

No. 3910

**DENMARK
and
NORWAY**

**Agreement for the avoidance of double taxation with
respect to death duties. Signed at Copenhagen, on
23 May 1956**

Official texts: Danish and Norwegian.

Registered by Denmark on 26 June 1957.

**DANEMARK
et
NORVÈGE**

**Convention tendant à éviter la double imposition en matière
de droits de succession. Signée à Copenhague, le
23 mai 1956**

Textes officiels danois et norvégien.

Enregistrée par le Danemark le 26 juin 1957.

[TRANSLATION — TRADUCTION]

No. 3910. AGREEMENT¹ BETWEEN THE KINGDOM OF DENMARK AND THE KINGDOM OF NORWAY FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO DEATH DUTIES. SIGNED AT COPENHAGEN, ON 23 MAY 1956

The Kingdom of Denmark and the Kingdom of Norway have decided to conclude an agreement for the avoidance of double taxation with respect to death duties.

They have for that purpose appointed as their plenipotentiaries :

His Majesty the King of Denmark :

Mr. Hans Christian Svane Hansen, His Prime Minister and Minister of Foreign Affairs ;

His Majesty the King of Norway :

Mr. Conrad Hofgaard, Counsellor of Embassy, Acting Chargé d'Affaires of Norway at Copenhagen,

who, having examined each other's full powers, found in good and due form, have agreed upon the following provisions :

Article 1

This Agreement applies to death duties levied on the estates of deceased Danish and Norwegian nationals.

The Agreement shall not, in respect of Denmark, apply to the Faroe Islands or Greenland.

Article 2

The following shall, for the time being, be regarded as death duties :

In the case of Denmark : the duty on inherited and similar property (succession duty).

In the case of Norway : the succession duty, including that applicable to gifts *mortis causa* ;

¹ Came into force on 21 December 1956, upon the exchange of the instruments of ratification at Oslo, in accordance with article 11

The Agreement shall also apply to all other estate duties imposed *mortis causa* in Denmark or Norway after the signing of this Agreement, whether levied on the whole estate or on the share accruing to each heir or legatee.

Article 3

Immovable property, including mines and other natural resources, shall be subject to duty only in the State in which the property is situated.

Immovable property shall include accessories thereto and also rights of use and rights to produce or other profits from immovable property. It shall not, however, include livestock or equipment.

Rights to royalties paid for the use of immovable property shall be liable to duty in the State in which the immovable property is situated.

Article 4

Assets to which article 3 does not apply shall be liable to duty only in the State in which the deceased was domiciled at the time of his death.

For the purposes of this Agreement, a deceased person shall be deemed to have been domiciled in one of the States if he had his permanent residence there. If any doubt arises as to the State in which a deceased person shall be deemed to have been domiciled as aforesaid, or if such person can be deemed to have been domiciled in both States, the question of domicile shall be settled by a special agreement between the competent authorities of both States. A determining factor in this connexion shall be the State in which the deceased at the time of his death had the stronger personal and economic ties, or, if this also cannot be determined, the nationality of the deceased.

If the deceased did not have a permanent residence in either State, he shall be deemed to have been domiciled in the State of which he was a national. If he was a national of both States, the question where he shall be deemed to have been domiciled shall be settled by a special agreement between the competent authorities.

Article 5

Debts encumbering or secured by such assets belonging to the estate of the deceased as come under the provisions of article 3 shall be deducted by the State entitled to levy duty on those assets either from those assets or from other assets on which it is entitled to levy duty. Debts other than those aforesaid shall be deducted from assets liable to duty in the State in which the deceased was domiciled at the time of his death.

Where the debts deductible by one of the States under the provisions of the first paragraph exceed the value of all the assets on which the said State is entitled to levy duty, the amount of debt in excess shall be deducted from assets liable to duty in the other State.

In the case of entailed property, however, only debts which encumber or are secured by the said property shall be deducted.

Article 6

Where the right to levy duty on the estate of a deceased person is shared by both States, the following provisions shall apply in respect of the right to levy duty in the State in which such person was domiciled at the time of his death :

The duty levied shall not exceed the difference between the sum of duty that would have been payable if the entire estate of the deceased had been liable to duty in the said State and the sum of duty that would have been payable if the said State had levied duty only on that portion of the estate of the deceased liable to duty in the other State.

Article 7

This Agreement shall not affect any right to tax exemption which has been, or may hereafter be, granted to diplomatic or consular officers in virtue of the general rules of international law.

Where, owing to such tax exemption, the estate of a deceased person is not liable to duty in the receiving State, the right to levy duty shall be reserved to the sending State.

Article 8

If it can be shown that action taken by the authorities of the two States results in taxation contrary to the principles of this Agreement, the person affected by double taxation shall be entitled to lodge a claim with the State in which, by application of the provisions of article 4, he is deemed to be domiciled or in which the deceased shall be deemed under this Agreement to have been domiciled at the time of his death. If the claim is upheld, that State shall take the action necessary to eliminate such double taxation.

A claim as aforesaid shall ordinarily be lodged within two years from the end of the calendar year in which the double taxation came to the notice of the person liable to duty.

Article 9

The competent authorities of the two States may conclude a special agreement for carrying out the provisions of this Agreement and for the avoidance of double

taxation in respect of the duties specified in article 2 in cases not regulated by this Agreement or arising from the application thereof, and in cases where difficulties or doubts arise with respect to the interpretation and application of the Agreement.

If a gift in Denmark is liable to duty under the law on death duties and gift taxes or to income tax and is at the same time liable to duty in Norway as an advancement (*arveforskud*), the competent authorities of the two States may conclude a special agreement in accordance with the principles of the present Agreement for the purpose of avoiding double taxation on the gift.

Article 10

The term "competent authorities" as used in this Agreement, means the Ministers of Finance of the two States, or authorities delegated by them.

Article 11

This Agreement shall be ratified, and the instruments of ratification shall be exchanged at Oslo as soon as possible.

The Agreement shall come into force on the date on which the instruments of ratification are exchanged and shall apply in respect of the estate of any person dying testate or intestate on or after the said date.

Article 12

The Agreement shall continue in force until notice of termination is given by one of the contracting States. Such notice shall be given at least six months before the end of the calendar year. Where due notice is given, the Agreement shall cease to be effective at the end of the calendar year but shall continue to apply in respect of the estate of any person dying testate or intestate before the end of the year.

IN WITNESS WHEREOF the plenipotentiaries of the two States have signed the present Agreement and have thereto affixed their seals.

DONE at Copenhagen, on 23 May 1956, in duplicate, in the Danish and Norwegian languages, both texts being equally authentic.
