

# **1 CONVENTION between The Kingdom of Norway and The Republic of Argentina for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital**

The Government of the Kingdom of Norway and the Government of the Republic of Argentina desiring to conclude a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income and on capital,

have agreed as follows:

## **CHAPTER I**

### **Scope of the Convention**

#### **Article 1**

##### **PERSONAL SCOPE**

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

#### **Article 2**

##### **TAXES COVERED**

1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, 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, as well as taxes on capital appreciation.

3. The existing taxes to which the Convention shall apply are in particular:

a. in the case of Norway:

- i. the national tax on income (inntektsskatt til staten);
- ii. the county municipal tax on income (inntektsskatt til fylkeskommunen);
- iii. the municipal tax on income (inntektsskatt til kommunen);
- iv. the national contributions to the Tax Equalisation Fund (fellesskatt til Skattefordelingsfondet);
- v. the national tax on capital (formuesskatt til staten);
- vi. the municipal tax on capital (formuesskatt til kommunen);
- vii. the national tax relating to income and capital from the exploration for and the exploitation of submarine petroleum resources and activities and work relating thereto, including pipeline transport of petroleum produced (skatt til staten vedrørende inntekt og formue i forbindelse med undersøkelse etter og utnyttelse av undersjøiske petroleumforekomster og dertil knyttet virksomhet og arbeid, herunder rørledningstransport av utvunnet petroleum); and

viii. the national dues on remuneration to non-resident artistes (avgift til staten av honorarer som tilfaller kunstnere bosatt i utlandet) (hereinafter referred to as «Norwegian tax»);

b. in the case of Argentina:

i. the income tax (impuesto a las ganancias);

ii. the personal assets tax (impuesto personal sobre los bienes personales); (hereinafter referred to as «Argentine tax»).

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed by either Contracting State after the date of signature of the Convention in addition to, or in place of, the existing taxes.

## CHAPTER II

### Definitions

#### Article 3

#### GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:

a. the terms «a Contracting State» and «the other Contracting State» mean Norway or Argentina as the context requires;

b. the term «Argentina» means the Argentine Republic, and when used in a geographical sense, the territory in which the tax law of Argentina is in force;

c. the term «Norway» means the Kingdom of Norway, including any area outside the territorial waters of the Kingdom of Norway where the Kingdom of Norway, according to Norwegian legislation and in accordance with international law, may exercise her rights with respect to the seabed and subsoil and their natural resources; the term does not comprise Svalbard, Jan Mayen and the Norwegian dependencies («biland»);

d. the term «national» means:

i. any individual possessing the nationality of a Contracting State;

ii. any legal person, partnership and association deriving its status as such from the laws in force in a Contracting State;

e. the term «person» includes an individual, 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 «international traffic» means any transport by a ship or aircraft operated by a resident of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
- i. the term «competent authority» means:
  - i. in the case of Norway, the Minister of Finance and Customs or his authorised representative;
  - ii. in the case of Argentina, the Ministry of Economy and Works and Public Services, Secretariat of Finance (el Ministerio de Economía y Obras y Servicios Públicos, Secretaría de Hacienda).

2. As regards the application of the Convention by a Contracting State at any time, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has at that time under the law of that State concerning the taxes to which the Convention applies.

## Article 4

### **RESIDENT**

1. For the purposes of this Convention, the term «resident of a Contracting State» means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation (registration) or any other criterion of a similar nature. However, in the case of a partnership or estate the term applies only to the extent that the income derived by such partnership or estate is subjected to tax in that State as the income of a resident, either in its hands or in the hands of its partners.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

- a. he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
- b. if the 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 State, he shall be deemed to be a resident of the State in which he has an habitual abode;
- c. if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;
- d. if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

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 State in which its place of effective management is situated.

## Article 5

### **PERMANENT ESTABLISHMENT**

1. For the purposes of this Convention, the term «permanent establishment» means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term «permanent establishment» includes especially:

- a. a place of management;
- b. a branch;
- c. an office;
- d. a factory;
- e. a workshop, and
- f. a mine, an oil or gas well, a quarry or any other place of exploration for or exploitation of natural resources.

3. The term «permanent establishment» likewise encompasses:

- a. a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period of more than six months;
- b. the furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purpose, but only where such activities continue within the country for a period or periods aggregating more than six months within any twelve month period.
- c. the furnishing of technical services, as defined in Article 12, but only where such activities continue within the country for a period or periods aggregating more than three months within any twelve month period.
- d. exploration or exploitation of natural resources, but only where such activities continue for a period of more than three months within any twelve month period.

4. Notwithstanding the preceding provisions of this Article, the term «permanent establishment» shall be deemed not to include:

- a. the use of facilities solely for the purpose of storage or display 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 or display;
- 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 of collecting information, for the enterprise;

- e. the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- f. the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1, 2 and 3, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise of a Contracting State and has, and habitually exercises, in the other Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that other State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. 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, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, he shall not be considered an agent of an independent status within the meaning of this paragraph, if it is shown that the transactions between the agent and the enterprise were not made under arm's length conditions.

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

## CHAPTER III

### **Taxation of income**

#### Article 6

##### **INCOME FROM IMMOVABLE PROPERTY**

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term «immovable property» shall have the meaning which it has under 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 property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property and to income from the alienation of such property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

## Article 7

### **BUSINESS PROFITS**

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to:

- a. that permanent establishment; or
- b. sales in that other State of goods or merchandise of the same or similar kind as those sold through that permanent establishment; or
- c. other business activities carried on in that other State of the same or similar kind as those effected through that permanent establishment.

The provisions of sub-paragraphs b) and c) shall not apply if the enterprise shows that such similar sales or activities referred to in those sub-paragraphs are not related to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred whether in the State in which the permanent establishment is situated or elsewhere.

4. Notwithstanding the provisions of paragraph 1, profits derived by an enterprise of a Contracting State from the activity of granting insurance covering property situated in the other Contracting State or persons which are residents of that other State, at the time of the conclusion of the insurance contract, may be taxed in that other State, whether or not the enterprise carries on its activity in that other State through a permanent establishment situated therein or otherwise.

The same applies to reinsurance, but only where reinsurance premiums are paid by an insurance enterprise which is a resident of that other State.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

7. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

## Article 8

### **SHIPPING AND AIR TRANSPORT**

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2. The provisions of paragraph 1 shall also apply to profits referred to in that paragraph derived by an enterprise of a Contracting State from the participation in a pool, a joint business or in an international operating agency.

3. The provisions of paragraphs 1 and 2 shall apply to profits derived by the joint Norwegian, Danish and Swedish air transport consortium Scandinavian Airlines System (SAS), but only insofar as profits derived by Det Norske Luftfartsselskap A/S (DNL), the Norwegian partner of the Scandinavian Airlines System (SAS), are in proportion to its share in that organisation.

## Article 9

### **ASSOCIATED ENTERPRISES**

1. Where

- a. an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- b. the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the income of an enterprise of that state - and taxes accordingly - income on which an enterprise of the other Contracting State has been charged to tax in that other State and the income so included is income which would have accrued to the first-mentioned enterprise if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State may make an appropriate adjustment, to the amount of tax charged therein on that income. In determining such adjustment, due regard shall be had to the other provisions of this Convention and the competent authorities of the Contracting States shall if necessary consult each other.

3. The provisions of paragraph 2 shall not apply in the case of fraud, wilful default or neglect.

## Article 10

### **DIVIDENDS**

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

- a. 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25 per cent of the capital of the company paying the dividends;
- b. 15 per cent of the gross amount of the dividends in all other cases.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term «dividends» as used in this Article means income from shares, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State, of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

6. Nothing contained in the Convention shall prevent Argentina from taxing at the rate determined by Argentine law, the profits or income attributable to a permanent establishment maintained in Argentina by a company which is a resident of Norway. However, the total amount of tax so charged shall not exceed the income tax applied on profits of an Argentine company plus 10 per cent of such profits after deduction of such company tax.

## Article 11

## **INTEREST**

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State be may be taxed in that other State.

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 12.5 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State shall be exempt from tax in that State if:

- a. the interest is paid in respect of a bond, debenture or other similar obligation of the government of that Contracting State or of a political subdivision or local authority thereof, provided that the interest is beneficially owned by a resident of the other Contracting State;
- b. the interest is paid from a debtor resident in Argentina to a resident of Norway in respect of a loan made, guaranteed or insured, or a credit extended, guaranteed or insured by the Norwegian Guarantee Institute for Export Credits or A/S Eksportfinans or any other similar institution as may be agreed from time to time between the competent authorities of the Contracting States;
- c. the interest is paid from a debtor resident in Norway to a resident of Argentina in respect of a loan made, guaranteed or insured, or a credit extended, guaranteed or insured by Banco de la Nación Argentina or Banco de la Provincia de Buenos Aires or any other similar institution as may be agreed from time to time between the competent authorities of the Contracting States;
- d. the interest is paid in connection with the importation of industrial, commercial or scientific equipment, except where the sale or indebtedness was between related persons, and excluding interest arising from deferral of payments for importation of goods or merchandise not referred to in the preceding paragraphs.

4. The term «interest» as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures, as well as income which is subjected to the same taxation treatment as income from money lent by the laws of the State in which the income arises. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

5. The provisions of paragraph 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment

or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## Article 12

### **ROYALTIES**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed:

- a. 3 per cent of the gross amount paid for the use of, or the right to use, for the commercial distribution of news to the general public, any item of news where the beneficial owner of the royalties is an international news agency;
- b. 5 per cent of the gross amount paid for the use of, or the right to use, copyright of literary, dramatic, musical or other artistic work (but not including royalties in respect of motion picture films and works on films or videotape or other means of reproduction for use in connection with television);
- c. 10 per cent of the gross amount paid for the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial or scientific equipment, or for information concerning industrial or scientific experience, and includes payments for the rendering of technical assistance as defined in paragraph 3; and
- d. 15 per cent of the gross amount of the royalties in all other cases.

3. The term «royalties» as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, news, any copyright of literary, dramatic, musical or other artistic work, any patent, trade mark, design or model, plan, secret formula or process or other intangible property, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience, and includes payments for the rendering of technical assistance but only where such assistance is rendered outside the State in which they arise; and payments of any kind in respect of motion picture films and works on film, videotape or other means of reproduction for use in connection with television.

4. The provisions of paragraph 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a

permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by the permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of the Convention.

## Article 13

### **CAPITAL GAINS**

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.

3. Gains from the alienation of ships or aircraft operated in international traffic, or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the profits of the enterprise are taxable according to Article 8 of this Convention.

4. Gains derived by an individual of a Contracting State from the alienation of shares or other corporate rights in an entity which is a resident of the other Contracting State, and gains from the alienation of any other security which are subjected in that other State to the same taxation treatment as gains from the alienation of such shares or other rights may be taxed in that other Contracting State, but only if:

- a. the alienator has been a resident of that other Contracting State at any time during the five years immediately preceding the alienation of the shares, rights or security; and
- b. the alienator was the beneficial owner of the above mentioned shares or rights while a resident of that other State.

5. Gains from the alienation of any business property or property used for economic purposes, other than those referred to in paragraphs 1 and 2 shall be taxable only in the Contracting State of which the alienator is a resident.

6. Gains derived by a resident of a Contracting State from the alienation in the other Contracting State of any property situated in that other State, other than that referred to in the preceding paragraphs of this Article, may be taxed in both Contracting States in accordance with their laws in force.

7. Gains from the alienation of any property other than those referred to in the preceding paragraphs shall be taxable only in the Contracting State of which the alienator is a resident.

## Article 14

### **INDEPENDENT PERSONAL SERVICES**

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character performed in the other Contracting State excluding technical services as dealt with in Article 12, may be taxed in that other State, but the tax so charged shall not exceed 10 per cent of the gross amount of the income unless he has a fixed base regularly available to him in that other State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other State in accordance with the law of that State, but only so much of it as is attributable to that fixed base.

2. The term «professional services» includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

## Article 15

### **DEPENDENT PERSONAL SERVICES**

1. Subject to the provisions of Articles 16, 17, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

- a. the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the calendar year concerned; and
- b. the remuneration is paid by, or on behalf of, an employer who is a resident of the State of which the recipient is a resident; and
- c. the remuneration is not borne by a permanent establishment or a fixed base which the employer has in that other State.

3. Paragraph 2 of this Article shall not apply to remuneration derived by a resident of a Contracting State, in this paragraph called «the employee», and paid by or on behalf of an employer who is a resident of that State in respect of an employment exercised in the other Contracting State where:

- a. the employee renders services in the course of that employment to a person other than the employer who, directly or indirectly, supervises, directs or controls the manner in which those services are performed; and
- b. the employer is not responsible for carrying out the purposes for which the services are performed.

4. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State, may be taxed in the Contracting State in which the profits of the enterprise are taxable according to Article 8 of this Convention.

5. Where a resident of Norway derives remuneration in respect of an employment exercised aboard an aircraft operated in international traffic by the Scandinavian Airlines System (SAS) consortium, such remuneration shall be taxable only in Norway.

## Article 16

### **DIRECTORS' FEES**

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or of a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.

## Article 17

### **ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles 7, 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Article 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities performed in a Contracting State by entertainers or sportsmen if the visit to that State is substantially supported by public funds of the other Contracting State or a political subdivision or a local authority thereof. In such a case the income shall be taxable only in the State of which the entertainer or sportsman is a resident.

## Article 18

### **PENSIONS (JUBILACIONES), ANNUITIES, PAYMENTS UNDER A SOCIAL SECURITY SYSTEM AND ALIMONY**

1. Subject to the provisions of paragraph 2 of Article 19:

- a. any pension (jubilaciones) arising in a Contracting State and paid to a resident of the other Contracting State;
- b. any payment, whether periodic or non-periodic, made under the social security legislation of a Contracting State or under any public scheme organised by a Contracting State for social welfare purposes;
- c. any annuity arising in a Contracting State and paid to a resident of the other Contracting State

may be taxed in both Contracting States.

However, any payment referred to in sub-paragraph b) shall not be taxed in the Contracting State of which the recipient is a resident, if that payment due to its nature is exempt from tax in the other Contracting State from which it originates.

2. The term «annuity» as used in this Article means a stated sum payable periodically at stated times during life, or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth (other than services rendered).

3. Alimony and other maintenance payments paid to a resident of a Contracting State shall be taxable only in that State. However, any alimony or other maintenance payment paid by a resident of one of the Contracting States to a resident of the other Contracting State, shall, to the extent it is not allowable as a relief to the payer, be taxable only in the first-mentioned State.

## Article 19

### **GOVERNMENT SERVICE**

1.

- a. Remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
- b. However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
  - i. is a national of that State; or
  - ii. did not become a resident of that State solely for the purpose of rendering the services.

2. The provisions of Articles 15 and 16 shall apply to remuneration other than pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

## Article 20

### **STUDENTS**

Payments which a student, apprentice or business trainee who is, or was, immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

## Article 21

### **OFFSHORE ACTIVITIES**

1. The provisions of this Article shall apply notwithstanding any other provision of this Convention.
2. A person who is a resident of a Contracting State and carries on activities offshore in the other Contracting State in connection with the exploration or exploitation of the seabed and subsoil and their natural resources situated in that other State shall, subject to paragraphs 3 and 4 of this Article, be deemed in relation to those activities to be carrying on business in that other State through a permanent establishment or fixed base situated therein.
3. The term «activities» in paragraph 2 shall be deemed to include the bare-boat leasing of drilling rigs or similar equipment.
4. The provisions of paragraph 2 shall not apply where the activities are carried on for a period not exceeding 30 days in the aggregate in any twelve month period.

However, for the purposes of this paragraph:

- a. activities carried on by an enterprise associated with another enterprise shall be regarded as carried on by the enterprise with which it is associated if the activities in question are substantially the same as those carried on by the last-mentioned enterprise;
  - b. two enterprises shall be deemed to be associated if one is controlled directly or indirectly by the other, or both are controlled directly or indirectly by a third person or persons.
5. Profits derived by a resident of a Contracting State from the transportation of supplies or personnel to a location, or between locations, where activities in connection with the exploration or exploitation of the seabed and subsoil and their natural resources are being carried on in a Contracting State, or from the operation of tugboats and other vessels auxiliary to such activities, shall be taxable only in the Contracting State of which the enterprise is a resident.
  6.
    - a. Subject to sub-paragraph b) of this paragraph, salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment connected with the exploration or exploitation of the seabed and subsoil and their natural resources situated in the other Contracting State may, to the extent that the duties are performed offshore in that other State, be taxed in that other State. However, such remuneration shall be taxable only in the first-mentioned State if the employment is carried on offshore for an employer who is not a resident of the other State and for a period or periods not exceeding in the aggregate 30 days in any twelve month period.

- b. Salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft engaged in the transportation of supplies or personnel to a location, or between locations, where activities connected with the exploration or exploitation of the seabed and subsoil and their natural resources are being carried on in a Contracting State, or in respect of an employment exercised aboard tugboats or other vessels operated auxiliary to such activities, shall be taxable only in the Contracting State of which the enterprise is a resident.

7. Gains derived by a resident of a Contracting State from the alienation of:

- a. exploration or exploitation rights; or
- b. property situated in the other Contracting State and used in connection with the exploration or exploitation of the seabed and subsoil and their natural resources situated in that other State; or
- c. shares deriving their value or the greater part of their value directly or indirectly from such rights or such property or from such rights and such property taken together

may be taxed in that other State.

In this paragraph «exploration or exploitation rights» means rights to assets to be produced by the exploration or exploitation of the seabed and subsoil and their natural resources in the other Contracting State, including rights to interests in or to the benefit of such assets.

## Article 22

### **OTHER INCOME**

1. Items of income of a resident of a Contracting State, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State. However, such items of income, arising in the other Contracting State, may also be taxed in that other State.

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

## CHAPTER IV

### **Taxation of capital**

## Article 23

### **CAPITAL**

1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State may be taxed in that other State.

2. Capital represented by movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, or by movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, may be taxed in that other State.
3. Capital represented by ships or aircraft operated in international traffic, and by movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the Contracting State in which the profits of the enterprise are taxable according to Article 8 of this Convention.
4. Capital represented by business property or property used for economic purposes, other than those referred to in paragraphs 1 and 2, shall be taxable only in the Contracting State in which the owner is a resident.
5. Capital represented by movable property owned by a resident of a Contracting State, not referred to in the preceding paragraphs and situated in the other Contracting State may be taxed in both States.
6. All other elements of capital of a resident a Contracting State shall be taxable only in that State.

#### CHAPTER V

### **Methods for elimination of double taxation**

#### Article 24

### **ELIMINATION OF DOUBLE TAXATION**

1. In accordance with the provisions and subject to the limitations of the laws of the Contracting States (as may be amended from time to time without changing the general principle thereof):
  - a. Where a resident of a Contracting State derives income which, in accordance with the provisions of this Convention, may be taxed in the other Contracting State, the first-mentioned Contracting State shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in the other Contracting State;
  - b. Such deduction shall in no case, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in the other Contracting State;
  - c. Where in accordance with any provision of the Convention, income derived by a resident of a Contracting State is exempt from tax in that State, that State may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.
2. For the purpose of paragraph 1 of this Article, the income tax paid in Argentina by a resident of Norway, in respect of business profits from manufacturing, or industrial processes earned through a permanent establishment situated in Argentina, shall be deemed to include any amount of tax which would have been payable as Argentine tax for any year but for a reduction of tax granted for that year or any part thereof as a result of the application of the provisions of Argentine law as set out in paragraph 3 of this Article.
3. Paragraph 2 of this Article shall apply provided the reduction or exemption of taxes follow as a consequence of the application of either of the following provisions of Argentine law:

- a. the Laws 19.640 and 22.095 including the Laws 20.560, 21.608 and 22.021 (and the Laws that have extended the benefits provided by the Law 22.021 to other provinces than those originally covered by the last mentioned Law), so far as they were in force on, and have not been modified since, the date of the signature of this Convention, or have been modified only in minor respects so as not to affect their general character; or
- b. any other provision which may subsequently be introduced, granting a reduction of tax which is agreed by the competent authorities of the Contracting States to be of a substantially similar character, if it has not been modified thereafter, or has been modified only in minor respects so as not to affect its general character.

4. The provisions of paragraphs 2 and 3 shall apply provided the business activities in question are not in the financial sector and provided that no more than 25 per cent of such business profits as the case may be, have accrued from the interest and gains from the alienation of shares and bonds or consist of profits derived from third countries.

5. The provisions of paragraphs 2, 3 and 4 shall apply only for the first ten years during which this Convention is effective. This period may be extended by a mutual agreement between the competent authorities.

## CHAPTER VI

### **Special provisions**

#### Article 25

##### **NON-DISCRIMINATION**

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

2. Stateless persons who are residents of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

4. Nothing in this Article shall be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

5. Except where the provisions of Article 9, paragraph 7 of Article 11 or paragraph 4 of Article 12 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the

other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

6. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

7. The provisions of this Article shall apply to taxes of every kind and description.

## Article 26

### **MUTUAL AGREEMENT PROCEDURE**

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 25 to that of the Contracting State of which he is a national. The case must be presented within three years from the receipt of the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Convention. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

## Article 27

### **EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws of the Contracting States concerning taxes established by the Contracting States insofar as the taxation thereunder is not contrary to the Convention. The exchange of information shall apply to taxes of every kind and description and is not restricted by Article 1. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons

or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes imposed on behalf of that State. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

- a. to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- b. to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- c. to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

3. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall endeavour to obtain the information to which the request relates in the same way as if its own taxation was involved notwithstanding the fact that the other State does not, at that time, need such information. If specifically requested by the competent authority of a Contracting State, the competent authority of the other Contracting State shall endeavour to provide information under this Article in the form requested, such as depositions of witnesses and copies of unedited original documents (including books, papers, statements, records, accounts or writings), to the same extent such depositions and documents can be obtained under the laws and administrative practices of that other State with respect to its own taxes.

## Article 28

### **DIPLOMATIC AND CONSULAR OFFICERS**

Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officers under the general rules of international law or under the provisions of special agreements.

## Article 29

### **MISCELLANEOUS RULES**

1. The provisions of this Convention shall not be construed to restrict in any manner any exemption, allowance, credit or other deduction accorded:

- a. by the laws of a Contracting State in the determination of the tax imposed by that State; or
- b. by any other agreement entered into by a Contracting State.

2. Nothing in this Convention shall be construed as preventing Norway from imposing a tax on amounts included in the income of a resident of Norway with respect to a partnership, trust or controlled foreign affiliate, in which he has an interest.

3. The Convention shall not apply to any company, trust or partnership that is a resident of a Contracting State and is beneficially owned or controlled directly or indirectly by one or more persons who are not

residents of that State, if the amount of the tax imposed on the income or capital of the company, trust, or partnership by that State is substantially lower than the amount that would be imposed by that State if all of the shares of the capital stock of the company or all of the interests in the trust or partnership, as the case may be, were beneficially owned by one or more individuals who were residents of that State.

Chapter VII

## **Final Provisions**

### **Article 30**

#### **ENTRY INTO FORCE**

1. The Governments of the Contracting States shall notify each other that the constitutional requirements for the entry into force of this Convention have been complied with.
2. The Convention shall enter into force thirty days after the later of the notifications referred to in paragraph 1 and its provisions shall have effect in both Contracting States:
  - a. in respect of taxes withheld at source, on income derived on or after 1 January in the calendar year next following the year in which the Convention enters into force;
  - b. in respect of other taxes on income and in the case of Argentina on assets for taxes chargeable for any tax year beginning on or after 1 January in the calendar year next following the year in which the Convention enters into force.
3. The effect of the Agreement between the Government of the Republic of Argentina and the Government of the Kingdom of Norway for the Avoidance of double taxation on income derived from shipping and air transport, concluded by exchange of notes dated 9 November 1948, shall be suspended and shall not have effect as long as this Convention has effect.

### **Article 31**

#### **TERMINATION**

This Convention shall remain in force until terminated by a Contracting State. Either Contracting States may terminate the Convention, through diplomatic channels, by giving written notice of termination at least six months before the end of any calendar year following after a period of six years from the date on which the Convention enters into force. In such event, the Convention shall cease to have effect in both Contracting States:

- a. in respect of taxes withheld at source, on income derived on or after 1 January in the calendar year next following the year in which the notice is given;
- b. in respect of other taxes on income and in the case of Argentina on assets for taxes chargeable for any tax year beginning on or after 1 January in the calendar year next following the year in which the notice is given.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Convention.

Done in Duplicate at ..... this ..... day of ..... 19.., in the Norwegian, Spanish and English languages, all three texts being equally authentic. In the case of divergence of interpretation, the English version shall prevail.

For the Government of the Kingdom of Norway

(sign.)

For the Government of the Republic of Argentina

(sign.)

## **PROTOCOL**

At the moment of signing the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, this day concluded between the Kingdom of Norway and the Argentine Republic, the undersigned have agreed upon the following provisions which shall be an integral part of the Convention.

1. With respect to Article 5:

Natural resources as referred to in paragraph 3, subparagraph d) includes fisheries.

2. With respect to Article 6, paragraph 2:

In the case of Argentina, the term «immovable property» includes any option or similar right in respect thereof.

3. With respect to Article 7:

- a. As regards paragraph 3, it is understood that nothing contained therein shall require a Contracting State to allow the total deduction of certain expenses when they are limited in some way in the determination of profits under its domestic tax legislation or to allow the deduction of any expenditure which, by reason of its nature, is not generally allowed as a deduction under the taxation laws of that State.
- b. As regards paragraph 5, the export of goods or merchandise purchased by an enterprise shall, notwithstanding the provisions of subparagraph d) of paragraph 4 of Article 5 of the Convention, remain subject to the domestic legislation in force concerning export.

4. With respect to Article 12:

- a. The limitation on the taxation at source provided for under paragraph 2 are, in the case of Argentina, subject to the registration, verification and authorization requirements provided for in domestic legislation;
- b. With respect to subparagraph c of paragraph 2, it is understood that the term «royalties» shall be deemed not to include payments for the use of bare-boat leasing of drilling rigs, or similar purpose equipment, used for the exploration or the extraction of hydrocarbons.

c. In the case of payments for technical assistance, the tax charged under subparagraph c) of paragraph 2, shall be determined after the deduction of the expenses directly related to such activities.

5. With respect to Article 23, paragraph 3:

In the case of Argentina, it is understood that provisions contained in its income Tax Law in force at the moment of signature of this Convention referring to the leasing of movable property, are applicable to bare-boat leasing of drilling rigs or similar equipment.

6. It is understood that the provisions of the Convention shall not be interpreted so as to prevent the application by a Contracting State of the thin capitalization provisions provided for in its domestic legislation.

7. If after the date of signature of the Convention the Argentine Republic conclude a double taxation Convention with a State that is a member country of the Organisation for Economic Co-operation and Development which limits the taxation in the country of source of dividends as referred to in Article 10, interest as referred to in Article 11, royalties as referred to in Article 12, or for independent personal services performed in the absence of a fixed base referred to in paragraph 1 of Article 14, to a rate that is lower than that provided for in this Convention, the lower rate (including an exemption) shall automatically apply for the purposes of this Convention from the date of entry into force of the first-mentioned Convention. The same shall apply if the Argentine Republic agree to exclude any kind of right or property from the definition of royalties in paragraph 3 of Article 12.

IN WITNESS WHEREOF the undersigned, duly authorized to that effect, have signed this Protocol.

DONE in duplicate at ....., this .....

in the Norwegian, Spanish and English languages, each text being equally authentic. In the case of divergence of interpretation, the English version shall prevail.

For the Government of the Kingdom of Norway

(sign.)

For the Government of the Republic of Argentina

(sign.)