exempt from Finnish tax to the extent as would have been the case under Finnish taxation laws if both the payer and the recipient had been residents of Finland.

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. The term "dividends" as used in this article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founder's 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.

6. Where a company resident of Finland has a permanent establishment in Brazil, that permanent establishment may be subject to a tax withheld at source in accordance with Brazilian law. However, such a tax shall not exceed 25 per cent of the gross amount of the profits of that permanent establishment determined after the payment of the corporation tax related to such profits.

#### *Article 11. INTEREST*

1. Interest arising in a Contracting State 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 laws of that State but the tax so charged shall not exceed 15 per cent of the gross amount of the interest.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3. Notwithstanding the provisions of paragraphs 1 and 2:

- a) interest arising in a Contracting State and paid to the Government of the other Contracting State, a political sub-division or public community thereof or any agency (including a financial institution) wholly owned by that Government, political sub-division or public community shall be exempt from tax in the first-mentioned Contracting State;
- b) interest arising from securities, bonds or debentures issued by the Government of a Contracting State or by a public community thereof shall be taxable only in that 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 other income assimilated to income from money lent by the taxation law of the Contracting State in which the income arises.

5. The provisions of paragraphs 1 and 2 do 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.

6. The limitation established in paragraph 2 shall not apply to interest arising in a Contracting State and paid to a permanent establishment of an enterprise of the other Contracting State which is situated in a third State.

7. Interest shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a political subdivision, a public community or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

8. 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. ROYALTIES*

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

2. However, such royalties may be taxed in the Contracting State in which they arise, and according to the laws of that State, but the tax so charged shall not exceed:

- a) 10 per cent of the gross amount of royalties arising from the use of or the right to use cinematograph films, films or tapes for television or radio broadcasting and copyrights of literary, artistic or scientific work produced by a resident of one of the Contracting States;

- b) 25 per cent of the gross amount of royalties arising from the use of or the right to use trade marks;
- c) 15 per cent in all other cases.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

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, films or tapes for television or radio broadcasting); any patent, trade marks, design or model, plan, secret formula or process, as well as for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.

4. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a public community or a resident of that 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 obligation 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.

5. The provisions of paragraph 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.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

#### *Article 13. CAPITAL GAINS*

1. Gains from the alienation of immovable property, as defined in paragraph 2 of article 6, may be taxed in the Contracting State in which the immovable 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 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.

3. Gains from the alienation of any property or right other than those mentioned in paragraphs 1 and 2 may be taxed in both Contracting States.

*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 nature shall be taxable only in that State, unless the payment of such services and activities is borne by a permanent establishment situated in the other Contracting State or a company resident therein. In such a case the income may be taxed in that other State.

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, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if;

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

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

*Article 16.* DIRECTORS' FEES

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

*Article 17.* ARTISTES AND ATHLETES

1. 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.

2. Notwithstanding the other provisions of this Convention, income derived by an enterprise of a Contracting State from the activity of providing the services within the other Contracting State of a person referred to in paragraph 1, whether this person is a resident of a Contracting State or not, may be taxed in the Contracting State in which these services are performed.

*Article 18.* PENSIONS AND ANNUITIES

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

2. As used in this article:

a) The term “pensions and other similar remuneration”, means periodic payments made after retirement in consideration of past employment, or by way of compensation for injuries received, in connection with past employment;

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 (other than services rendered).

*Article 19.* GOVERNMENTAL AND OTHER PUBLIC FUNCTIONS

1. Remuneration, including pensions, paid by, or out of funds created by, a Contracting State, a political subdivision or a public community thereof to any individual in respect of services rendered to that State, to a political subdivision or public community thereof in the discharge of functions of a governmental or other public nature may be taxed in that State. Such remuneration shall, however, be taxable only in that State if the recipient is a national of 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 political subdivision or a public community thereof.

*Article 20.* PROFESSORS, TEACHERS AND RESEARCHERS

1. An individual who visits a Contracting State for a period or periods not exceeding in the aggregate 24 months in no more than three consecutive calendar years for the primary purpose of teaching or carrying out research, or both, in that State at a university, college, school or other educational institution, or at a research institute, and who is, or was immediately before those visits, a resident of the other Contracting State, shall be exempt from tax in the first-mentioned State on income from personal services for teaching or research at such educational institution or research institute, or at other such institutions or institutes in respect of which he is subject to tax in the other State.

2. The provisions of paragraph 1 shall not apply to income from research if such research is undertaken primarily for the private benefit of a specific person or persons.

*Article 21.* STUDENTS AND APPRENTICES

1. An individual who is a resident of a Contracting State immediately before his visit to the other Contracting State and who is temporarily present in that State solely:

- a) as a student at a university, college, school or other educational institution; or
- b) as a business, technical, agricultural or forestry apprentice; or
- c) as the recipient of a grant, allowance or award from a religious, charitable, scientific or educational organisation made for the primary purpose of study;

shall not be taxed in that other State in respect of:

- I. remittances from abroad for the purpose of his maintenance, education or training;
- II. the grant, allowance or award; and
- III. remuneration for services rendered in that other State, provided that the services are in connection with his studies or training or the remuneration constitutes earnings reasonably necessary for his maintenance or education.

2. The benefits under the provisions of paragraph 1 shall extend only for such period of time as may be reasonably or customarily required to effectuate the purpose of the visit, but in no event shall any individual have the benefits of the provisions of that paragraph for more than five years.

3. An individual who is, or was immediately before visiting a Contracting State, a resident of the other Contracting State, and who is present in the first-mentioned State as a recipient of a grant, allowance or award from a religious, charitable, scientific or educational organisation made for the primary purpose of research to be carried out in a period which does not exceed two years, shall not be taxed in that first-mentioned State in respect of the grant, allowance or award.

#### *Article 22.* INCOME NOT EXPRESSLY MENTIONED

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing articles of this Convention may be taxed in both Contracting States.

#### *Article 23.* METHODS FOR THE ELIMINATION OF DOUBLE TAXATION

1. Where a resident of Brazil derives income which, in accordance with the provisions of this Convention, may be taxed in Finland, Brazil, when applying its tax, shall allow a credit corresponding to the amount of the tax paid in Finland.

The amount of this credit, however, shall not exceed the part of the Brazilian tax corresponding to the participation of such income in the income which is taxable in Brazil.

2. Where a resident of Finland derives income which, in accordance with the provisions of this Convention, may be taxed in Brazil, Finland shall, subject to the provisions of paragraph 3, allow as a deduction from the income tax that part of the income tax, which is appropriate to the income derived from Brazil.

3. Where a resident of Finland derives income which, in accordance with the provisions of articles 10, 11, 12, 13 and 22, may be taxed in Brazil, or in both Brazil and Finland, Finland shall subject to the provisions of paragraphs 4 and 5, 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.

4. With regard to interest and royalties, Brazilian tax is considered as having been paid at a minimum rate of 25 per cent.

5. The provisions of paragraph 3 shall not apply where dividends paid by a company, being a resident of Brazil, to a company, being a resident of Finland, are exempt from Finnish tax in connection with the provisions of paragraph 3 of article 10.

*Article 24.* NON-DISCRIMINATION

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

2. The term “nationals” means:

- a) all individuals possessing the nationality of a Contracting State;
- b) all legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State.

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably 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 of 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. In this article the term “taxation” means taxes of every kind and description.

*Article 25.* MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State considers that the actions of one or both Contracting States result or will result for him in taxation not in accordance with this Convention, he may irrespectively of the remedies provided by the 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 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 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 taxations in cases not provided for in this Convention.

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

*Article 26. EXCHANGE OF INFORMATION*

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of the provisions of this Convention, or preventing fraud or fiscal evasion in relation to the taxes which are the subject 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 (including a court or administrative body) concerned with the assessment, collection, enforcement or prosecution in respect 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 27. 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.

*Article 28. ENTRY INTO FORCE*

The present Convention shall enter into force on the thirtieth day after the date on which the Governments of the Contracting States have notified to each other that the constitutional requirements for the entry into force of the Convention have been complied with, and its provisions shall have effect for the first time:

*a) In Brazil:*

- I. as respects taxes withheld at source on dividends, interest, royalties, and on income indicated in paragraph 6 of article 10, to amounts paid on or after January 1 of the calendar year immediately following the year in which the Convention enters into force;
- II. as respects other taxes on income, to amounts received during the taxable year beginning on or after January 1 of the calendar year immediately following the year in which the Convention enters into force.

*b) In Finland:*

- I. as respects taxes withheld at source, to amounts received on or after the date on which the Convention enters into force;
- II. as respects other taxes, to the taxable year beginning on or after the date on which the Convention enters into force.

*Article 29. TERMINATION*

Either Contracting State may terminate this Convention after a period of three years from the date on which this Convention enters into force by giving to the other Contracting State, through diplomatic channels, a 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.

In such a case this Convention shall apply for the last time:

a) In Brazil:

- I. as respects taxes withheld at source on dividends, interest, royalties and on income indicated in paragraph 6 of article 10, to amounts paid before the expiration of the calendar year in which the notice of termination is given;
- II. as respects other taxes on income, to amounts received during the taxable year ending in the calendar year in which the notice of termination is given.

b) In Finland:

- I. as respects taxes withheld at source, on January 1 of the year immediately following the year in which notice is given;
- II. as respects other taxes, for any taxable year ending on or after January 1 of the year immediately following the year in which notice is given.

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

DONE in Helsinki, this 16th day of February 1972, in duplicate, in the English, Finnish and Portuguese languages, all three texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

[Signed — Signé]<sup>1</sup>

For the Government  
of the Republic of Finland

[Signed — Signé]<sup>2</sup>

For the Government  
of the Federative Republic of Brazil

## PROTOCOL

At the moment of the signature of the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, between the Government of the Republic of Finland and the Government of the Federative Republic of Brazil, the undersigned, being duly authorised thereto by their respective Governments, have agreed upon the following provisions which constitute an integral part of the present Convention.

1. *Ad* article 24, paragraph 3

The taxation on a permanent establishment which an enterprise of Brazil has in Finland shall correspond to the taxation applied with respect to Finnish joint stock companies or similar companies resident in Finland on their undistributed profits.

2. *Ad* article 24, paragraph 4

In the event that Brazil, after the signature of the present Convention, would allow that royalties, paid by an enterprise which is a resident of Brazil to an enterprise which is a resident of a third State not located in Latin America, and which holds at least 50 per cent of the capital of the enterprise which is a resident of Brazil, be deductible at the moment of the determination of the taxable profits of this enterprise, an equal deduction will be automatically applicable, under similar conditions, to an enterprise which is a resident of Brazil paying royalties to an enterprise which is a resident of Finland.

<sup>1</sup> Signed by Richard Tötterman — Signé par Richard Tötterman.

<sup>2</sup> Signed by Carlos Jacyntho de Barros — Signé par Carlos Jacyntho de Barros.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Protocol.

DONE in Helsinki, this 16th day of February 1972, in duplicate, in the English, Finnish and Portuguese languages, all three texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

[*Signed — Signé*]<sup>1</sup>  
For the Government  
of the Republic of Finland

[*Signed — Signé*]<sup>2</sup>  
For the Government  
of the Federative Republic of Brazil

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<sup>1</sup> Signed by Richard Tötterman — Signé par Richard Tötterman.

<sup>2</sup> Signed by Carlos Jacyntho de Barros — Signé par Carlos Jacyntho de Barros.