

No. 8757

**NORWAY
and
CANADA**

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa, on 23 November 1966

Official texts: Norwegian, English and French.

Registered by Norway on 11 September 1967.

**NORVÈGE
et
CANADA**

**Convention pour éviter la double imposition et prévenir l'évasion fiscale en matière d'impôts sur le revenu.
Signée à Ottawa, le 23 novembre 1966**

Textes officiels: norvégien, anglais et français.

Enregistrée par la Norvège le 11 septembre 1967.

No. 8757. CONVENTION¹ BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE KINGDOM OF NORWAY FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME. SIGNED AT OTTAWA, ON 23 NOVEMBER 1966

The Government of Canada and the Government of the Kingdom of Norway,

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have agreed as follows :

CHAPTER I

SCOPE OF THE CONVENTION

Article 1

TAXES COVERED

1. The taxes to which this Convention shall apply, are :
 - (a) in the case of Norway :
 - national income tax ;
 - national tax equalization dues on income ;
 - national tax in aid of developing countries ;
 - national dues on the salaries of foreign artistes ;
 - municipal income tax ;
 - tax on dependent children's earnings ; and seamen's tax (hereinafter referred to as "Norwegian tax") ;
 - (b) in the case of Canada :
 - income taxes and the old age security tax on income, which are imposed by the Government of Canada ;
 - (hereinafter referred to as "Canadian tax").
2. This Convention shall also apply to any other taxes of a character substantially similar to those referred to in paragraph (1) imposed in Norway or by the Government of Canada after the date of signature of this Convention.

¹ Came into force on 24 August 1967 by the exchange of the instruments of ratification which took place at Oslo, in accordance with article 27.

CHAPTER II
DEFINITIONS

Article 2

GENERAL DEFINITIONS

1. In this Convention unless the context otherwise requires :

(a) the term "Norway" means the Kingdom of Norway, including the sea bed and its sub-soil in the submarine areas adjacent to the coast of the Kingdom of Norway which are subject to Norwegian sovereign rights pursuant to the Royal Decree of 31st May, 1963, in respect of activities connected with the exploitation and exploration of natural deposits ; the term does not include Svalbard (Spitzbergen), Jan Mayen and the Norwegian dependencies out of Europe ;

(b) the term "person" includes individuals, companies and all other entities which are treated as taxable units under the taxation laws in force in either Contracting State ;

(c) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes ;

(d) the terms "enterprise of one of the Contracting States" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of one of the Contracting States and an enterprise carried on by a resident of the other Contracting State ;

(e) the term "international traffic" includes traffic between places in one country in the course of a voyage which extends over more than one country ;

(f) the term "competent authority" means in the case of Norway the Minister of Finance and Customs or his authorized representative and in the case of Canada the Minister of National Revenue or his authorized representative.

2. In the application of this Convention by one of the Contracting States any term which is not defined in this Convention 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 3

FISCAL DOMICILE

1. For the purposes of this Convention the terms "resident of Norway" and "resident of Canada" mean respectively any person who is resident in Norway for the purposes of Norwegian tax and any person who is resident in Canada for the purposes of Canadian tax, and the terms "resident of one of the Contracting States" and "resident of the other Contracting State" mean any person who is a resident of Norway or a resident of Canada as the context requires.

2. Where by reason of the provisions of paragraph (1) an individual is a resident of both Contracting States then in this case the following rules shall apply :

- (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 relations are closest (hereinafter referred to as his centre of vital interests) ;
- (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 provisions of paragraph (1), a person other than an individual 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.

4. Notwithstanding paragraph (3) where a company that had been incorporated in one of the Contracting States and which at a time after the coming into force of this Convention was a resident of that State changes its place of effective management to the other Contracting State and the competent authorities of the two Contracting States agree that one of the main reasons for changing the place of effective management from one Contracting State to the other State was to avoid taxes on the undistributed income of the company on hand at the time the change in the place of effective management was made, the company shall be deemed to continue to be resident in the Contracting State in which it was incorporated.

Article 4

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 mine, quarry or other place of extraction of natural resources ;
 - (g) a building site or construction or assembly project which exists for more than twelve months.
3. The term "permanent establishment" shall not be deemed to include :
- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise ;
 - (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery ;
 - (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise ;
 - (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise ;
 - (e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.
4. A person acting in one of the Contracting States on behalf of an enterprise of the other Contracting State — other than an agent of an independent status to whom paragraph (5) applies — shall be deemed to be a permanent establishment in the first-mentioned State :
- (a) if he has, and habitually exercises in that first-mentioned State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise, or
 - (b) if he maintains in that first-mentioned State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise.
5. An enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.
6. The fact that a company which is a resident of one of the Contracting States controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.