

## **1990 Income and Inheritance Tax Convention (English Translation)**

**Signed date:** December 4, 1990

**In force date:** December 1, 1994

**Effective date:** Income subject to withholding tax and inheritance tax, from December 4, 1990; capital tax, from January 1, 1989; income tax and professional tax, from January 1, 1990. See Article 24.

**Status:** In Force

*This convention has been clarified by an exchange of notes dated January 12, 1993 and has been amended by a protocol signed January 14, 2008. The text as amended is also available.*

### **CONVENTION BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE STATE OF QATAR FOR THE AVOIDANCE OF DOUBLE TAXATION**

[TRANSLATION]

The Government of the French Republic and the Government of the State of Qatar, Desiring to conclude a convention for the avoidance of double taxation, have agreed to the following provisions:

#### **Article 1 Personal Scope**

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

#### **Article 2 Taxes Covered**

1. The existing taxes to which the Convention shall apply are:

a) in the case of France:

- l'impôt sur le revenu (income tax);
- l'impôt sur les sociétés (company tax);
- l'impôt de solidarité sur la fortune (wealth tax);
- l'impôt sur les inheritances (tax on inheritances);

and all withholding, all prepayments and installments on the taxes described hereinabove (hereinafter referred to as "French tax");

b) in the case of Qatar:

- the income tax on companies;
  - any tax on total income or on items of income-including gains from the alienation of movable or immovable property-any tax on capital and any tax on inheritances, which are similar to those to which the Convention shall apply in the case of France;
- (hereinafter referred to as "Qatar tax").

2. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of this Convention in addition to, or in place of, the existing taxes. The States shall notify each other of changes which have been made in their respective taxation laws.

#### **Article 3 General Definitions**

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

- a) The terms "a State" and "the other State" mean, as the context requires, the French Republic (hereinafter referred to as "France") or the State of Qatar (hereinafter referred to as "Qatar");
- b) The term "person" includes an individual, a company and any other body of persons;
- c) The term "company" means any public or private body corporate (including, in the case of Qatar, the State of Qatar and the local authorities thereof), or any entity which is treated as a body corporate for tax purposes;
- d) The terms "enterprise of a State" and "enterprise of the other State" mean respectively an enterprise carried on by a resident of a State and an enterprise carried on by a resident of the other State;
- e) The term "international traffic" means any transport by a ship or an aircraft operated by an enterprise the place of effective management of which is situated in a State, except when the ship or aircraft is operated solely between places in the other State;
- f) The term "competent authority" means:
  - (i) in the case of France, the Minister of the Budget or his authorized representative;
  - (ii) in the case of Qatar, the Minister of Finance and Petroleum or his authorized representative.

2. As regards the application of the Convention by a State, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has 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 State" means:

a) in the case of France, any person who, under French laws, is subject to tax in that State by virtue of his residence, domicile or place of management;

b) in the case of Qatar, any person who resides or has his place of management in Qatar.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both 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 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 States, then it shall be deemed to be a resident of the State in which its place of effective management is situated.

4. For the purpose of the Convention, the term "resident of a State" shall include that State and the local authorities thereof.

#### **Article 5 Income From Immovable Property**

1. Income derived by a resident of a State from immovable property (including income from agriculture or forestry) situated in the other 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 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, 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, sharecropping or use in any other form of immovable property.

4. Where the ownership of stocks, shares or other rights in a company or another legal entity gives to the owner the use of immovable property situated in a State and held by this company or this other legal entity, the income derived by the owner from the direct use, letting or use in any other form of his right of may be taxed in that State in accordance with the laws of that State.

#### **Article 6 Business Profits**

1. The profits of an enterprise of a State shall be taxable only in that State unless the enterprise carries on business in the other 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 that permanent establishment.

2. The profits attributed to a permanent establishment are those which such permanent establishment could have earned if it were a distinct enterprise dealing wholly independently with the enterprise of which it is a permanent establishment. To determine such profits, 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, provided that such expenses are justifiable and reasonable in terms of international practices. Where the profits include items of income treated separately in other articles of this Convention, the provisions of these Articles are not affected by the provisions of this Article.

3.A. 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.

B. 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 extraction of natural resources.
- C. A building or construction site constitutes a permanent establishment only if it lasts for more than six months.
- D. Notwithstanding the provisions of subparagraphs A, B and C hereinabove, the term "permanent establishment" shall be deemed not 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 of collecting information for the enterprise;
  - e) the maintenance of a fixed place of business solely for the purpose of any other activity which has a preparatory or auxiliary character.
  - f) the maintenance of a fixed place of business solely for the purpose of the 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.
- E. Notwithstanding the provisions of paragraphs A and B, where a person-other than an agent of an independent status to whom paragraph F applies-acts on behalf of an enterprise and has, and habitually exercises, in a State, an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities exercised by that person for the enterprise, unless the activities of that person are limited to those mentioned in paragraph D which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of paragraph D.
- F. An enterprise of one State shall not be deemed to have a permanent establishment in the other State merely because it carries on business in that 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.
- G. The fact that a company which is a resident of a State controls or is controlled by a company which is a resident of the other 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.

## **Article 7 Shipping and Air Transport**

1. Income derived by a French enterprise from the operation of ships or aircraft in international traffic, including the income related to such operation, shall be exempt in Qatar from the taxes described in Article 2, as well as from any tax similar to the professional tax.
2. Income derived by a Qatar enterprise from the operation of ships or aircraft in international traffic, including the income related to such operation, shall be exempt in France from the taxes described in Article 2. Notwithstanding the provisions of Article 2, such an enterprise shall be exempt from the professional tax due in France in respect of such operation.
3. Notwithstanding the provisions of paragraph 1-d of Article 3:
  - a) for the purposes of paragraphs 1 and 2 of this Article, the term "Qatar enterprise" means Gulf Air as long as the State of Qatar holds an interest in this company and any enterprise designated by the Government of Qatar; and the term "French enterprise" means any enterprise designated by the French Government;
  - b) the list of the enterprises designated by each Government shall be exchanged by letter through diplomatic channels and shall be modified using the same procedure.
4. If the place of effective management of a shipping enterprise is aboard a ship, this place shall be considered to be situated in the State in which the home harbour of this ship is located or, if there is no home harbour, in the State of which the operator of the ship is a resident.
5. The provisions of the preceding paragraphs shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

## **Article 8 Dividends**

1. Dividends paid by a company which is a resident of a State to a resident of the other State may be taxed only in that other State.
2. A resident of Qatar who receives dividends paid by a company which is a resident of France may obtain the reimbursement of the prepayment, if any, attaching to such dividends paid by said company. The gross amount of the prepayment reimbursed shall be considered to be a dividend for the purposes of all the provisions of this Convention.
3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or rights, mining shares, founder's shares or other rights not being debt claims, as well as the income from other corporate rights which are subjected to the same tax 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 State, carries on in the other State of which the company paying the dividends is a resident, a trade or business through a permanent establishment situated therein, or performs in that other State independent professional 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 cases, the provisions of Article 6 or Article 12 shall apply.

### **Article 9 Income From Debt-Claims**

1. Income from debt-claims from a State paid to a resident of the other State may be taxed only in that other State.
2. The term "income from debt-claims" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government funds or bonds or debentures, including premiums and prizes attaching to such securities.
3. The provisions of paragraph 1 shall not apply where the beneficial owner of the income from debt-claims, being a resident of a State, carries on in the other State from which the income arises, a trade or business through a permanent establishment situated therein, or performs in that other State independent professional services from a fixed base situated therein, and the debt-claim in respect of which the income paid is effectively connected with such permanent establishment or fixed base. In such cases, the provisions of Article 6 or Article 12 shall apply.

### **Article 10 Royalties**

1. Royalties arising in a State and paid to a resident of the other State shall be taxable only in that other State.
2. 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, any copyright of literary, artistic or scientific work including cinematograph films and films or tapes used for radio or televised broadcasts, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.
3. The provisions of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a State, carries on a trade or business in the other 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 cases, the provisions of Article 6 or Article 12, as the case may be, shall apply.

### **Article 11 Capital Gains**

- 1.a) Gains derived by a resident of a State from the alienation of immovable property referred to in Article 5 and situated in the other State may be taxed in that other State.
- b) Gains from the alienation of stocks, shares or other rights in a company the assets of which are constituted for more than 80 percent of immovable property or rights attaching to such property may be taxed in the State in which such immovable property is situated where, under the laws of that State, such gains are subject to the same fiscal treatment as gains from the alienation of immovable property. For the purposes of this provision, there shall not be taken into consideration the immovable property assigned by this company to its own industrial, commercial or agricultural operation, or the performance by this company of independent professional services.
2. Gains from the alienation of stocks, shares or other rights--other than the stocks, shares or rights described in sub-paragraph b of paragraph 1--which are part of a substantial interest in a company may be taxed in the State of which the company is a resident. A substantial interest shall be considered to exist where the alienator holds, directly or indirectly, stock, shares or rights the total of which gives the right to more than 25 percent of the profits of the company.

3. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a State has in the other State or of movable property pertaining to a fixed base available to a resident of a State in the other 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.

4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, and 3 shall be taxable only in the State of which the alienator is a resident.

#### **Article 12 Independent Personal Services**

1. Income derived by a resident of a State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available to him in the 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 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 13 Dependent Personal Services**

1. Subject to the provisions of Articles 14, 15 and 16, salaries, wages and other similar remuneration derived by a resident of a State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other 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 State in respect of an employment exercised in the other 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 during the fiscal year in question; and

b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Subject to the provisions of Articles 15 and 16, and notwithstanding the provisions of paragraphs 1 and 2 hereinabove, the remuneration received by a professor or researcher who is, or who was immediately before going to that State, a resident of the other State and who stays in the first-mentioned State for the sole purpose of teaching or performing research in that State, in respect of his activities may be taxed only in the other State. This provision shall apply for a period that does not exceed twenty-four months counted from the date of the first arrival of the professor or the researcher in the first-mentioned State in order to teach or perform research in that State.

4. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a State in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed only in that State.

#### **Article 14 Pensions**

1. Subject to the provisions of Article 15, pensions and other similar remuneration paid to a resident of a State in consideration of past employment may be taxed only in that State.

2. Notwithstanding the provisions of paragraph 1, pensions and other sums paid under the social security laws of a State may be taxed in that State.

#### **Article 15 Government Service**

1. Remuneration and pensions paid to an individual by a State, or a local authority thereof, or one of its public bodies corporate, either directly or by withdrawal from funds they have constituted, in respect of services rendered to that State, authority or public body corporate, shall be taxable only in that State.

2. The provisions of Articles 13 and 14 shall apply to remuneration and pensions paid in respect of services rendered in connection with a trade or business carried on by a State, a local authority thereof, or one of its public bodies corporate.

#### **Article 16 Students**

1. Payments which a student or business apprentice who is or was immediately before visiting a State a resident of the other 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.

2. The remuneration which a student or business apprentice who is or was immediately before visiting a State a resident of the other State and who is present in the first-mentioned State solely for the purpose of his education or training receives for services rendered in the first-mentioned State, may be taxed in the first-mentioned State provided that such services are related to his studies or training or the remuneration for such services is necessary to complete the resources which he has for his maintenance.

### **Article 17 Capital**

1. Capital represented by immovable property referred to in Article 5, owned by a resident of a State and situated in the other State, may be taxed in that other State if the value of such immovable property is greater than the total value of the following items of capital owned by this resident:

-- the shares (other than those described in paragraph 3) issued by a company which is a resident of the State in which the immovable property is situated, provided that such shares are listed on a stock exchange regulated by this State or that this company is an investment company approved by the public authorities of this State;

-- the debt-claims on the State in which the immovable property is situated, on the local authorities or public institutions or public capital companies thereof, or on a company, being a resident of that State, the securities of which are listed on a stock exchange regulated by said State.

2. For the purposes of paragraph 1, the stocks, shares or other rights in a company the assets of which are constituted for more than 50 percent by immovable property situated in a State, or by rights attaching to such immovable property, shall be considered to be immovable property situated in that State. However, the immovable property assigned by said company to its own industrial, commercial, or agricultural operation, or assigned by said company to the performance of professional services, shall not be considered for the determination of the percentage hereinabove. In addition, the shares of listed companies and the securities of real estate companies for commerce and industry shall not be considered to be immovable property for the purpose of this paragraph, whatever the composition of the assets of such companies.

3. Capital represented by stocks, shares or other rights which are part of a substantial interest in a company -- other than a company covered by paragraph 2-- which is a resident of a State may be taxed in that State. A person shall be considered to hold a substantial interest where he holds, directly or indirectly, alone or with related persons, stock, shares or rights the total of which gives the right to more than 25 percent of the profits of the company.

4. Subject to paragraphs 1 and 3, capital owned by a resident of a State may be taxed only in that State.

5. Notwithstanding the provisions of the preceding paragraphs of this Article, for the taxation, in respect of the tax on capital described in paragraph 1 of Article 2, of an individual who is a resident of France and a citizen of Qatar without being a French national, the assets situated outside France owned by this person on January 1 of each of the five years following the calendar year during which he becomes a resident of France shall not be included in the assessment of the tax on capital attaching to each of these five years.

6. If, after the signing of this Convention, by virtue of a convention or agreement, or an amendment to a convention or agreement, between France and a third State which is a member of the Arab States Gulf Cooperation Council, France grants, with respect to the provisions of this Article, a treatment that is more favorable than that granted to Qatar under this Convention, the same favorable treatment shall be automatically applied under this Convention as of the date of entry into force of the French convention, agreement or amendment in question.

### **Article 18 Inheritances**

1. Immovable property shall be liable for the tax on inheritances only in the State in which such property is situated.

2. Tangible and intangible movable property effectively attached to the performance in a State of a trade or business through a permanent establishment situated therein or of independent professional services through a fixed base situated therein shall be liable for the tax on inheritances only in that State.

3. Tangible and intangible movable property (including securities, deposits and other assets) to which the provisions of paragraph 2 do not apply shall be liable for the tax on inheritances only in the State of which the deceased was a resident at the time of his death.

### **Article 19 Specific Provisions**

1. The investments of one State in the other State (including those of the Central Bank and public institutions) and the income derived from such investments (including the gains derived from the

alienation of such investments) shall be exempt from tax in that other State. The provisions of this paragraph shall not apply to immovable property or the income derived from such immovable property.

2. Individuals who are residents of Qatar and who have one or more residences for their private use in France without having their fiscal residence therein under French law shall be exempt from the income tax established on the basis of the rental value of such housing unit or units.

3. Nothing in this Convention shall prevent the application of a more favourable tax treatment which may be stipulated by French domestic laws in force for foreign public investments.

4. If a person who is a resident of a State under the domestic laws of that State is considered to be a resident of the other State on the basis of the criteria for nationality stipulated in paragraph 2 o) of Article 4, the first-mentioned State may refuse this person the tax exemptions or reductions stipulated by the Convention for the residents of the other State, but shall treat said person as a non-resident under its domestic laws.

### **Article 20 Elimination of Double Taxation**

1. In the case of France, double taxation shall be eliminated as follows:

a) income derived from Qatar and which may be taxed, or may be taxed only, in that State in accordance with the provisions of this Convention, shall be considered for the calculation of the French tax where the beneficial owner is a resident of France and such income is not exempt from the tax on companies under French laws. In this case, the tax paid to Qatar shall not be deductible from such income, but the beneficial owner shall have the right to a tax credit chargeable to the French tax. Such tax credit shall be equal to:

(i) for the profits or income covered in Article 6, paragraph 2 of Article 11, and Article 12, the amount of the tax paid in Qatar in accordance with the provisions of these Articles: it may not, however, exceed the amount of the French tax appropriate to such income;

(ii) for all other income, the amount of the French tax appropriate to such income.

b) Where a person who is a resident of Qatar is a resident for tax purposes in France under French domestic laws, or is a subsidiary controlled directly or indirectly at more than 50 percent by a company the place of effective management of which is in France, the income of this person shall be taxed in France, notwithstanding any other provision of the Convention. In such case, France shall charge against the tax in respect of such income, under the conditions stipulated in sub-paragraph a (i), the amount of the tax paid to Qatar in accordance with the provisions of the Convention. The provisions of sub-paragraph b) shall not apply to individuals who are citizens of Qatar.

c) A resident of France who owns capital that may be taxed in Qatar in accordance with the provisions of paragraphs 1, 2 and 3 of Article 17 may also be taxed in France in respect of such capital. The French tax shall be computed deducting a tax credit equal to the amount of the tax paid in Qatar on such capital. This credit may not, however, exceed the French tax appropriate to this capital.

d) Notwithstanding the provisions of Article 18, the French tax on inheritances that applies to assets included in the estate of a French resident shall be calculated, on the assets taxable in France by virtue of the Convention, at the rate for all assets that may be taxed under French domestic laws.

2. In the case of Qatar, double taxation shall be avoided by applying the provisions of the laws of Qatar.

3. In order to avoid double exemptions, and notwithstanding the other provisions of the Convention, each State shall tax in accordance with its domestic laws the income, other than dividends, which are to be taxed by the other State under the Convention, but which are not included in the tax base in that other State. The provisions of this paragraph shall not apply to:

-- the States, the local authorities thereof, and public institutions in which the States or the local authorities thereof hold a majority interest;

-- the citizens of Qatar;

-- the companies in which more than 50 percent of the stock, shares or other rights are owned directly or indirectly by the citizens of Qatar.

### **Article 21 Mutual Agreement Procedure**

1. Where a person considers that the actions of one or both of the 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 State of which he is a resident. The case must be presented within three years from 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 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 States.

3. The competent authorities of the 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 States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the States.

5. The competent authorities of the States may determine the conditions for application of the Convention, notably the formalities which must be completed by the residents of a State in order to obtain in the other State the tax exemptions and other tax advantages provided by the Convention.

### **Article 22 Members of Diplomatic Missions and Consular Posts**

The provisions of this Convention shall not affect the fiscal privileges of members of diplomatic missions and their private domestics, the members of consular posts, or the members of permanent delegations to international organizations under the general rules of international law or under the provisions of special agreements.

### **Article 23 Scope of Territorial Application**

1. This Convention shall apply:

a) in the case of France, to the European and overseas departments of the French Republic, including the territorial waters and the zones over which, in accordance with international law, the French Republic has sovereign rights for the purposes of exploration and exploitation of the resources of the sea bed, the sub-soil, and the overlying waters;

b) in the case of Qatar, to the territory of the State of Qatar and the islands belonging to it, including the territorial waters and the zones over which, in accordance with international law, the State of Qatar has sovereign rights for the purposes of exploration and exploitation of the resources of the sea bed, the sub-soil, and the overlying waters.

2. The Convention may be extended, as is or with the necessary modifications, to the overseas territories and to the other territorial authorities of the French Republic which levy taxes similar to those to which the Convention applies. Such an extension shall take effect as of the date and under the conditions which are defined by mutual agreement between the States through the exchange of diplomatic notes, or according to any other procedure, in accordance with their constitutional provisions. Such agreement also stipulates the changes necessary to the Convention and the conditions for its application to the territories and other authorities to which it is extended.

3. Unless both States have otherwise agreed, the termination of the Convention by one of the States under Article 24 shall also terminate, under the conditions stipulated in this Article, the application of the Convention to any territory or other authority to which it has been extended in accordance with this Article.

### **Article 24 Entry Into Force and Termination**

1. Each of the States shall notify the other of the completion of the procedures required with respect to the entry into force of this Convention. The Convention shall enter into force the first day of the second month following the day of receipt of the last of such notifications.

2. The provisions of the convention shall apply for the first time:

a) with respect to the taxes collected by withholding, to sums paid on or after the date of signing of the Convention;

b) with respect to other income taxes, to income realized during the calendar year during which the Convention has been signed, or attaching to the accounting year opened during that year;

c) with respect to the tax on inheritances, to the estates of persons deceased on or after the signing of the Convention;

d) with respect to the tax on capital, to capital owned on January 1, 1989;

e) with respect to the professional tax cited in Article 7, to the tax established for the year during which the Convention has been signed.

3. The Convention shall remain in force without limitation of term. However, each State may terminate it, through diplomatic channels, with a minimum advance notice of six months, for the end of any calendar year after the year 1995. In such case, the Convention shall apply for the last time:

a) with respect to taxes levied through withholding, to the sums paid no later than December 31 of the calendar year for the end of which the termination has been notified;

- b) with respect to other income taxes, to the income realized during the calendar year for the end of which the termination has been notified, or attaching to the accounting year ended during this year;
- c) with respect to the tax on inheritances, to the estates of persons deceased no later than December 31 of the calendar year for the end of which the termination has been notified;
- d) with respect to the tax on capital, to capital owned on January 1 of the calendar year for the end of which the termination has been notified;
- e) with respect to the professional tax, to the tax established for the year for the end of which the termination has been notified.

In witness whereof, the undersigned, duly authorized to that effect, have signed this Convention. Done in duplicate in Paris, this 4th day of December 1990, in the French and Arab languages, each version being equally authentic.

**FOR THE GOVERNMENT OF THE FRENCH REPUBLIC:**

*Michel Charasse*

*Deputy Minister of the Budget*

**FOR THE GOVERNMENT OF THE STATE OF QATAR:**

*Sheik Mohammed bin Khalifa al Thani*

*Secretary of State for Finance and Petroleum*