No. 6896

NORWAY
and
ITALY

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and fortune (with exchange of letters). Signed at Oslo, on 25 August 1961

Official texts: Norwegian and Italian.

Registered by Norway on 5 September 1963.

NORVÈGE
et
ITALIE

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune (avec échange de lettres). Signée à Oslo, le 25 août 1961

Textes officiels norvégien et italien.

Enregistrée par la Norvège le 5 septembre 1963.

[TRANSLATION — TRADUCTION]

No. 6896. AGREEMENT[1] BETWEEN THE KINGDOM OF NORWAY AND THE ITALIAN REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND FORTUNE. SIGNED AT OSLO, ON 25 AUGUST 1961

His Majesty the King of Norway and

The President of the Italian Republic,

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and fortune, have for this purpose appointed as their plenipotentiaries :

His Majesty the King of Norway :

Mr. Halvard Lange, Minister for Foreign Affairs;

The President of the Italian Republic :

Mr. Guido Colonna di Paliano, Italian Ambassador to Norway,

who, having exchanged their full powers, found in good and due form, have agreed as follows :

Article 1

This Agreement shall apply to persons who are residents of Norway or Italy.

Article 2

1. This Agreement shall apply to taxes on income and fortune levied on behalf of the Contracting States, their political sub-divisions and their local bodies, irrespective of the manner in which such taxes are levied.

2. The following shall be regarded as taxes on income and fortune : taxes levied on total income, total fortune or parts of total income or fortune, including taxes on profits derived from the alienation of movable or immovable property, payroll taxes paid by enterprises, and taxes on increase to fortune.

3. The taxes to which this Agreement at present applies are, in particular :

[1] Came into force on 25 July 1963, the date of the exchange of the instruments of ratification at Rome, in accordance with article 29.

(*a*) In the case of Norway :

(1) The State tax on income and fortune (*inntekts- og formuesskatt til staten*);

(2) The communal tax on income and fortune (*inntekts- og formuesskatt til kommunene*), including the surtax on higher income (*tilleggsskatt på større inntekter*);

(3) The tax on land (*eiendomsskatt*);

(4) The seamen's tax (*sjømannsskatt*).

(*b*) In the case of Italy :

(1) The tax on income from land (*l'imposta sui redditi dei terreni*);

(2) The tax on income from buildings (*l'imposta sui redditi dei fabbricati*);

(3) The tax on income from movable capital (*l'imposta sui redditi di ricchezza mobile*);

(4) The tax on agricultural income (*l'imposta sui redditi agrari*);

(5) The supplementary income tax (*l'imposta complementare progressiva sul reddito*);

(6) The company tax (*l'imposta sulle società*);

(7) The tax on bonds (*l'imposta sulle obbligazioni*);

(8) Regional, provincial and communal income taxes and income taxes payable to chambers of commerce (*le imposte regionali, provinciali, comunali e camerali sul reddito*).

4. The Agreement shall also apply to any taxes of the same or of like nature which may in the future be levied in addition to or instead of the existing taxes. The competent authorities of the Contracting States shall inform each other at the end of each year of any changes in their fiscal laws.

5. The competent authorities of the Contracting States shall settle by agreement any questions which may arise as to which taxes are covered by this reement.

Article 3

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

(*a*) The term " Norway " means the Kingdom of Norway; however, the provisions of the Agreement shall not apply to Svalbard, Jan Mayen or the Norwegian dependencies outside Europe;
(*b*) The term " Italy " means the Italian Republic;
(*c*) The term " person " includes individuals and any body of persons, corporate or not corporate;
(*d*) The term " enterprise of one of the Contracting States " or " enterprise of the other Contracting State " means an enterprise carried on by a resident of one or the other of the Contracting States;
(*e*) The term " pension " means a periodic payment made in consideration of past services rendered or by way of compensation for injuries received;

(*f*) The term " competent authorities " means :
(i) In the case of Norway, the Department of Finance and Customs or a person duly empowered by the latter;
(ii) In the case of Italy, the Ministry of Finance (Directorate-General for Direct Taxes).

2. In the application of this Agreement by one of the Contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the fiscal laws in force in that State.

Article 4

1. For the purposes of this Agreement, the term " resident of a Contracting State " means a person who, under the law of that State, is liable to taxation there on the basis of his domicile, residence or place of business management or of any other criterion of a similar nature.

2. Where, under the provisions of paragraph 1 above, an individual is deemed to be a resident of both Contracting States, the matter shall be settled as follows :
(*a*) The individual shall be deemed to be a resident of the Contracting State in which he has a permanent dwelling. If he has a permanent dwelling in both Contracting States, he shall be deemed to be a resident of the Contracting State with which he has the closer personal and economic ties (centre of vital interests).
(*b*) If it cannot be determined in which Contracting State the individual has the centre of his vital interests, or if he has no permanent dwelling in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he habitually resides.

(*c*) If the individual habitually resides in both or in neither of the Contracting States, he shall be deemed to be a resident of the Contracting State of which he is a national.

(*d*) If the individual is a national of both or of neither of the Contracting States, the competent authorities of the Contracting States shall settle the question by agreement.

3. Where, under the provisions of paragraph 1 above, a body corporate is deemed to be a resident of both Contracting States, it shall be deemed to be a resident of the Contracting State in which its place of actual management is situated. The same shall apply to partnerships and associations which are not incorporated under the national law to which they are subject.

4. The *situs* of an estate undivided (as a taxable entity) shall be deemed to be in the Contracting State of which the deceased was deemed to be a resident at the time of his death.

Article 5

1. The term " permanent establishment " means a fixed place of business in which an enterprise carries on all or part of its business.

2. The following shall, in particular, be deemed to be permanent establishments;

(*a*) A place of management;

(*b*) A branch;

(*c*) A business office;

(*d*) A factory;

(*e*) A workshop;

(*f*) A mine, a quarry or any other place where natural resources are worked;

(*g*) A construction or assembly project the duration of which exceeds twelve months.

3. The following shall not be deemed to constitute a permanent establishment :

(*a*) The use of facilities exclusively for the storage, display or delivery of goods belonging to an enterprise;

(*b*) The maintenance, exclusively for storage, display or delivery, of a stock of goods belonging to an enterprise;

(*c*) The maintenance, exclusively for processing by some other enterprise, of a stock of goods belonging to an enterprise;