No. 8658

NEW ZEALAND
and
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Wellington, on 13 June 1966

Official text: English.

Registered by New Zealand on 22 June 1967.

NOUVELLE-ZÉLANDE
et
ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu. Signée à Wellington, le 13 juin 1966

Texte officiel anglais.

Enregistrée par la Nouvelle-Zélande le 22 juin 1967.

No. 8658. AGREEMENT[1] BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME. SIGNED AT WELLINGTON, ON 13 JUNE 1966

The Government of New Zealand and the Government of the United Kingdom of Great Britain and Northern Ireland,

Desiring to conclude an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows .

Article I

(1) The taxes which are the subject of this Agreement are—

(*a*) in the United Kingdom of Great Britain and Northern Ireland :
the income tax (including surtax), the profits tax, the corporation tax and the capital gains tax

(*b*) in New Zealand .
the income tax (including social security income tax) and the excess retention tax.

(2) This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes by either Contracting Government or by the Government of any territory to which this Agreement is extended under Article XXII.

Article II

(1) In this Agreement unless the context otherwise requires—

(*a*) the term "United Kingdom" means Great Britain and Northern Ireland, including any area outside the territorial waters of the United Kingdom which has

[1] Came into force on 11 August 1966, in accordance with Article XXIII.

been designated, under the law of the United Kingdom concerning the Continental Shelf, as an area within which the rights of the United Kingdom with respect to the sea bed and sub-soil and their natural resources may be exercised ,

(*b*) the term "New Zealand" means the metropolitan territory of New Zealand (including the outlying islands) and excludes the Cook Islands, Niue and the Tokelau Islands ; it includes the continental shelf of New Zealand as defined under the law of New Zealand concerning the continental shelf ,

(*c*) the terms "the territory", "one of the territories" and "the other territory" mean the United Kingdom or New Zealand as the context requires ;

(*d*) the term "taxation authorities" means in the case of the United Kingdom, the Commissioners of Inland Revenue or their authorised representative, and in the case of New Zealand, the Commissioner of Inland Revenue or his authorised representative , and in the case of any territory to which this Agreement is extended under Article XXII the competent authority for the administration in such territory of the taxes to which this Agreement applies ,

(*e*) the term "United Kingdom tax" means tax imposed by the United Kingdom being tax to which this Agreement applies by virtue of Article I ; the term "New Zealand tax" means tax imposed by New Zealand being tax to which this Agreement applies by virtue of Article I ,

(*f*) the term "tax" means United Kingdom tax or New Zealand tax as the context requires ;

(*g*) the term "person" includes any body of persons corporate or not corporate ;

(*h*) the term "company" means any body corporate ,

(*i*) the term "national" means—

(i) in relation to the United Kingdom—

(*aa*) all citizens of the United Kingdom and Colonies and British protected persons other than those citizens and protected persons who derive their status as such from connection with any territory to which this Agreement may be extended under Article XXII but has not been so extended ;

(*bb*) all legal persons, associations and other entities deriving their status as such from the law of the United Kingdom or any territory to which this Agreement is extended under Article XXII ;

(ii) in relation to New Zealand—

(*aa*) any individual who is a New Zealand citizen ;

(*bb*) any legal person deriving its status as such from the law of New Zealand or any territory to which this Agreement is extended under Article XXII ,

(*j*) the term "New Zealand company" means any company which is—

(i) incorporated in New Zealand and which has its centre of administrative or practical management in New Zealand whether or not any person outside New Zealand exercises or is capable of exercising any overriding control or direction of the company or of its policy or affairs in any way whatsoever ; or

(ii) managed and controlled in New Zealand ,

(*k*) the term "United Kingdom company" means any company which is managed and controlled in the United Kingdom and which is not a New Zealand company ;

(*l*) (i) the term "resident of the United Kingdom" means any United Kingdom company and any other person who is resident in the United Kingdom for the purposes of United Kingdom tax and the term "resident of New Zealand" means any New Zealand company and any other person who is resident in New Zealand for the purposes of New Zealand tax ; but

(ii) where under sub-paragraph (i) above an individual is a resident of both territories, his status shall be determined in accordance with the following rules—

(*aa*) he shall be deemed to be a resident of the territory in which he has a permanent home available to him ; if he has a permanent home available to him in both territories, he shall be deemed to be a resident of the territory with which his personal and economic relations are closest (hereinafter referred to as his centre of vital interests) ;

(*bb*) if the territory 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 territory, he shall be deemed to be a resident of the territory in which he has an habitual abode ;

(*cc*) if he has an habitual abode in both territories or in neither of them, he shall be deemed to be a resident of the territory of which he is a national ,

(*dd*) if he is a national of both territories or of neither of them, the taxation authorities of the territories shall determine the question by mutual agreement ,

(iii) where under sub-paragraph (i) above a person who is neither an individual nor a company is a resident of both territories, it shall be deemed to be a resident of the territory in which it is managed and controlled ;

(*m*) the terms "resident of one of the territories" and "resident of the other territory" mean a person who is a resident of the United Kingdom or a person who is a resident of New Zealand as the context requires ;

(*n*) the terms "United Kingdom enterprise" and "New Zealand enterprise" mean respectively an industrial or commercial enterprise or undertaking carried on by a resident of the United Kingdom and an industrial or commercial enterprise or undertaking carried on by a resident of New Zealand, and the terms "enterprise of one of the territories" and "enterprise of the other territory" mean a United Kingdom enterprise or a New Zealand enterprise as the context requires ;

(*o*) the term "industrial or commercial profits" means income derived by an enterprise from the conduct of a trade or business, including income derived by an enterprise from the furnishing of services of employees or other personnel, but it does not include income in the form of dividends, interest or royalties (as defined in Article VII) other than dividends, interest or royalties effectively connected with a trade or business carried on through a permanent establishment which an enterprise of one of the territories has in the other territory ; nor does the term include income in the form of rents or remuneration for personal (including professional) services ;

(*p*) (i) the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on ;

(ii) a permanent establishment shall include especially—

(*aa*) a place of management ;

(*bb*) a branch ,

(*cc*) an office ;

(*dd*) a factory ,

(*ee*) a workshop ;

(*ff*) a mine, quarry, oilwell or other place of extraction of natural resources ;

(*gg*) a building site or construction or assembly project which exists for more than twelve months ,

(iii) the term "permanent establishment" shall not be deemed to include—

(*aa*) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise ;