No. 8972

ISRAEL
and
NORWAY

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital. Signed at Oslo, on 2 November 1966

Official text: English.

Registered by Israel on 13 February 1968.

ISRAËL
et
NORVÈGE

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 Oslo, le 2 novembre 1966

Texte officiel anglais.

Enregistrée par Israël le 13 février 1968.

No. 8972. CONVENTION[1] BETWEEN THE STATE OF ISRAEL AND THE KINGDOM OF NORWAY FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL. SIGNED AT OSLO, ON 2 NOVEMBER 1966

The Government of the State of Israel 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 and capital,

Have appointed for that purpose as their respective Plenipotentiaries:

The Government of the State of Israel:

Nathan Bar-Yaacov, Ambassador Extraordinary and Plenipotentiary of the State of Israel to Norway;

The Government of the Kingdom of Norway:

John Lyng, Minister of Foreign Affairs,

Who, having communicated to one another their full powers, found in good and due form, have agreed upon the following Articles:

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.

[1] Came into force on 11 January 1968 by the exchange of the instruments of ratification at Jerusalem, in accordance with article 31.

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, as well as taxes on capital appreciation.

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

a) In the case of Israel:
- (1) the income tax;
- (2) the company profits tax;
- (3) the urban and agricultural property taxes; and
- (4) the tax on gains from the sale of land under the Land Appreciation Tax Law;

(hereinafter referred to as "Israeli tax");

b) In the case of Norway:
- (1) national income tax;
- (2) national tax-equalization dues;
- (3) national tax in aid of developing countries;
- (4) national dues on the salaries of foreign artistes;
- (5) national capital tax;
- (6) municipal income tax;
- (7) municipal capital tax; and
- (8) seamen's tax;

(hereinafter referred to as "Norwegian tax").

4. The Convention shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes. At the end of each year, the competent authorities of the Contracting States shall notify to each other any major 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 "Israel" means the State of Israel;

b) the term "Norway" means the Kingdom of Norway, including the sea bed and its sub-soil in the submarine areas outside the coast of the Kingdom of Norway which are subject to Norwegian sovereignty 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;

c) 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;

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

e) 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;

f) the term "competent authorities" means in the case of Israel, the Minister of Finance or his authorised representative; and in the case of Norway, the Minister of Finance and Customs or his authorised representative.

2. As regards the application of the 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 the 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 relations are closest (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.

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 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.