No. 5846

BELGIUM
and
FRANCE

Exchange of letters constituting a supplementary agreement concluded pursuant to paragraph III of the Final Protocol annexed to the Convention for the prevention of double taxation and the settlement of certain fiscal questions, signed at Geneva on 16 May 1931. Paris, 2 May and 7 July 1961

Official text: French.

Registered by Belgium on 1 September 1961.

BELGIQUE
et
FRANCE

Échange de lettres constituant un accord additionnel pris en exécution du paragraphe III du Protocole final annexé à la Convention signée à Genève le 16 mai 1931 pour éviter les doubles impositions et régler certaines autres questions en matière fiscale. Paris, 2 mai et 7 juillet 1961

Texte officiel français.

Enregistré par la Belgique le 1er septembre 1961.

[TRANSLATION — TRADUCTION]

No. 5846. EXCHANGE OF LETTERS CONSTITUTING A SUPPLEMENTARY AGREEMENT[1] BETWEEN BELGIUM AND FRANCE CONCLUDED PURSUANT TO PARAGRAPH III OF THE FINAL PROTOCOL ANNEXED TO THE CONVENTION FOR THE PREVENTION OF DOUBLE TAXATION AND THE SETTLEMENT OF CERTAIN FISCAL QUESTIONS, SIGNED AT GENEVA ON 16 MAY 1931.[2] PARIS, 2 MAY AND 7 JULY 1961

I

LIBERTY—EQUALITY—FRATERNITY

FRENCH REPUBLIC

MINISTRY OF FOREIGN AFFAIRS

Paris, 2 May 1961

Your Excellency,

The Belgian fiscal authorities have drawn the attention of the French Department of Finance to the implications, for the application of the provisions of the Franco-Belgian Convention of 16 May 1931,[2] of the fiscal reform effected in France under Act No. 59-1472 of 28 December 1959. The purpose of that Convention, which does not cover personal and graduated taxes on income, is to avoid the double taxation which could be levied on various categories of income in the matter of schedular taxes, i.e., in the field of income taxes of an impersonal nature. The aforementioned French Act, however, consolidated in a single tax the two elements (proportional tax and progressive surtax) which made up the tax formerly levied in France on the income of individuals. That consolidation resulted, among other things, in an increase of 5 per cent in the rate of the old progressive surtax and in the temporary introduction of a supplementary tax which is levied on certain categories of income if they were previously subject to the proportional tax. Thus the aforesaid 5 per cent increase, which is intended to offset the abolition of the proportional tax on 1 January 1960, has resulted in the voidance of the effects of those provisions of the Franco-Belgian Convention of 16 May 1931 which gave Belgium the right to levy Belgian schedular taxes on the income of French taxpayers, while allowing

[1] Came into force on 1 January 1960, in accordance with the final paragraph of the said letters. This Agreement is not applicable to the Trust Territory of Ruanda-Urundi.

[2] League of Nations, *Treaty Series*, Vol. CXLI, p. 333.