

No. 8771

**INDIA
and
GREECE**

**Agreement for the avoidance of double taxation of income.
Signed at New Delhi, on 11 February 1965**

Official text: English.

Registered by India on 27 September 1967.

**INDE
et
GRÈCE**

**Convention tendant à éviter la double imposition des revenus.
Signée à New Delhi, le 11 février 1965**

Texte officiel anglais.

Enregistré par l'Inde le 27 septembre 1967.

No. 8771. AGREEMENT¹ BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF GREECE FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME. SIGNED AT NEW DELHI, ON 11 FEBRUARY 1965

Whereas the Government of India and the Government of Greece desire to conclude an Agreement for the avoidance of double taxation of income :

Now, therefore, it is hereby agreed as follows :

Article I

(1) The taxes which are the subject of the present Agreement are :

(a) In India :

the Income-tax,
the Super-tax,
the Surcharge,
imposed under the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as "Indian Tax");

(b) In Greece :

the tax on physical persons and the income-tax on legal entities, and any special tax levied in Greece with reference to freight earned by shipping enterprises by the carriage of passengers, live-stock or goods, imposed under the Royal Decrees No. 3323/1955 and 3843/1958 and the Law No. 1880/1951 (hereinafter referred to as "Greek Tax").

(2) The present Agreement shall also apply to any other taxes of a substantially similar character imposed in India or Greece subsequent to the date of signature of the present Agreement.

Article II

(1) In the present Agreement, unless the context otherwise requires :

(a) the term "Greece" means the territory of the Kingdom of Greece;

(b) the term "one of the territories" and "the other territory" mean Greece or India as the context requires;

¹ Came into force on 17 March 1967 by the exchange of the instruments of ratification which took place at New Delhi, in accordance with article XX.

(c) the term "person" includes natural persons, companies and all other entities which are treated as taxable units under the tax laws in force in the respective territories;

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

(e) the term "tax" means the Greek tax or Indian tax, as the context requires;

(f) the terms "resident of Greece" and "resident of India" mean, respectively, a person who is resident in Greece for the purposes of Greek tax and not resident in India for the purposes of Indian tax, and a person who is resident in India for the purposes of Indian tax and not resident in Greece for the purposes of Greek tax. A company shall be regarded as resident in Greece if it is incorporated in Greece or its business is wholly managed and controlled in Greece; a company shall be regarded as resident in India if it is incorporated in India or its business is wholly managed and controlled in India.

(g) the terms "Greek enterprise" and "Indian enterprise" mean, respectively, an industrial or commercial enterprise or undertaking carried on by a resident of Greece and an industrial or commercial enterprise or undertaking carried on by a resident of India; and the terms "enterprise of one of the territories" and "enterprise of the other territory" mean a Greek enterprise or an Indian enterprise, as the context requires;

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

(aa) the term "fixed place of business" shall include a place of management, a branch, an office, a factory, a workshop, a warehouse, a mine, quarry or other place of extraction of natural resources;

(bb) an enterprise of one of the territories shall be deemed to have a fixed place of business in other territory if it carries on in that other territory a construction, installation or assembly project or the like;

(cc) the use of mere storage facilities or the maintenance of a place of business exclusively for the purchase of goods or merchandise and not for any processing of such goods or merchandise in the territory of purchase, shall not constitute a permanent establishment;

(dd) a person acting in one of the territories for or on behalf of an enterprise of the other territory shall be deemed to be a permanent establishment of that enterprise in the first-mentioned territory, only if

1. he has and habitually exercises in the first-mentioned territory a general authority to negotiate and enter into contracts for or on behalf of the

enterprise, unless the activities of the person are limited exclusively to the purchase of goods or merchandise for the enterprise, or

2. he habitually maintains in the first-mentioned territory a stock of goods or merchandise belonging to the enterprise from which the person regularly delivers goods or merchandise for or on behalf of the enterprise, or
 3. he habitually secures orders in the first-mentioned territory wholly or almost wholly for the enterprise itself or for the enterprise and other enterprises which are controlled by it or have a controlling interest in it.
- (ee) A broker of a genuinely independent status who merely acts as an intermediary between an enterprise of one of the territories and a prospective customer in the other territory shall not be deemed to be a permanent establishment of the enterprise in the last-mentioned territory.
- (ff) The fact that a company, which is a resident of one of the territories, has a subsidiary company which either is a resident of the other territory or carries on a trade or business in that other territory (whether through a permanent establishment or otherwise) shall not, of itself constitute that subsidiary company a permanent establishment of its parent company.
- (i) The term "pension" means a periodic payment made in consideration of services rendered or by way of compensation for injuries received;
- (j) the term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth;
- (k) the term "competent authority" means in the case of India, the Central Government in the Ministry of Finance, Department of Revenue, or its authorised representative and in the case of Greece, the Ministry of Finance or its authorised representative.

(2) In the application of the provisions of this Agreement in one of the territories any term not otherwise defined in this Agreement shall, unless the context otherwise requires, have the meaning which it has under the laws in force in that territory relating to the taxes which are the subject of this Agreement.

Article III

(1) Subject to the provisions of paragraph (3) below, tax shall not be levied in one of the territories on the industrial or commercial profits of an enterprise of the other territory unless profits are derived in the first-mentioned territory

through a permanent establishment of the said enterprise situated in the first-mentioned territory. If profits are so derived, tax may be levied in the first-mentioned territory on the profits attributable to the said permanent establishment.

(2) There shall be attributed to the permanent establishment of an enterprise of one of the territories situated in the other territory the industrial or commercial profits which it might be expected to derive in that other territory if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the enterprise of which it is a permanent establishment. In any case, where the correct amount of profits attributable to a permanent establishment is incapable of determination or the ascertainment thereof presents exceptional difficulties, the profits attributable to the establishment may be estimated on a reasonable basis.

(3) For the purposes of this Agreement the term "industrial or commercial profits" shall not include income in the form of rents, royalties, interest, dividends, management charges, remuneration for labour or personal services or income from the operation of ships or aircraft.

Article IV

Where—

- (a) an enterprise of one of the territories participates directly or indirectly in the management, control or capital of an enterprise of the other territory, or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the territories and an enterprise of the other territory, and

in either case conditions are made or imposed between the two enterprises, in their commercial or financial relations, which differ from those which would be made between independent enterprises, then any profits which but for those conditions would have accrued to one of the enterprises but by reason of those conditions have not so accrued may be included in the profits of that enterprise and taxed accordingly.

Article V

(1) Income derived from the operation of aircraft by an enterprise of one of the territories shall not be taxed in the other territory, unless the aircraft is operated wholly or mainly between places within that other territory.