

No. 4246

**UNITED STATES OF AMERICA
and
FRANCE**

**Convention supplementing the Conventions of 25 July 1939
and 18 October 1946, relating to the avoidance of double
taxation, as modified and supplemented by the Protocol
of 17 May 1948. Signed at Washington, on 22 June 1956**

Official texts: English and French.

Registered by the United States of America on 25 March 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

**Convention complétant les Conventions du 25 juillet 1939 et
du 18 octobre 1946 tendant à éviter les doubles impo-
sitions, modifiées et complétées par le Protocole du
17 mai 1948. Signée à Washington, le 22 juin 1956**

Textes officiels anglais et français.

Enregistrée par les États-Unis d'Amérique le 25 mars 1958.

No. 4246. CONVENTION¹ BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC SUPPLEMENTING THE CONVENTIONS OF 25 JULY 1939² AND 18 OCTOBER 1946,³ RELATING TO THE AVOIDANCE OF DOUBLE TAXATION, AS MODIFIED AND SUPPLEMENTED BY THE PROTOCOL OF 17 MAY 1948.³ SIGNED AT WASHINGTON, ON 22 JUNE 1956

The President of the United States of America and the President of the French Republic,

Desiring to modify and supplement the Conventions between the United States of America and France relating to the avoidance of double taxation, signed at Paris July 25, 1939² and October 18, 1946,³ as modified and supplemented by the Protocol of May 17, 1948,³

Have designated for the purpose as their respective Plenipotentiaries :

The President of the United States of America :

John Foster Dulles, Secretary of State of the United States of America, and

The President of the French Republic :

Maurice Couve de Murville, Ambassador Extraordinary and Plenipotentiary of the French Republic at Washington,

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

Article I

The provisions of the Convention and Protocol between the United States and the French Republic signed at Paris on July 25, 1939 are hereby modified and supplemented as follows :

(a) By striking out Article 1 (a) and inserting in lieu thereof the following :

“(a) In the case of the United States : The Federal income taxes (including surtaxes and excess profits taxes) and the documentary taxes on sales or transfers of shares of certificates of stock or bonds.”

(b) By striking out Article 1 (b) and inserting in lieu thereof the following :

¹ Came into force on 13 June 1957, as of the date of the exchange of the instruments of ratification at Paris, in accordance with article III.

² United Nations, *Treaty Series*, Vol. 125, p. 259.

³ United Nations, *Treaty Series*, Vol. 140, p. 23.

“(b) In the case of France : Income tax on the income of physical persons (proportional tax and progressive surtax), the tax on profits of companies and other legal entities, and the tax on Stock Exchange transactions.”

(c) By striking out in Article 5 the words “tax on industrial and commercial profits” and inserting in lieu thereof the words “proportional tax.”

(d) By adding immediately after Article 6 the following new Article :

“Article 6a

“Dividends and interest derived, on or after January 1, 1952, from sources within one of the contracting States by a resident or corporation or other entity of the other State, not having a permanent establishment in the former State, shall be subject to tax by such former State at a rate not in excess of 15 percent of the gross amount of such dividends or interest. Such reduced rate of tax shall not apply to dividends or interest paid prior to the calendar year in which are exchanged the instruments of ratification of the present Convention if, for the taxable year in which such dividends or interest is received, penalty for fraud with respect to the taxes which are the subject of the present Convention has been imposed against the recipient of such dividends or interest.”

(e) (1) By striking out Article 9 as rewritten by Article I (3) of the Protocol signed May 17, 1948, and inserting in lieu thereof the following :

“Article 9

“An individual who is a resident of one of the contracting States shall be exempt from tax by the other contracting State upon compensation for personal services (other than income from the exercise of a liberal profession) performed during the taxable year within such other contracting State if (a) he is present in such other contracting State for a period or periods aggregating not more than 183 days during the taxable year and (b) such services are performed for or on behalf of a resident, corporation or other entity of the former contracting State or for or on behalf of a permanent establishment, situated within such former State, of an enterprise of such other State.

“This provision does not apply to the income referred to in Article 8.”

(2) The preceding subparagraph shall have effect for taxable years beginning on and after the first day of January of the year following the exchange of the instruments of ratification of the present Convention.

(f) By adding immediately after Article 13 the following new article :

“Article 13a

“Any transaction in which an order for the purchase, sale or exchange of stocks, securities or commodities originates in one of the contracting States and is executed through a stock or commodities exchange in the other State