No. 9717

JAPAN
and
NORWAY

Convention for the avoidance of double taxation with respect to taxes on income (with protocol and exchange of notes). Signed at Oslo on 11 May 1967

Authentic text: English.

Registered by Japan on 16 July 1969.

JAPON
et
NORVÈGE

Convention tendant à éviter la double imposition en matière d'impôts sur le revenu (avec protocole et échange de notes). Signée à Oslo le 11 mai 1967

Texte authentique : anglais.

Enregistrée par le Japon le 16 juillet 1969.

CONVENTION[1] BETWEEN JAPAN AND THE KINGDOM OF NORWAY FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME

Japan and the Kingdom of Norway,

Desiring to conclude a Convention for the avoidance of double taxation with respect to taxes on income,

Have agreed as follows :

Article 1

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

1. The taxes which are the subject of this Convention are :

(*a*) In Japan :
the income tax ;
the corporation tax ; and
the local inhabitant taxes
(hereinafter referred to as " Japanese tax ").

(*b*) In Norway :
the national income tax ;
the national tax equalization dues on income ;
the national tax in aid of developing countries ;
the national dues on the salaries of foreign artistes ;
the municipal income tax ;
the tax on dependent children's earnings ; and
the seamen's tax
(hereinafter referred to as " Norwegian tax ").

2. This Convention shall also apply to any other taxes of a character substantially similar to those referred to in the preceding paragraph and introduced in either Contracting State after the date of signature of this Convention.

[1] Came into force on 25 October 1968, the thirtieth day after the date of the exchange of the instruments of ratification, which took place at Tokyo on 25 September 1968, in accordance with article 28 (2).

3. The provisions of this Convention in respect of taxation of income or profits shall likewise apply to the Japanese local inhabitant taxes computed on a basis other than income or profits.

Article 3

1. In this Convention unless the context otherwise requires :

(*a*) the term " Japan ", when used in a geographical sense, means all the territory in which the laws relating to Japanese tax are in force ;

(*b*) the term " Norway ", when used in a geographical sense, means all the territory in which the laws relating to Norwegian tax are in force ; the term does not, however, comprise Svalbard (Spitzbergen), Jan Mayen and the Norwegian dependencies outside Europe ;

(*c*) the terms " a Contracting State " and " the other Contracting State " mean Japan or Norway as the context requires ;

(*d*) the term " tax " means Japanese tax or Norwegian tax, as the context requires ;

(*e*) the term " person " includes a company and any other body of persons ;

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

(*g*) 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 ;

(*h*) the term " competent authority " means, in the case of Japan, the Minister of Finance or his authorized representative, and, in the case of Norway, the Minister of Finance and Customs or his authorized representative.

2. As regards the application of this Convention in a Contracting State any term not otherwise 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 to which this Convention applies.

Article 4

1. For the purposes of this Convention, the term " resident of a Contracting State " means any person who, under the law of that Contracting State, is liable to taxation therein by reason of his domicile, residence, place

of head or main office, 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 the competent authorities shall determine by mutual agreement the Contracting State of which that individual shall be deemed to be a resident for the purposes of this Convention.

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 head or main office is situated.

Article 5

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. An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if

(*a*) it carries on supervisory activities in that other Contracting State for more than twelve months in connection with a building site or construction or assembly project which is being undertaken in that other Contracting State ;

(*b*) it carries on a business which consists of providing in that other Contracting State such services of public entertainers referred to in Article 17 as are rendered on behalf of that enterprise.

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.

5. 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 paragraph 6 applies — shall be deemed to be a permanent establishment in the first-mentioned Contracting State if

(*a*) he has, and habitually exercises in that first-mentioned Contracting 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*) he maintains in that first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise.

6. An enteprise 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 Contracting 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.

7. 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 Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute for either company a permanent establishment of the other.

Article 6

1. Income from immovable property may be taxed in the Contracting State in which such property is situated.

2. The term " immovable property " shall be defined in accordance with the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable