

No. 18905

MULTILATERAL

Agreement on the avoidance of double taxation on personal income and property. Concluded at Miskolc on 27 May 1977

Authentic text : Russian.

Registered by the Council for Mutual Economic Assistance, acting on behalf of the Parties, on 5 June 1980.

MULTILATÉRAL

Convention tendant à éviter les doubles impositions en matière d'impôts sur le revenu et la fortune des personnes physiques. Conclue à Miskolc le 27 mai 1977

Texte authentique : russe.

Enregistrée par le Conseil d'assistance économique mutuelle, agissant au nom des parties, le 5 juin 1980.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON THE AVOIDANCE OF DOUBLE TAXATION ON
PERSONAL INCOME AND PROPERTY

The Contracting Parties,

Desiring to promote the further expansion and strengthening of economic, scientific, technical and cultural co-operation among their countries and seeking to improve the machinery governing their currency and financial relations,

Having in mind the creation of more favourable conditions for pursuing economic, scientific and technical co-operation and cultural exchange,

Have agreed as follows:

Article I. 1. This Agreement shall apply to individuals having their permanent residence in the territory of the Contracting Parties.

2. If, for taxation purposes, the permanent residence of an individual person cannot be determined in accordance with paragraph 1 of this article, his permanent residence within the meaning of this Agreement shall be deemed to be in the country of which he is a national.

3. If the permanent residence of the individual cannot be determined in accordance with paragraph 2 of this article, the matter shall be decided by mutual agreement of the competent organs of the Contracting Parties concerned. The competent organs within the meaning of this Agreement shall be the national ministries of finance of the Contracting Parties.

Article II. This Agreement shall apply to all taxes and charges levied on the income and property of individuals in the territory of the Contracting Parties in accordance with their laws.

Article III. In accordance with the principle that individuals should not be subject to taxation in respect of the same income and property simultaneously in the territory of two or more Contracting Parties, the following provisions shall apply:

(a) Individuals who are sent by any organs or organizations of a Contracting Party to work in its trade, transport or other missions or agencies, including news correspondents' offices and information centres, in the territory of any other Contracting Party shall be exempt in the host country from taxes and charges on wages

¹ Came into force in respect of the following States on 1 January 1979, i.e., 1 January of the year following that in which the Council for Mutual Economic Assistance had received instruments of approval of the Agreement from all Contracting Parties, in accordance with article IX. Instruments of approval were deposited as indicated:

<i>State</i>	<i>Date of deposit of the instrument of approval</i>
Union of Soviet Socialist Republics	26 August 1977
German Democratic Republic	20 September 1977
Bulgaria	16 November 1977
Mongolia	21 December 1977
Hungary	29 December 1977
Czechoslovakia	30 December 1977
Poland	30 December 1977
Romania	28 March 1978

and other remuneration received from such missions or agencies. This provision shall apply also in respect of officials of inter-State and other international organizations (except those referred to in subparagraph (b) of this article) who are assigned to work in such organizations from countries other than the country in which the said organizations are based.

(b) Individuals who work in the territory of the Contracting Parties in international economic organizations which operate on the basis of autonomous financing shall, in respect of wages or other remuneration received from such organizations, be liable to taxes and charges in accordance with the laws of the countries in which the said organizations are based, unless otherwise provided for in the constituent instruments or other special agreements.

(c) Individuals who are sent by one Contracting Party to the territory of any other Contracting Party to provide technical assistance or perform similar services shall be exempt in the host country from the payment of taxes and charges in respect of wages or other remuneration received by them from organs or organizations of their country of permanent residence. In the event that the individuals referred to in this subparagraph receive any remuneration from organs or organizations of the host country, such payments shall, with the exception of daily allowances and expenses for the renting of accommodation, be subject to taxes and charges in accordance with the laws of that country.

(d) Individuals who travel to a country which is a Party to this Agreement for the purposes of work, study, training, giving consultations, etc., and who receive wages or other remuneration directly from organs or organizations of that country shall be subject to taxes and charges in respect of such payments, with the exception of daily allowances and expenses for the renting of accommodation, in accordance with its laws.

Wages and other remuneration received by the individuals referred to in this subparagraph from organs or organizations of their country of permanent residence shall be exempt from taxes and charges in other countries which are Parties to this Agreement.

(e) The income of individuals derived on the basis of copyright from the use in the territory of any Contracting Party of works of literature, science and art, and also remuneration paid for scientific discoveries, technical inventions, industrial and universal prototypes, proposals for rationalization, etc., shall be subject to taxes and charges in accordance with the laws of the country of permanent residence of such individuals.

(f) Individuals who travel to any country which is a Party to this Agreement to deliver lectures or reports or to participate in theatrical or concert performances, sporting events or similar activities shall be exempt in the host country from taxes and charges in respect of the wages, fees or other remuneration received from organs or organizations of their country of permanent residence.

In the event that such payments are made to individuals by organs or organizations of the host country, they shall be subject to taxes and charges in accordance with the laws of that country.

(g) The levying of taxes and charges on the immovable and movable property of individuals, on income from the use of such property or on the inheritance, donation, lease, sale or exchange thereof shall be carried out in accordance with the laws of the country in which the property is situated.

Article IV. The provisions of this Agreement shall not prevent interested Contracting Parties by mutual agreement or on a unilateral basis from granting additional allowances to individuals in respect of taxation.

Article V. This Agreement shall not restrict the right of the Contracting Parties to levy taxes and charges on individuals unless such action is contrary to the provisions of this Agreement.

Article VI. The provisions of this Agreement shall not affect the tax privileges of the members of diplomatic and consular services as established under the general rules of international law or on the basis of special international agreements.

Article VII. 1. Participation in this Agreement shall not affect existing agreements on taxation matters previously concluded between the Contracting Parties.

2. Should, however, the provisions of such agreements prove incompatible with the provisions of this Agreement, the provisions of this Agreement shall apply.

Article VIII. Any questions which may arise from the application of this Agreement shall be settled by means of negotiation and consultation between the national ministries of finance of the Contracting Parties concerned.

Article IX. This Agreement shall be subject to approval in accordance with the laws of each Contracting Party and shall enter into force on 1 January of the year following that in which the depositary receives the instruments of approval of the Agreement from all Contracting Parties.

Article X. 1. This Agreement is concluded for an unlimited period.

2. Any Contracting Party may withdraw from the Agreement at any time after the expiry of five years from the date of its entry into force by notifying the depositary of its withdrawal from the Agreement at least six months before the end of the calendar year. In such event the Agreement shall cease to be effective as regards that Contracting Party from 1 January of the year following that in which notice of withdrawal from the Agreement is given.

Article XI. Other countries may, with the consent of all the Parties, accede to this Agreement by depositing an instrument of accession. Accession shall be considered to have taken place on 1 January of the year following that in which the depositary receives notification from all Parties to the Agreement of their consent to the accession.

Article XII. This Agreement may be amended or supplemented with the consent of all the Contracting Parties.

Article XIII. This Agreement shall be opened for signature until 31 July 1977 in the city of Moscow.

Article XIV. This Agreement shall be deposited with the Secretariat of the Council for Mutual Economic Assistance, which shall act as the depositary for the Agreement.

DONE at Miskolc, Hungarian People's Republic, on 27 May 1977, in a single copy in the Russian language.

For the Government of the People's Republic of Bulgaria:
[B. BELCHEV]

For the Government of the Hungarian People's Republic:
[LAJOS FALUVÉGI]

For the Government of the German Democratic Republic:
[ROLF MAGER]

For the Government of the Mongolian People's Republic:
[TS. MOLOM]

For the Government of the Socialist Republic of Romania:
[FLOREA DUMITRESCU]

For the Government of the Czechoslovak Socialist
Republic:
[LEOPOLD LÉR]

For the Government of the Union of Soviet Socialist
Republics:
[V. GARBUZOV]
15 June 1977

For the Government of the Polish People's Republic:
[MARIAN KRZAK]
29 July 1977
