No. 13741

DENMARK
and
SWITZERLAND

Agreement for the avoidance of double taxation with respect to taxes on income and fortune. Signed at Bern on 23 November 1973

Authentic texts: Danish and German.
Registered by Denmark on 6 January 1975.

DANEMARK
et
SUISSE

Convention tendant à éviter la double imposition en matière d'impôts sur le revenu et sur la fortune. Signée à Berne le 23 novembre 1973

Textes authentiques : danois et allemand.
Enregistrée par le Danemark le 6 janvier 1975.

[TRANSLATION — TRADUCTION]

AGREEMENT[1] BETWEEN THE KINGDOM OF DENMARK AND THE SWISS CONFEDERATION FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND FORTUNE

The Kingdom of Denmark and the Swiss Confederation, desiring to conclude an agreement for the avoidance of double taxation with respect to taxes on income and fortune,

Have agreed as follows:

CHAPTER I. SCOPE OF THE AGREEMENT

Article 1. PERSONAL SCOPE

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

Article 2. TAXES COVERED

1. This Agreement shall apply to taxes on income and on fortune imposed on behalf of each Contracting State or of its political subdivisions or local authorities (including surtax), irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on fortune all ordinary and extraordinary taxes imposed on total income, on total fortune, or on elements of income or of fortune, including taxes on gains from the alienation of movable or immovable property, as well as taxes on capital appreciation.

3. The existing taxes to which the Agreement shall apply are, in particular:

A. in the case of Denmark:

(*a*) the State taxes on income (*indkomstskatterne til staten*), including surtax;

(*b*) the State tax on fortune (*formueskatten til staten*);

(*c*) the communal taxes on income (*de kommunale indkomstskatter*);

(*d*) the church tax (*kirkeskatten*)

(hereinafter referred to as "Danish tax");

B. in the case of Switzerland: the federal, cantonal and communal taxes:

(*a*) on income (total income, earned income, income from fortune, industrial and commercial profits, capital gains, etc.), and

(*b*) on fortune (total fortune, movable and immovable property, business assets, capital and reserves, etc.).

4. The Agreement shall also apply to any identical or substantially similar taxes which are imposed subsequently to the signature of this Agreement in addition to, or in place of, the existing taxes. At the end of each year, the competent authorities of the

[1] Came into force on 15 October 1974, the date of the exchange of notes confirming that each of the Contracting States had completed the required constitutional procedures, in accordance with article 31(1).

Contracting States shall notify each other of any substantial changes which have been made in their respective taxation laws.

5. The Agreement shall not apply:

(*a*) to legacies or bequests, or to gifts which are not liable to income tax;

(*b*) to taxes levied on lottery prizes by deduction at the source.

6. The Agreement shall not apply to fortune vested in a trust fund in the form of cash, or in payments in discharge of a trust fund (including Danish fiefs and estates in tail), nor shall it apply to the income derived therefrom. In particular cases of such a nature, the competent authorities of the two States shall consult together as necessary for the purpose of avoiding double taxation.

CHAPTER II. DEFINITIONS

Article 3. GENERAL DEFINITIONS

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

(*a*) The term "Denmark" means the Kingdom of Denmark, including any area within which, under Danish law and in accordance with international law, the sovereign rights of Denmark with respect to the exploration and exploitation of the natural resources of the continental shelf may be exercised; the term does not include the Faroe Islands and Greenland;

(*b*) The term "Switzerland" means the Swiss Confederation;

(*c*) The terms "a Contracting State" and "the other Contracting State" mean Denmark or Switzerland, 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 "entreprise 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 "international traffic" means any transport by means of a ship or aircraft which is operated by an enterprise having its place of effective management in a Contracting State, except where the ship or aircraft is operated exclusively between points in the other Contracting State;

(*h*) The term "competent authority" means:

(1) in Denmark: the Minister of Finance or his authorized representative;

(2) in Switzerland: the Director of the Federal Tax Administration or his authorized representative.

2. As regards the application of the Agreement 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 Agreement.

Article 4. FISCAL DOMICILE

1. For the purposes of this Agreement, 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 a similar nature;

it also includes partnerships (*Personengesellschaften*) deriving their status as such from the law in force in a Contracting State.

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 a habitual abode.

(*c*) If he has a 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.

4. Where an individual is deemed, according to the provisions of this article, to be a resident of a Contracting State for only part of the year but to be a resident of the other Contracting State for the remainder of the same year (change of residence), taxes on the basis of full liability to taxation may be levied in each State only proportionately to the length of time for which he is deemed to be a resident of that State.

Article 5. PERMANENT ESTABLISHMENT

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

2. The term "permanent establishment" shall include especially:

(*a*) a place of management;

(*b*) a branch;

(*c*) an office;

(*d*) a factory;

(*e*) a workshop;

(*f*) a mine, quarry or other place of extraction of natural resources;

(*g*) a building site or construction or assembly project which exists for more than 24 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.

CHAPTER III. TAXATION OF INCOME

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. 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 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 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, 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. The profits of insurance enterprises which maintain permanent establishments in both States shall, after deduction of a privileged allocation of 10 per cent to the State in which the enterprise has its head office, be apportioned according to the ratio of the gross premiums received by the permanent establishment to the total gross premiums received by the enterprise.

6. 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.

7. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

8. Where profits include items of income which are dealt with separately in other articles of this Agreement, then the provisions of those articles shall not be affected by the provisions of this article.

9. This article shall also apply to income from an active or inactive participation in an enterprise constituted in the form of a partnership (ordinary partnership, unicorporated company (*Kollektivgesellschaft*) or limited partnership under Swiss law; partnership (*interessentskab*) or limited partnership under Danish law.)

Article 8. 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. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.

3. The provisions of paragraph 1 shall also apply to profits from participation in a pool, in a joint business or in an international operating agency.

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 shall be taxable only in that other State.

2. The term "dividends" as used in this article means income from shares, *jouissance* shares or *jouissance* rights, 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.

3. The provisions of paragraph 1 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.

4. 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 11. INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other 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 to income from money lent by the taxation law of the State in which the income arises.

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 provisions of article 7 shall apply.

4. Interest shall be deemed to arise in a Contracting State 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 Contracting State or not, has in a Contracting State a permanent establishment in connexion 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.

5. 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 Agreement.

Article 12. ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other 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, 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.

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 provisions of article 7 shall apply.

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

Article 13. CAPITAL GAINS

1. Gains from the alienation of immovable property, as defined in article 6, paragraph 2, 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 article 22, paragraph 3, 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 and 19, 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 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 or a fixed base which the employer has in the other State.

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. If such remuneration is not taxed in that State, it may be taxed in the other Contracting State.

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. ARTISTS AND ATHLETES

Notwithstanding the provisions of articles 7, 14 and 15, income derived by public entertainers, such as theatre, motion picture, radio or television artists, and musicians, and by athletes from their personal activities as such may be taxed in the Contracting State in which these activities are exercised. The same shall apply to any income which accrues or is transferred to another person in respect of the activities of the artist or athlete.

Article 18. PENSIONS

Subject to the provisions 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. GOVERNMENTAL FUNCTIONS

Remuneration, including pensions, paid by, or out of funds created by, a Contracting State or a political subdivision, local authority or public-law corporation thereof to any individual in respect of services rendered shall be taxable only in that State. However, remuneration, excluding pensions, in respect of services rendered in the other Contracting State by a national of that State who is not at the same time a national of the first-mentioned State shall be taxable only in the other State.

Article 20. STUDENTS

Payments which a student, trainee or apprentice who is or was formerly a resident of a Contracting State and who is present in the other Contracting State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that other State, provided that such payments are made to him from sources outside that other State.

Article 21. INCOME NOT EXPRESSLY MENTIONED

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

CHAPTER IV. TAXATION OF FORTUNE

Article 22. FORTUNE

1. Fortune represented by immovable property, as defined in article 6, paragraph 2, may be taxed in the Contracting State in which such property is situated.

2. Fortune 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 fortune of a resident of a Contracting State shall be taxable only in that State.

CHAPTER V. METHODS FOR ELIMINATION OF DOUBLE TAXATION

Article 23

1. In the case of a resident of Denmark, Denmark shall be entitled to include in the tax base income and elements of fortune which, in accordance with the provisions of the foregoing articles, may be taxed by Switzerland. Denmark shall allow as a deduction from the tax computed on the basis of total income or total fortune that part of the tax which is appropriate to the income or fortune which, in accordance with the provisions of the foregoing articles, may be taxed by Switzerland.

2. In the case of a resident of Switzerland, Switzerland shall exempt from tax income or elements of capital which, in accordance with the provisions of the foregoing articles, may be taxed by Denmark. Switzerland may, however, in calculating tax on the remaining income or fortune of that person, apply the rate of tax which would have been applicable if the income or elements of fortune in question had not been exempted from tax.

3. An individual being a resident of Switzerland who is not fully liable to taxation in Switzerland in respect of all income which is normally taxable under the taxation law of that State and who, in respect of the Danish taxes referred to in article 2 of this Agreement, is taxed under Danish law as though he were a resident of Denmark may, notwithstanding any other provisions of this Agreement, be taxed in Denmark; Denmark shall, however, allow as a deduction from its taxes all taxes on income and fortune paid in Switzerland.

It is understood that this paragraph shall apply only to persons who have left Denmark not more than four years previously and shall in no case apply to Swiss nationals.

CHAPTER VI. SPECIAL PROVISIONS

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 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. 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 of the Contracting States result or will result for him in taxation not in accordance with this Agreement, 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 Agreement.

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 Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

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 26. REIMBURSEMENT PROCEDURE

1. If in either Contracting State the tax on dividends, interest or royalties is levied by deduction (at the source), the right to withhold the tax shall not be affected by this Agreement.

2. However, the tax withheld (at the source) shall be reimbursed upon application, in so far as the levying thereof is restricted by the Agreement.

3. The time-limit for submission of the application for reimbursement shall be three years from the end of the calendar year in which the dividends, interest or royalties became payable.

4. Applications shall in all cases include an official certificate by the State of which the taxpayer is a resident confirming that the conditions for full liability to taxation in that State are fulfilled.

5. The competent authorities shall settle all further details of the procedure by mutual agreement in accordance with the provisions of article 25.

Article 27. EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States may, upon request, exchange such information (being information which is obtainable under their respective taxation laws in the normal course of administration) as is necessary for the proper carrying out of this Agreement. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those concerned with the assessment or collection of the taxes which are the subject of the Agreement or with judicial determination or criminal prosecution in respect of such taxes. Information which would disclose any trade, business, banking, industrial, commercial or professional secret or trade process shall not be exchanged.

2. In no case shall the provisions of this article be construed so as to impose on one of the Contracting States the obligation to carry out administrative measures which would be at variance with its own regulations or its own administrative practice or would be contrary to its sovereignty, its security or its general interests or to public policy (*ordre public*), or to supply particulars which are not obtainable under its own laws and those of the requesting State.

Article 28. MISCELLANEOUS PROVISIONS

1. An undivided estate shall be deemed to be a resident of the Contracting State of which, in accordance with the provisions of article 4, the decedent was a resident.

2. Tax on the income from an estate, or on fortune forming part of an estate, may be changed against a beneficiary in the other Contracting State in accordance with the provisions of this Agreement in so far as the undivided estate itself is not liable to taxation in respect of the income and fortune in question in the Contracting State in which the decedent was last resident. In particular cases, the competent authorities of the Contracting States shall consult together as necessary for the purpose of avoiding double taxation.

3. Contributions by Swiss nationals who are residents of Denmark to the Swiss public old age, survivors' and invalidity (AHV) insurance scheme shall be allowed as a deduction from taxable income in Denmark.

4. Contributions paid by an individual who is a resident of a Contracting State but is not a national of that Contracting State to a staff pension scheme in the other Contracting State which is recognized for tax purposes and in which he was already a participant before becoming a resident of the first-mentioned Contracting State shall be allowed as a deduction from taxable income in that first-mentioned State in the same manner as contributions to a staff pension scheme recognized for tax purposes in that State; in such a case, contributions by the employer shall not be deemed to be taxable income for the employee.

Article 29. DIPLOMATIC AND CONSULAR OFFICIALS

1. Nothing in this Agreement shall affect diplomatic and consular privileges granted under the general rules of international law or under the provisions of special agreements.

2. In so far as, owing to diplomatic or consular privileges granted to a person under the general rules of international law or under the provisions of special international treaties, income or fortune is not subject to tax in the receiving State, the right to tax shall be reserved to the sending State.

3. For the purposes of this Agreement, 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 members of their immediate family, shall be deemed to be residents of the sending State if they are nationals of the sending State and are subject therein to taxes on income and fortune in the same manner as are residents of that State.

4. This Agreement shall not apply to international organizations, to organs or officials thereof and to persons who are members of a diplomatic or consular mission of a third State and members of their immediate family, being present in a Contracting State but not treated in either Contracting State as residents in respect of taxes on income and fortune.

Article 30. TERRITORIAL EXTENSION

1. This Agreement may be extended, either in its entirety or with any necessary modifications, to any part of the territory of Denmark which, in accordance with the provisions of article 3, paragraph 1 (*a*), is specifically excluded from the application of the Agreement and in which taxes identical with or substantially similar in character to those to which the Agreement applies are imposed. Any such extension shall take effect from such date and subject to such modifications and conditions as may be specified and agreed between the Contracting States in notes to be exchanged through the diplomatic channel.

2. Unless otherwise agreed by both Contracting States, the denunciation of the Agreement by one of them under article 32 shall terminate the application of the Agreement to any territory to which it has been extended under this article.

CHAPTER VII. FINAL PROVISIONS

Article 31. ENTRY INTO FORCE

1. This Agreement shall enter into force upon the exchange of notes confirming that each of the Contracting States has completed the constitutional procedures required for entry into force and the Agreement shall thereupon apply:

(*a*) to taxes levied by deduction at the source on dividends and interest which become payable after 31 December 1973;

(*b*) to other Danish taxes on income and fortune levied in respect of the period subsequent to 31 December 1974;

(*c*) to other Swiss taxes on income and fortune levied in respect of the period subsequent to 31 December 1974.

2. Upon the entry into force of this Agreement, the Convention of 14 January 1957[1] between the Kingdom of Denmark and the Swiss Confederation for the avoidance of double taxation in the matter of taxes on income and property shall cease to have effect. Its provisions shall no longer apply to taxes to which this Agreement applies in accordance with the provisions of paragraph 1.

Article 32. TERMINATION

This Agreement shall remain in force until denounced by one of the Contracting States. Either Contracting State may denounce the Agreement, through the diplomatic channel, by giving notice of termination at least six months before the end of any calendar year. In such event, the Agreement shall apply for the last time:

(*a*) to taxes levied by deduction at the source on dividends and interest which become payable during the calendar year at the end of which the denunciation takes effect;

(*b*) to other Danish taxes on income and fortune levied in respect of the calendar year at the end of which the denunciation takes effect;

(*c*) to other Swiss taxes on income and fortune levied in respect of the calendar year at the end of which the denunciation takes effect.

DONE at Bern on 23 November 1973, in duplicate in the Danish and German languages, both texts being equally authentic.

For the Kingdom of Denmark:
M. G. J. MELCHIOR
For the Swiss Confederation:
PIERRE GRABER

[1] United Nations, *Treaty Series*, vol. 286, p. 27.