

No. 19663

**FINLAND
and
MOROCCO**

**Tax Convention for avoidance of double taxation with respect
to taxes on income and on capital. Signed at Rabat on
25 June 1973**

Authentic texts: Finnish, French and Arabic.

Registered by Finland on 25 March 1981.

**FINLANDE
et
MAROC**

**Convention fiscale en vue d'éviter les doubles impositions en
matière d'impôts sur le revenu et sur la fortune. Signée
à Rabat le 25 juin 1973**

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Enregistrée par la Finlande le 25 mars 1981.

[TRANSLATION — TRADUCTION]

TAX CONVENTION¹ BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE
KINGDOM OF MOROCCO FOR AVOIDANCE OF DOUBLE
TAXATION WITH RESPECT TO TAXES ON INCOME AND ON
CAPITAL

PREAMBLE

The Government of the Republic of Finland and the Government of the Kingdom of Morocco,

Desiring to avoid double taxation and to establish rules for mutual assistance with respect to taxation matters between Finland and Morocco, have agreed on the following provisions:

CHAPTER I. SCOPE OF THE CONVENTION

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. This Convention shall apply to taxes on income and on capital imposed on behalf of each Contracting State, its statutory bodies and its local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, 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 Convention shall apply are in particular:

(a) In the case of Finland:

- (i) The tax on income and on capital;
 - (ii) The communal tax on income;
 - (iii) The church tax;
 - (iv) The sailors' tax
- (hereinafter referred to as "Finnish tax");

(b) In the case of Morocco:

- (i) The tax on business profits and the investment reserve;
- (ii) The tax on public and private salaries, emoluments, fees, wages, pensions and annuities and the obligatory loan;

¹ Came into force on 1 February 1980, i.e., the first day of the month following the month of the last of the notifications (effected on 19 November 1975 and 22 January 1980) by which the Contracting States had informed each other of the compliance with their lawful requirements, in accordance with article 29 (1).

- (iii) The tax on urban real property and connected taxes;
- (iv) The agricultural tax;
- (v) The complementary contribution on the global income of individuals (hereinafter referred to as “Moroccan tax”).

4. The Convention shall apply also to any identical or substantially similar future taxes which enter into force after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any essential changes which have been made in their respective taxation laws.

CHAPTER II. DEFINITIONS

Article 3. GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:

(a) The term “Finland” means the Republic of Finland and the areas adjacent to the territorial waters of Finland within which, under its laws and in accordance with international law, Finland may exercise its rights with respect to the exploration and exploitation of the natural resources of the sea-bed and its subsoil (continental shelf);

(b) The term “Morocco” means the Kingdom of Morocco and, when used in a geographical sense, the entire territory of Morocco and the territory adjacent to the territorial waters of Morocco which is considered to be national territory for the purposes of taxation and where Morocco, in accordance with international law, may exercise its rights with respect to the sea-bed and its subsoil and their natural resources (continental shelf);

(c) The terms “a Contracting State” and “the other Contracting State” mean the Republic of Finland or the Kingdom of Morocco as the context requires;

(d) The term “tax” means Finnish tax or Moroccan tax as the context requires;

(e) The term “person” includes an individual, a company and any other body of persons;

(f) The term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;

(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 “national” means:

—In relation to Finland:

Any individual possessing the nationality of Finland and any body corporate, partnership and association deriving its status as such from the law in force in Finland;

—In relation to Morocco:

Any individual possessing Moroccan nationality and any body corporate, partnership and association deriving its status as such from the law in force in Morocco;

(i) The term “international traffic” means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

(j) The term “competent authority” means:

—In the case of Finland, the Ministry of Finance or the Directorate-General of Taxes;

—In the case of Morocco, the Minister in charge of Finance or his delegate.

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 State concerning the taxes to which the Convention applies.

Article 4. FISCAL DOMICILE

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

2. Where by reason of the provisions of paragraph 1 an individual is considered to be a resident of both Contracting States, then the case is determined by the following rules:

(a) He shall be deemed to be a resident of the State in which he has a permanent home available to him. Where he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (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 deemed to be 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 where the business of an 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 assembly project which exists for more than six months;
- (h) A sales outlet.

3. The term “permanent establishment” shall be deemed not 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 for shipment to the enterprise itself in the other Contracting State or of 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 are of a preparatory or auxiliary character.

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.

A person shall be specifically deemed to be exercising such authority if he habitually maintains in the first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders which he has received on behalf of the enterprise.

The fact that the goods or merchandise are delivered from a stock in accordance with the instructions of the enterprise are not sufficient to constitute a permanent establishment.

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, provided that 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 as a permanent establishment of the other.

CHAPTER III. TAXATION OF INCOME

Article 6. INCOME FROM IMMOVABLE PROPERTY

1. Income derived from immovable property, including income from agriculture or forestry, may be taxed in the Contracting State in which the property is situated.

2. (a) The term “immovable property” shall be defined in accordance with the law of the Contracting State in which the property in question is situated.

(b) 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.

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

3. Income derived from shares or similar rights in a company, apart from distributed profits, which entitle the owner to the enjoyment of immovable property owned by the company may be taxed in the Contracting State in which the immovable property is situated.

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

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 business of the permanent establishment, including costs and general expenses related to services rendered for the benefit of the permanent establishment, whether in the State in which the permanent establishment is situated or elsewhere.

4. 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 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.

3. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or 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 financing of an enterprise of the other Contracting State, or
- (b) The same persons participate directly or indirectly in the management, control or financing 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 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 15 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, the dividends paid by a company which is a resident of Morocco to a company which is a resident of Finland shall be exempted from Finnish tax to the extent that the dividends would have been exempted from taxes under Finnish law if both companies had been residents of Finland.

4. The term “dividends” as used in this article means income from shares, “jouissance” shares or “jouissance” rights, mining shares, founders’ shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.

5. The provisions of paragraphs 1 and 2 shall not apply, if the beneficial owner 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 in respect of which the dividends are paid is effectively connected. In such case the provisions of article 7 shall apply.

6. 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, nor subject the company’s undistributed profits to a tax on the company’s 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 may be taxed in that other State.

2. However, such interest may also 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 10 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. 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 has its source.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment, or performs in that other State professional services from a fixed base, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of article 7 or article 14, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a statutory body, a local authority 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.

6. Where by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, 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 beneficial owner in the absence of such relationship, the provisions of this article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws 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 also be taxed in the State in which they arise and according to the laws of that State, but the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

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 and television films, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, agricultural, industrial, commercial, or scientific equipment which does not constitute immovable property of the kind referred to in article 6, or for information concerning agricultural, industrial, commercial or scientific experience, or payment for economic or technical studies.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner 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 in respect of which the royalties are paid is effectively connected. In such case the provisions of article 7 shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a statutory body, a local authority 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 liability 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.

6. Where by reason of a special relationship between the payer and the beneficial owner 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 such case, the excess part of the

payments shall remain taxable according to the laws 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 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 total alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State. However, gains from the alienation of movable property of the kind referred to in article 8 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 that referred to 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 except in the following circumstances, when such income may be taxed in the other Contracting State:

- (a) If he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other Contracting State; or
- (b) If his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in the fiscal year.

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 provided that the following three conditions are fulfilled:

- (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.

3. Notwithstanding the preceding provisions of this article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated 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 other 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. ENTERTAINERS AND ATHLETES

1. Notwithstanding the provisions of articles 14 and 15, income derived by 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.

The rule set forth above shall apply also to income derived by persons who promote or organize the activities mentioned above.

2. Where income in respect of personal activities of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

3. The provisions of paragraph 1 shall not apply to income in respect of activities exercised in a Contracting State by a non-profit organization of the other Contracting State or by members of the personnel of such an organization unless the latter are acting for their own account.

Article 18. PENSIONS

Public and private pensions and annuities paid to a resident of a Contracting State shall be taxable only in that State.

Article 19. GOVERNMENT SERVICE

1. Remuneration paid by a Contracting State or a statutory body or a local authority thereof, whether directly or through deduction from funds established by them, to an individual in respect of services rendered to that State or body or authority in the discharge of functions of a public nature, shall be taxable in that State. However, this provision shall not apply when such remuneration is paid to the nationals of the other Contracting State. In such case the remuneration received shall be taxable only in the State of which the recipient is a resident.

2. The provisions of articles 15 and 16 shall apply to remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a statutory body or a local authority thereof.

Article 20. RESEARCH WORKERS AND STUDENTS

1. Remuneration paid to an individual who is, or who was formerly, a resident of a Contracting State and who is living temporarily in the other Contracting State solely for the purpose of his higher education or of pursuing scientific research, for a period not exceeding two years, in a university or other institute of higher education or of scientific research, shall be taxable only in the first-mentioned State.

2. Payments which a student, apprentice or trainee who is, or was formerly, a resident of a Contracting State and who is living 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.

3. Remuneration paid to a student or business apprentice who is, or was formerly, a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall not be taxable in that other State, provided that the said employment is directly connected with his education or training, or that the employment is exercised solely for the purpose of his maintenance.

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 of this Convention shall be taxable only in that State, unless such income is connected with the activity of a permanent establishment belonging to the recipient in the other Contracting State.

CHAPTER IV. TAXATION OF CAPITAL

Article 22. CAPITAL

1. Capital represented by immovable property as defined in article 6, paragraph 2, may be taxed in the Contracting State where 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. Capital represented by ships and aircraft operated in international traffic, and by movable property pertaining to their operation, shall be taxable only in the Contracting State where the profits from such operation are taxable under the provisions of article 8.

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

CHAPTER V. PROVISIONS FOR THE ELIMINATION OF DOUBLE TAXATION

Article 23. EXEMPTION AND CREDIT METHOD

1. Where a resident of a Contracting State derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in the other Contracting State, the first-mentioned State shall, subject to the provisions of paragraph 2, deduct from the income tax or capital tax an amount equal to that part of the income tax or capital tax which is attributable to the income derived from the other Contracting State or to the capital owned in the other Contracting State.

2. Where a resident of a Contracting State derives income which, in accordance with the provisions of articles 10, 11 and 12, may be taxed in the other Contracting State, the first-mentioned State shall allow as a deduction from the tax on the income of that resident an amount equal to the tax paid in the other Contracting State. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to the income derived from the other Contracting State.

3. For the purpose of applying paragraph 2 above, the following shall be deemed to have been taxed in Morocco:

(a) At a rate of 15 per cent, dividends paid to residents of Finland if such dividends are taxed in that country.

However, where the rate of taxation in Finland of such income is below 15 per cent, then the Finnish tax rate shall be taken into consideration.

(b) At a rate of 10 per cent, interest as defined in article 11, paragraph 3.

CHAPTER VI. SPECIAL PROVISIONS

Article 24. NON-DISCRIMINATION

1. 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 to which nationals of that other State in the same circumstances are or may be subjected.

2. 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 or other considerations of a personal nature which it grants to its own residents.

3. 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 State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation to which other similar enterprises of the first-mentioned State are or may be subjected.

4. The term “taxation” means, in this article, 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 Convention, he may, irrespective of 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 a satisfactory 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 which is 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 the Convention. They may also consult together for the avoidance 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 paragraph. 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. EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention and of the domestic laws of the Contracting States concerning taxes covered by the Convention, in so far as the taxation thereunder is not contrary to the Convention. Any information so exchanged shall be treated as secret and shall be disclosed only to persons or authorities involved in the assessment or collection of the taxes which are the subject of this Convention and the determination of claims and appeals in relation thereto, as well as to the judicial authorities in connection with criminal prosecutions in respect of the said taxes.

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

- (a) To carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- (b) To supply information which is 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*).

3. The exchange of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Con-

tracting States may agree on the list of information which shall be furnished on a routine basis.

Article 27. AID IN RECOVERY

1. The Contracting States agree to lend aid and assistance to each other in order to recover the taxes which are the subject of this Convention, as well as surcharges, payments in arrears, interest and costs relating to such taxes, with the exception of those which are of a penal nature, where such payments are definitively due under the laws or regulations of the requesting State and in accordance with this Convention.

2. The request made for this purpose must, in order to establish that the payments to be recovered are definitively due, be accompanied by the documents required under the laws and regulations of the requesting State.

3. Upon presentation of such documents, the notifications shall take place and recovery and collection measures shall be applied in the requested State in accordance with the laws and regulations applicable to the recovery and collection of its own taxes.

4. The fiscal debt-claims to be recovered shall enjoy the same guarantees and privileges as are enjoyed by similar fiscal debt-claims in the State where they are recovered.

Article 28. DIPLOMATIC AND CONSULAR OFFICERS

Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officers under the general rules of international law or under the provisions of special agreements.

CHAPTER VII. FINAL PROVISIONS

Article 29. ENTRY INTO FORCE

1. The Contracting States shall notify each other that the requirements under their laws for the entry into force of this Convention have been complied with. The Convention shall enter into force on the first day of the month following the month in which the last such notification was made.

2. The provisions of the Convention shall have effect for the first time:

- (a) In respect of taxes collected by means of deduction at source, on 1 January in the calendar year following the year in which the Convention enters into force;
- (b) In respect of other taxes on income and on capital in the fiscal year beginning on 1 January in the year in which the Convention enters into force.

Article 30. TERMINATION

This Convention shall remain in force indefinitely; however, each Contracting State may, up to 30 June in any calendar year at any time after five years from the date on which this Convention enters into force, terminate the Convention by giving written notice through diplomatic channels to the other Contracting

State. In the event of a termination before 1 July in any such year, the Convention will continue to apply for the last time:

- (a) To taxes due at the source on income payable or paid not later than 31 December of the year in which such termination occurs;
- (b) To other taxes imposed on income or on capital for fiscal periods ending not later than 31 December of the same year.

DONE at Rabat, on 25 June, 1973, in duplicate, in the Finnish, Arabic and French languages, the three texts being equally authentic.

For the Republic of Finland:

H. HANNIKAINEN

For the Kingdom of Morocco:

B. GUESSOUS