

No. 53891*

**Germany
and
Israel**

Agreement between the Federal Republic of Germany and the State of Israel for the avoidance of double taxation and of tax evasion with respect to taxes on income and on capital (with protocol). Berlin, 21 August 2014

Entry into force: 9 May 2016 by the exchange of instruments of ratification, in accordance with article 29

Authentic texts: English, German and Hebrew

Registration with the Secretariat of the United Nations: Germany, 9 September 2016

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**Allemagne
et
Israël**

Accord entre la République fédérale d'Allemagne et l'État d'Israël tendant à éviter les doubles impositions et l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune (avec protocole). Berlin, 21 août 2014

Entrée en vigueur : 9 mai 2016 par échange des instruments de ratification, conformément à l'article 29

Textes authentiques : anglais, allemand et hébreu

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[ENGLISH TEXT – TEXTE ANGLAIS]

Agreement

between

the Federal Republic of Germany

and

the State of Israel

for the Avoidance of Double Taxation and of Tax Evasion with

respect to Taxes on Income and on Capital

The Federal Republic of Germany

and

the State of Israel,

Desiring to promote their mutual economic relations by removing fiscal obstacles and to strengthen their cooperation in tax matters,

Have agreed as follows:

Article 1

Persons Covered

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

Article 2

Taxes Covered

(1) This Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State, of a Land or a political subdivision or local authority thereof, 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, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

(3) The existing taxes to which this Agreement shall apply are in particular:

a) in Germany:

the income tax (Einkommensteuer),

the corporation tax (Körperschaftsteuer),
the trade tax (Gewerbesteuer) and
the capital tax (Vermögensteuer)
including the supplements levied thereon .

(hereinafter referred to as "German tax");

b) in Israel:

the income tax and company tax (including tax on capital gains),
the profit tax on financial institutions and
the tax imposed on gains from the alienation of property according to the Real Estate
Taxation Law;

(hereinafter referred to as "Israeli tax").

(4) The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

Article 3

General Definitions

(1) For the purposes of this Agreement, unless the context otherwise requires:

- a) The term "Israel" means the State of Israel and when used in a geographical sense includes its territorial sea, as well as those maritime areas adjacent to the outer limit of the territorial sea, including seabed and subsoil thereof over which the State of Israel, in accordance with international law and the laws of the State of Israel, exercises its sovereign rights or jurisdiction;
- b) the term "Germany" means the Federal Republic of Germany and when used in a geographical sense, includes the territory of the Federal Republic of Germany, as well as the area of the sea-bed, its subsoil and the superjacent water column adjacent to the

territorial sea, wherein the Federal Republic of Germany exercises sovereign rights or jurisdiction in conformity with international law and its national legislation for the purpose of exploring, exploiting, conserving and managing the living and non-living natural resources or for the production of energy from renewable sources;

- c) the terms "a Contracting State" and "the other Contracting State" mean Germany or Israel as the context requires;
- d) the term "person" includes an individual, a company, a trust and any other body of persons;
- e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- f) the term "enterprise" applies to the carrying on of any business;
- g) the term "business" includes the performance of professional services and of other activities of an independent character;
- h) 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 or an enterprise carried on by a resident of the other Contracting State;
- i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
- j) the term "national" means:
 - aa) in respect of Germany

any German within the meaning of the Basic Law for the Federal Republic of Germany and any legal person, partnership and association deriving its status as such from the laws in force in the Federal Republic of Germany;