

No. 21599

**UNION OF SOVIET SOCIALIST REPUBLICS
and
NORWAY**

**Agreement concerning the avoidance of double taxation
of income and property. Signed at Moscow on
15 February 1980**

Authentic texts: Russian and Norwegian.

*Registered by the Union of Soviet Socialist Republics on 22 February
1983.*

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
NORVÈGE**

**Convention tendant à éviter la double imposition sur
les revenus et le patrimoine. Signée à Moscou le
15 février 1980**

Textes authentiques: russe et norvégien.

*Enregistrée par l'Union des Républiques socialistes soviétiques le 22 fé-
vrier 1983.*

[TRANSLATION—TRADUCTION]

**AGREEMENT¹ BETWEEN THE UNION OF SOVIET SOCIALIST
REPUBLICS AND THE KINGDOM OF NORWAY CON-
CERNING THE AVOIDANCE OF DOUBLE TAXATION OF
INCOME AND PROPERTY**

The Government of the Union of Soviet Socialist Republics and the Government of the Kingdom of Norway,

Confirming their desire in accordance with the Final Act of the Conference on Security and Co-operation in Europe, signed at Helsinki on 1 August 1975,² to develop and deepen economic, cultural, industrial and scientific and technical co-operation,

And with a view to avoiding double taxation,

Have agreed to conclude this Agreement.

Article 1. PERSONS TO WHOM THE AGREEMENT APPLIES

1. This Agreement shall apply to persons who, for tax purposes, are deemed to be permanent residents of one or both of the Contracting States.

2. "A permanent resident of a Contracting State" in this Agreement means:

- In the case of a permanent resident of the USSR: a legal entity or other organization established under the laws of the USSR or of any Union Republic which, for tax purposes, is treated as a legal entity in the USSR, and also an individual who, for tax purposes, is considered to have permanent residence in the USSR;
- In the case of a permanent resident of Norway: a company or any other association which, under the legislation of Norway, is obliged to pay taxes in Norway by reason of the place of management or the fact that the company or association derives its legal status from the legislation in force in Norway, and also an individual who, for tax purposes, is considered to have permanent residence in Norway.

3. A "permanent resident of both Contracting States" means a person who, in accordance with the tax legislation of one Contracting State, is deemed to be a permanent resident of that Contracting State and who, in accordance with the tax legislation of the other Contracting State, is deemed to be a permanent resident during the same period, of that other Contracting State.

¹ Came into force on 29 March 1981, i.e., the thirtieth day following the last of the notifications by which the Contracting Parties informed each other of the completion of the required constitutional procedures, in accordance with article 17.

² *International Legal Materials*, vol. 14 (1975), p. 1292 (American Society of International Law).

4. Where, by reason of the provisions of paragraphs 1 to 3 of this article, an individual is deemed to be a permanent resident of both Contracting States, his status shall be determined as follows:

- (a) He shall be deemed to be a permanent 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 permanent 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 does not have a permanent home available to him in either State, he shall be deemed to be a permanent 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 permanent resident of the Contracting State of which he is a national;
- (d) If both Contracting States regard him as a national, or if he is a national of neither of them, the competent bodies of the Contracting States shall determine by mutual agreement the question of the permanent residence of such an individual for the purposes of this Agreement.

5. Where by reason of the provisions of paragraphs 1 to 3 of this article a person other than an individual is deemed to be a permanent resident of both Contracting States, it shall be deemed to be a permanent resident of the State in which its actual management is situated.

Article 2. TAXES TO WHICH THE AGREEMENT APPLIES

1. This Agreement shall apply to taxes on income and property levied on individuals, companies and other associations in accordance with the legislation of each Contracting State:

- In the case of the USSR, the following taxes and dues established under the legislation of the USSR: the income tax on foreign legal entities, the income tax on the population (including foreign individuals); the agricultural tax, the building tax, ground rent, and the tax on owners of means of transport;
- In the case of Norway, the following taxes and dues established under the legislation of Norway: the State income tax, the district income tax, the municipal income tax, the common tax for the tax distribution fund, the state fortune tax, the municipal fortune tax, the State tax on fees paid to artists resident abroad, the seamen's tax.

2. This Agreement shall also apply to taxes and dues which are substantially similar to those envisaged in paragraph 1 of this article and are imposed in addition to, or in place of, the existing taxes and dues, after the signature of this Agreement.

Article 3. GENERAL DEFINITIONS

1. The terms used in this Agreement shall have the following meanings:

(a) "Contracting State" means, as the context requires, the Union of Soviet Socialist Republics (USSR) or the Kingdom of Norway (Norway), excluding the Spitsbergen (Svalbard) archipelago, Bjornoya island and the Jan Mayen islands;

(b) "International transport" means transport by sea, river or air vessels, motor vehicles or rail, except for cases where the transport is effected solely between points situated in the territory of one Contracting State;

(c) "The competent bodies" means:

- In the USSR: the Ministry of Finance of the USSR or its authorized representative;
- In Norway: the Ministry of Finance and Customs of Norway or the body authorized to deal with matters relating to this Agreement.

2. As regard the application of this Agreement by the Contracting States, any term not defined in this Agreement shall have the meaning which it has under the laws, and in the first place the tax laws, of the Contracting State in which the tax is levied, unless the context otherwise requires.

Article 4. INCOME FROM REPRESENTATION

1. Income derived by a permanent resident of one Contracting State from any type of activity carried out in the other Contracting State, including professional personal services, may be taxed only in the first Contracting State, unless such income is derived through a representation. If the income is derived through a representation in the other Contracting State, it shall be taxable only in that other State and only in so far as it is attributable to the activity of that representation.

2. The term "representation" in this Agreement means an agency, department, office or other permanent institution established in the other Contracting State in accordance with its laws by a permanent resident of the first Contracting State which is wholly or partly engaged in any type of activity, including professional personal services.

A permanent resident of one Contracting State shall also be deemed to have a representation in the other Contracting State if he concludes contracts through a duly authorized agent or other representative acting in the ordinary course of his business.

3. Construction and installation work shall not be regarded as being carried out through a representation if its duration does not exceed 12 months. The competent bodies of the Contracting State in the territory of which such activity is carried out may, at the request of the person engaged in the construction and installation work, determine that such activity has not been carried out through a representation even in cases where its duration exceeds 12 months.

4. A permanent resident of one Contracting State shall not be deemed to have a representation in the other State if, through a bureau, agency, department or other permanent institution, in the other Contracting State, he is engaged exclusively in the following types of activity:

- (a) The purchase of goods and articles;
- (b) The storage of goods and articles, and warehousing operations connected with such storage, including the dispatch of goods and articles from storage;
- (c) The demonstration of goods and articles and the sale of such goods and articles at the closure of exhibitions;
- (d) Advertising, the collection and dissemination of information, including cinema, television and photographic information, *inter alia* for the press, market research or similar types of activity which are preparatory or subsidiary to the basic activity of the person concerned.

5. A permanent resident of one Contracting State shall not be deemed to have a representation in the other Contracting State merely because he carries on business in that other Contracting State through a broker, commission agent or other agent of independent status, provided that such persons are acting in the ordinary course of their business.

6. In the application of this Agreement, Soviet foreign trade organizations shall be considered to perform the functions of a broker, commission agent or other agent of independent status for various Soviet industrial or other organizations when purchasing goods and services from permanent residents of Norway. Similarly, representatives of Norwegian companies present in the USSR, when selling goods to Soviet foreign trade organizations, shall be regarded as making conditional sales through a broker, commission agent or other agent of independent status.

7. A permanent resident of one Contracting State selling goods or providing services in the other Contracting State through a company operating in that other State in the capacity of broker, commission agent or other agent of independent status shall be considered to be carrying out the sale of goods or provision of services through a broker, commission agent or other agent of independent status regardless of whether the company is owned or controlled by a permanent resident of one of the Contracting States or a permanent resident of any other State. Such broker, commission agent or other agent may be taxed on any reasonable commission received for the services he renders in selling goods and providing services.

8. In determining the income of a representation, the expenses that are connected with the performance of the activity of the representation shall be deducted from the total income, in accordance with the legislation in force in the receiving country.

9. The provisions of this article shall not affect the tax exemption envisaged in articles 5 and 6 of this Agreement.

Article 5. INCOME FROM COPYRIGHT AND LICENCES

1. Payments for copyright and licences received from a source in one Contracting State by a permanent resident of the other Contracting State shall not be taxable in the first State.

2. The payments referred to in paragraph 1 of this article shall include all sums of money, with the exception of commissions and other types of intermediary remuneration, received for the sale of, use of or granting of the right to use:

- (a) Copyright to works of science, literature and art;
- (b) Inventions (whether or not protected by patents or author's certificates);
- (c) Industrial and general-purpose sketches or designs;
- (d) Trademarks and service marks;
- (e) Names of firms and similar rights;
- (f) Computer programmes;
- (g) Tapes for the production of gramophone records and other means of sound reproduction;
- (h) Tapes and films used for radio, cinematographic and television broadcasting;
- (i) Experience, knowledge and production secrets (know-how).

3. The provisions of this article shall also apply in cases of the receipt of sums of money, with the exception of commissions or other types of intermediary remuneration, relating to the sale of, use of or granting of the right to use single items of industrial, trade and scientific equipment and also other scientific and technical facilities for the purposes of demonstration or testing, provided that such payments relate to sale, use or granting of the right to use as envisaged in this article.

Article 6. INCOME FROM INTERNATIONAL TRANSPORT

1. In respect of the taxation of airlines, the Air Transport Agreement of 31 March 1956, between the Government of the Union of Soviet Socialist Republics and the Government of the Kingdom of Norway,¹ and the Memorandum and Protocol of 11 February 1971 on the reciprocal exemption of airlines and their personnel from the payment of taxes shall apply.

2. In respect of the taxation of income received by enterprises and nationals in connection with shipping, the Agreement of 18 March 1974 between the Government of the Union of Soviet Socialist Republics and the Government of the Kingdom of Norway on navigation² shall apply.

3. In respect of the taxation of income from automobile transport, the Agreement of 13 December 1974 between the Government of the Union of Soviet Socialist Republics and the Government of the Kingdom of Norway on international automobile transport shall apply.

4. Income received by a permanent resident of one Contracting State from other types of international transport, apart from those referred to in paragraphs 1, 2 and 3 of this article, shall be taxable only in that Contracting State.

¹ United Nations, *Treaty Series*, vol. 259, p. 205.

² *Ibid.*, vol. 1208, p. 203.

5. The provisions of paragraph 4 of this article shall also apply to income received from participation in a pool or in an international organization for the operation of means of transport.

Article 7. DIVIDENDS

1. Dividends paid by a legal entity which is a permanent resident of one Contracting State to a permanent resident of the other Contracting State may be taxed in the first State. In such cases the tax charged shall not exceed 20 per cent of the gross amount of the dividends.

2. The term "dividends" in this article means income from shares or other income which, in accordance with the legislation of the State in which the legal entity distributing the profits has its permanent residence, are subject to the same tax régime as income from shares.

Article 8. SALARIES AND SIMILAR INCOME OF INDIVIDUALS

1. Salaries and similar income which an individual who is a permanent resident of one Contracting State receives in connection with the performance of work in that Contracting State may be taxed only in that State. Salaries and similar income which an individual who is a permanent resident of one Contracting State receives in connection with the performance of work in the other Contracting State may be taxed only in that other State, with the exception of the cases listed below:

- (a) Salaries and other similar income received in connection with construction and installation work, in so far as the income from such work is not taxable in accordance with article 4, paragraph 3, of this Agreement;
- (b) In any two-year period, remuneration received by individuals present in the other Contracting State at the invitation of a State body or institution or an academic or scientific research institute for the purpose of teaching, conducting scientific research or participating in scientific, technical or professional conferences or carrying out intergovernmental co-operation programmes;
- (c) Salaries and similar income received by an individual for the performance of functions connected exclusively with the State. Functions shall be regarded as State functions if they are recognized as such under the legislation of the State for which the functions are performed. Individuals working in organizations concerned with commercial activities such as officials or representatives of foreign trade organizations of the USSR and officials and representatives of Norwegian commercial organizations shall not be deemed to be performing State functions;
- (d) In any four-year period, salaries and similar income of persons present in the other Contracting State exclusively in the capacity of journalists or press, radio, cinema and television correspondents received from sources outside that other State;
- (e) Salaries received by permanent residents of one Contracting State temporarily present in the other Contracting State exclusively in connection with the purchase of goods and services in that other State, provided that the

individual is in the other Contracting State during one or more periods of time which do not exceed a total of 365 days in two consecutive calendar years.

2. Salaries and similar income of a permanent resident of one Contracting State received for work not mentioned in subparagraphs (a) to (e) of paragraph 1 of this article performed in the other Contracting State in the course of one or more periods of time not exceeding a total of 183 days in the calendar year shall be taxable only in the first State. However, if the salary is paid by an employer with permanent residence in the State in which the work is carried out, or with funds from a representation of the employer in that State, tax shall be payable only in that State, regardless of the length of stay of the individual concerned.

Article 9. IMMOVABLE PROPERTY AND INCOME FROM ITS USE

1. Immovable property belonging to a permanent resident of one Contracting State which is situated in the other Contracting State shall be taxable only in the latter State.

2. Income, including income from agriculture and forestry, received by a permanent resident of one Contracting State from the sale, lease or other form of use of immovable property situated in other Contracting State shall be taxable only in that other State.

3. For the purposes of this Agreement, the term "immovable property" and its "use" shall refer to property and the method of its use recognized as such by the law of the Contracting State in whose territory such property is situated.

Article 10. MOVABLE PROPERTY AND INCOME FROM ITS USE

In the taxation of property not covered by other articles of this Agreement and of income from the use thereof, the following provisions shall apply:

1. Movable property belonging to a permanent resident of one Contracting State which is situated in the other Contracting State shall be taxable only in the former State;
2. Income received by a permanent resident of one Contracting State from the sale, lease or any other form of use of movable property situated in the other Contracting State shall be taxable only in the former State;
3. Movable property belonging in one Contracting State to the representation of a permanent resident of the other Contracting State, and also income from its sale, lease or other form of use, shall be taxable only in the State in which the representation is situated;
4. Property consisting of vessels, aircraft and other means used in international transport, and also movable property pertaining to the operation of such means of transport, shall be taxable only in the Contracting State in which the managing body of the transport enterprise owning or operating such means of transport is actually situated;
5. For the purposes of this Agreement, the term "movable property" and its "use" shall mean property and the method of its use recognized as such

under the law of the Contracting State in which the person owning the property has permanent residence.

Article 11. OTHER INCOME

1. Taking into account the provisions of article 4 of this Agreement, the following types of income received by a permanent resident of one Contracting State from a source in the other Contracting State shall be taxable only in the first State:

- (a) Interest on the granting of various types of credits and loans;
- (b) Interest on funds placed in accounts and other deposits in banks and other credit institutions;
- (c) Remuneration received from performances on tour and other public appearances;
- (d) Prizes, bonuses and awards paid to participants in sporting and other competitions;
- (e) Income from pensions and other similar payments, and also amounts received in compensation for injury caused to individuals.

2. Students, graduate students and trainees who are, or were immediately before visiting a Contracting State solely for the purpose of education or training, permanent residents of the other Contracting State shall not be taxed in the first State on sums received for living expenses, education and training.

3. Income received by a permanent resident of one Contracting State and not covered by previous articles of this Agreement shall be taxable only in that State.

Article 12. AVOIDANCE OF TAX DISCRIMINATION

1. A permanent resident of one Contracting State shall not be subjected in the other Contracting State to taxes and dues other or higher than those normally levied on nationals of that other State in the same conditions.

2. The taxation of a representation which a permanent resident of one Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on permanent residents of the other State engaged in the same activity.

Article 13. DIPLOMATIC AND CONSULAR MISSIONS AND THEIR EMPLOYEES

1. The provisions of this Agreement shall not affect the fiscal privileges which, in accordance with the general norms of international law or the provisions of special agreements, are granted to foreign diplomatic and consular missions and other establishments and organizations of the Contracting States which have the same fiscal privileges, and also to officials and members of their families.

2. The provisions of paragraph 1 of this article shall also apply to representatives of the Contracting States travelling on official business,

members of parliamentary and governmental delegations of the Contracting States, and also members of delegations of the Contracting States who travel to the USSR or Norway to participate in inter-State talks, international conferences and meetings or on other official business.

Article 14. CONDITIONS FOR THE APPLICATION OF THIS AGREEMENT

The provisions of this Agreement shall not affect the agreements in force regulating tax matters which were concluded earlier between the Contracting States. However, if this Agreement provides for a more favourable tax régime, it shall be applied.

Article 15. EXCHANGE OF INFORMATION

1. The competent bodies of the Contracting States shall, on request, send the information necessary for implementing the taxation provided for under this Agreement.

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 may not be received or transmitted 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 industrial, trade or professional secret, or any other information, the disclosure of which would be contrary to public policy.

3. The competent bodies of the Contracting States shall as necessary exchange information on the most significant changes in their tax legislation.

4. Any information or materials referred to in this article shall be used only for purposes connected with the implementation of this Agreement.

Article 16. PROCEDURE FOR THE CONSIDERATION OF QUESTIONS CONNECTED WITH THE APPLICATION OF THE AGREEMENT

1. If a permanent resident of one Contracting State considers that he has been or may have been taxed in a manner not in accordance with this Agreement, he may present his case to the competent bodies of that State, irrespective of the right of complaint provided under the legislation of the Contracting States. The case must be presented within two years from the date of receipt of the first notification of the action resulting in taxation not in accordance with the provisions of this Agreement.

2. If the competent body to which the case has been presented finds that the objections are justified, but the solution of the question depends on the agreement of the competent body of the other Contracting State, it shall endeavour to resolve the case by agreement with the competent body of that

other State with a view to the avoidance of taxation which is not in accordance with this Agreement. Any agreement reached shall be implemented notwithstanding any time-limits which have been established or may be established in the legislation of the Contracting States.

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

Article 17. ENTRY INTO FORCE

1. The Contracting Parties shall inform each other in writing through the diplomatic channel of the adoption of the measures envisaged under national legislation for the entry into force of this Agreement.

2. The Agreement shall enter into force 30 days after the transmittal of the last of the notifications referred to in paragraph 1 of this article, and its provisions shall apply to taxes and dues levied during the taxation period starting on or after 1 January of the calendar year following the year in which the Agreement enters into force.

Article 18. TERMINATION

1. This Agreement shall remain in force for an indefinite period, but either of the Contracting States may, before 30 June of any calendar year beginning three years after the date of the entry into force of the Agreement, notify the other Contracting State in writing through the diplomatic channel of its denunciation. In such cases the Agreement shall cease to have effect in respect of taxes and dues levied during the taxation period beginning on or after 1 January of the calendar year following the year in which notification of denunciation of the Agreement was transmitted.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

DONE on 15 February 1980 in Moscow, in duplicate in the Russian and Norwegian languages, both texts being equally authentic.

For the Government of the Union
of Soviet Socialist Republics:

[Signed]

V. F. GARBUZOV

For the Government
of the Kingdom of Norway:

[Signed]

D. STENSETH