

FINAL PROTOCOL OF 17TH NOVEMBER 1980

At the signing of the Convention between the Grand Duchy of Luxembourg and the Kingdom of Denmark for the avoidance of double taxation and the establishment of rules for reciprocal administrative assistance with respect to taxes on income and on capital, the undersigned Plenipotentiaries have agreed that the following additional provisions shall be an integral part of the Convention.

1. Holding Companies

Ad Articles 1, 3 and 4

This Convention shall not apply to holding companies in the sense of the special Luxembourg legislation currently governed by the law of the 31st July, 1929 and the Grand Duchy order of the 17th December, 1938 (adopted in execution of Articles 1, 7, paragraphs 1 and 2 of the Law of the 27th December, 1937). Nor shall it apply to income that a resident of Denmark draws from similar companies nor to shares or other capital securities of such companies that such person owns.

2. Taxes Described

Ad Article 2, paragraph 3a)

It is understood that the State tax on income also includes the corporate income tax (Selskabsskat).

3. Associated Enterprises

Ad Article 9, paragraph 2

The provisions of paragraph 2 of Article 9 shall not infringe on the broader obligations which may result from measures to be adopted by the Council of European Communities.

4. Prevention of Double Taxation in Denmark

Ad Article 23, paragraph 1a)

1. In respect of dividends paid by a company which is a resident of Luxembourg to a company which is a resident of Denmark and which holds an interest of at least 25 percent in the Luxembourg company, the taxation shall take into consideration (in addition to any Luxembourg tax that may be payable on the dividends) the Luxembourg tax payable by the company on its profits.

2. Denmark shall grant a deduction on the tax it imposes on the income of a resident of Denmark who has benefited in Luxembourg from a temporary tax allowance in an amount equal to the income tax due in Luxembourg before the deduction of this temporary tax allowance.

5. Exchange of Information

Ad Article 26

The provisions of Article 26 shall not infringe on the execution of broader obligations which may result from measures adopted in application of the 17th December 1977 directive of the Council of European Communities with respect to mutual assistance from the competent authorities of the member States in the area of direct taxes.