No. 8040

THAILAND
and
DENMARK

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. Signed at Bangkok, on 14 April 1965

Official text: English.

Registered by Thailand on 13 January 1966.

THAÏLANDE
et
DANEMARK

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et d'impôts sur la fortune. Signée à Bangkok, le 14 avril 1965

Texte officiel anglais.

Enregistrée par la Thaïlande le 13 janvier 1966.

No. 8040. CONVENTION[1] BETWEEN THE ROYAL GOVERNMENT OF THAILAND AND THE ROYAL GOVERNMENT OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL. SIGNED AT BANGKOK, ON 14 APRIL 1965

The Royal Government of Thailand and the Royal Government of Denmark,

Desiring to conclude a Convention for the avoidance of double taxation with respect to taxes on income and on capital,

Have agreed as follows :

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 or of its political subdivisions or 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, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

[1] Came into force on 23 December 1965 upon the exchange of the instruments of ratification at Bangkok, in accordance with article 29.

3. The existing taxes to which the Convention shall apply are in particular :

(*a*) In the case of Thailand :
  (1) The income tax;
  (2) The local development tax.

(*b*) In the case of Denmark :
  (1) National income taxes;
  (2) Communal income taxes;
  (3) National property tax.

4. The Convention shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in the place of, the existing taxes. At the end of each year, the competent authorities of the Contracting States shall notify to each other any significant changes which have been made in their respective taxation laws.

CHAPTER II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires :

(*a*) The term " Thailand " means the Kingdom of Thailand;

(*b*) The term " Denmark " means the Kingdom of Denmark, excluding the Faroe Islands and Greenland;

(*c*) The terms " a Contracting State " and " the other Contracting State " mean Thailand or Denmark, as the context requires;

(*d*) The teım " person " comprises an individual, a company and any other body of persons;

(*e*) The term " company " means any entity which is treated as a body corporate for tax purposes under the relevant laws of either Contracting State including any group or body of persons which is taxed in a substantially same manner as a body corporate;

(*f*) 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;

(*g*) The term " competent authorities " means

(1) in the case of Thailand, the Minister of Finance or his authorised representative;

(2) in the case of Denmark, the Minister of Finance or his authorised representative.

2. As regards the application of the provisions of this 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 Contracting State relating to the taxes which are the subject of this Convention.

Article 4

FISCAL DOMICILE

1. For the purposes of this Convention, the term " resident of a Contracting State " means any person who, under the law of that State, is liable to taxation 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 a resident of both Contracting States, then this case shall be determined in accordance with the following rules :

(*a*) He shall be deemed to be a 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 resident of the contracting State with which his personal and economic relation are closest (centre of vital interest);

(*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 provision of paragraph 1 a company is a resident of both Contracting States, it shall be deemed to be a resident of the Contracting State in which it is incorporated or under the law of which it derives its status as a company. If the company under this criterion still is 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 in which the business of the enterprise is wholly or partly carried on.

2. The term " permanent establishment " shall include especially:
   (*a*) a place of management;
   (*b*) a branch;
   (*c*) an office;
   (*d*) a factory;
   (*e*) a workshop;
   (*f*) a warehouse;
   (*g*) a mine, quarry or other place of extraction of natural resources.

3. The term " permanent establishment " shall not be deemed to include:
   (*a*) the use of facilities solely for the purpose of storage or display of goods or merchandise belonging to the enterprise;
   (*b*) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or for collecting information, for the enterprise;
   (*c*) the maintenance of a fixed place of business solely for scientific research or auxiliary character, for the enterprise.

4. An enterprise of a Contracting State shall be deemed to have a permanent extablishment in the other Contracting State, if
   (*a*) it carries on in the other State a construction, installation or assembly project or the like for a period longer than three months;

   (*b*) it carries on in that other State a business which consists of providing the services of public entertainers referred to in Article 16.

5. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State—other than a broker of an independent status to whom paragraph 6 applies—shall be deemed to be a permanent establishment in the first-mentioned State, but only if