No. 9201

DENMARK
and
ITALY

Convention for the avoidance of double taxation with respect to duties on the estates of deceased persons. Signed at Copenhagen, on 10 March 1966

Official texts: Danish, Italian and English.

Registered by Denmark on 29 August 1968.

DANEMARK
et
ITALIE

Convention tendant à éviter la double imposition en matière d'impôts sur les successions. Signé à Copenhague, le 10 mars 1966

Textes officiels danois, italien et anglais.

Enregistrée par le Danemark le 29 août 1968.

No. 9201. CONVENTION[1] BETWEEN DENMARK AND ITALY FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO DUTIES ON THE ESTATES OF DECEASED PERSONS. SIGNED AT COPENHAGEN, ON 10 MARCH 1966

The Government of the Kingdom of Denmark and the Government of Italy, desiring to conclude a Convention for the avoidance of double taxation with respect to duties on the estates of deceased persons, have agreed as follows :

Article I

This Convention refers to duties applicable to the estates of deceased Italian and Danish nationals.

Article II

1. This Convention shall be applicable to the following duties :

a) in Italy : the succession duty (*imposta di successione*) and the estate duty (*imposta sul valore globale netto dell'asse ereditario*);

b) in Denmark : the succession duty (*arveafgiften*).

2. This Convention shall also apply to any identical or substantially similar duties which are subsequently imposed in addition to, or in place of the existing duties.

Article III

1. Immovable property situated in one of the Contracting States shall be subject to duty only in the State, in which such property is situated.

2. The term " immovable property " shall be defined in accordance with the laws of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment of agricultural and forestry enterprises, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

[1] Came into force on 9 July 1968, by the exchange of the instruments of ratification, which took place at Rome, in accordance with article XI.

Article IV

1. Movable property forming part of the business property employed in a permanent establishment situated in one of the Contracting States shall be subject to duty only in the State in which such permanent establishment is situated.

2. The term " permanent establishment " means a fixed place of business in which the business of the deceased person was wholly or partly carried on.

3. A 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.

4. 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.

Article V

1. Property not mentioned in the Articles III and IV is subject to duty in the Contracting State in which the deceased person had his domicile at the date of his death.

2. For the purposes of this Convention, the term " domicile " shall be defined in accordance with the laws of each of the Contracting States.

3. Where by reason of the provisions of the preceding paragraph a deceased person had his domicile in both Contracting States, then this case shall be solved in accordance with the following rules :