No. 9395

GREECE
and
FEDERAL REPUBLIC OF GERMANY

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital and to the trade tax. Signed at Athens on 18 April 1966

Authentic texts: Greek, German and English.

Registered by Greece on 28 January 1969.

GRÈCE
et
RÉPUBLIQUE FEDERALE D'ALLEMAGNE

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu, d'impôts sur la fortune et de contribution des patentes. Signée à Athènes le 18 avril 1966

Textes authentiques: grec, allemand et anglais.

Enregistrée par la Grèce le 28 janvier 1969.

AGREEMENT[1] BETWEEN THE KINGDOM OF GREECE AND THE FEDERAL REPUBLIC OF GERMANY FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL AND TO THE TRADE TAX

His Majesty the King of the Hellenes and the President of the Federal Republic of Germany,

Desiring to avoid double taxation and to prevent fiscal evasion with respect to taxes on income and capital and to the trade tax have agreed to conclude the following Agreement. For that purpose they have appointed as their plenipotentiaries:

His Majesty the King of the Hellenes:

H.E.M. Th. Rendis, Under Secretary of State.

The President of the Federal Republic of Germany:

H.E.M. Oskar Schlitter, Ambassador of the Federal Republic of Germany.

The plenipotentiaries, having communicated to one another their full powers, found in good and due form, have agreed as follows:

Article I

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

1. in the Federal Republic of Germany:

   the *Einkommensteuer* (income tax),
   the *Körperschaftsteuer* (corporation tax),
   the *Vermögensteuer* (capital tax) and
   the *Gewerbesteuer* (trade tax) (hereinafter referred to as "Federal Republic tax").

2. in the Kingdom of Greece:

   the income tax on natural persons (*Einkommensteuer der natürlichen Personen*), and
   the income tax on legal persons (*Einkommensteuer der juristischen Personen*) (hereinafter referred to as "Greek tax")

[1] Came into force on 8 December 1967, after the expiration of one month following the date of the exchange of the instruments of ratification which took place at Bonn on 8 November 1967, in accordance with article XXIII.

(2) This Agreement shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes.

Article II

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

1. The term "tax" means Federal Republic tax or Greek tax, as the context requires.

2. The term "person" includes individuals and companies.

3. The term "company" means any body corporate, any entity which is treated as a body corporate for taxe purposes under the laws of the Federal Republic of Germany and any legal entity established under the laws of the Kingdom of Greece.

4. (*a*) 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 this domicile, residence, place of management or any other similar criterion.

b) Where by reason of the provisions of the preceding paragraph an individual is a resident of both Contracting States the following rules shall apply:

(*aa*) 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);

(*bb*) 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 a habitual abode;

(*cc*) if he has a 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;

(*dd*) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall determine the question by mutual agreement.

c) Where by reason of the provisions of the preceding sub-paragraph (*a*) a company 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. The same provision shall apply to partnerships and associations which under the national laws by which they are governed are not legal persons.

5. The terms "Federal Republic enterprise" and "Greek enterprise" mean respectively an industrial or commercial enterprise or undertaking carried on by a resident of the Federal Republic of Germany and an industrial or commercial enterprise or undertaking carried on by a resident of the Kingdom of Greece; and the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean a Federal Republic enterprise or a Greek enterprise, as the context requires.

6. The term "industrial and commercial profits" includes rents and royalties in respect of cinematograph films.

7. (*a*) The term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

b) A permanent establishment shall include especially:
a place of management;
a branch;
an office;
a factory;
a workshop;
a mine, quarry or other place of extraction of natural resources;
a building site or construction or assembly project which exists for more than twelve months.

c) The term "permanent establishment" shall not be deemed to include:
the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise:
the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
the maintenance of a fixed place of business solely for the purpose of purchasing foods or merchandise, or for collecting information, for the enterprise;
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.

d) A person acting in a Contracting State on behalf of an enterprise of the other Contracting State—other than an agent of an independent status to whom subparagraph (*e*) applies—shall be deemed to be a permanent establishment in the first-mentioned State if he has and habitually exercises in that 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.

e) An enterprise of a Contracting State 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.

f) The fact that a company which is a resident of a Contracting State 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.

8. The term "pension" means periodic payments made in consideration of services rendered or by way of compensation for injuries received.

9. The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time.

10. The term "competent authorities" means in the case of the Kingdom of Greece, the Ministry of Finance, and in the case of the Federal Republic of Germany, the Federal Minister of Finance.

(2) In the application of the provisions of this Agreement in a Contracting State 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 State relating to the taxes which are the subject of this Agreement.

Article III

(1) The industrial or commercial profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on a trade or business in the other Contracting State through a permanent establishment situated therein. If it carries on a trade or business in that other State through a permanent establishment situated therein, tax may be imposed on those profits in the other State but only on so much of them as is attributable to that permanent establishment.

(2) Where an enterprise of a Contracting State carries on a trade or business in the other Contracting State through a permanent establishment situated therein, there shall be attributed to the permanent establishment the industrial or commercial profits which it might be expected to derive in that other State 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.