STATUTORY INSTRUMENTS

1986 No. 224

INCOME TAX

The Double Taxation Relief (Taxes on Income) (Soviet Union) Order 1986

Laid before the House of Commons in draft

Made - - - - 12*th February* 1986

At the Court at Buckingham Palace, the 12th day of February 1986

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 497(8) of the Income and Corporation Taxes Act 1970 (a), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of that draft:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 497 of the said Income and Corporation Taxes Act 1970, and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1. This Order may be cited as the Double Taxation Relief (Taxes on Income) (Soviet Union) Order 1986.

2. It is hereby declared—

(a) that the arrangements specified in the Convention set out in the Schedule to this Order have been made with the Government of the Union of Soviet Socialist Republics with a view to affording relief from double taxation in relation to income tax, corporation tax or capital gains tax and taxes of a similar character imposed by the laws of the Soviet Union; and

(b) that it is expedient that those arrangements should have effect.

G. I. de Deney,
Clerk of the Privy Council.

(a) 1970 c.10; section 497 was amended and extended by sections 98(2) and 100(1) of the Finance Act 1972 (c.41) and section 10 of the Capital Gains Tax Act 1979 (c.14).

SCHEDULE

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics;

Confirming their desire to develop and strengthen their economic, commercial, industrial, cultural, scientific and technical co-operation;

Desiring to conclude a Convention for the avoidance of double taxation with respect to taxes on income and capital gains;

Have agreed as follows:

ARTICLE 1

Scope of the Convention

(1) This Convention shall apply to persons who are considered to be residents for tax purposes of one or both of the Contracting States.

(2) This Convention extends to the territory of each Contracting State and to those areas of the Continental Shelf adjacent to the outer limit of the territorial sea of each State over which it exercises, in accordance with international law, sovereign rights for the purpose of exploration and exploitation of the natural resources of such areas.

(3) In this Convention references to either of the Contracting States shall be treated as including references both to the territory of the State concerned and to those areas of the Continental Shelf adjacent to the outer limit of the territorial sea of that State which are mentioned in paragraph (2) of this Article.

ARTICLE 2

Taxes covered

(1) This Convention shall apply to the following taxes:

(a) in the United Kingdom of Great Britain and Northern Ireland:

(i) the income tax;

(ii) the corporation tax; and

(iii) the capital gains tax;

(b) in the Union of Soviet Socialist Republics:

(i) the income tax on foreign legal persons; and

(ii) the income tax on the population.

(2) This Convention shall also apply to any identical or substantially similar taxes which are imposed by either Contracting State after the date of signature of this Convention in addition to, or in place of, the existing taxes mentioned in paragraph (1) of this Article.

ARTICLE 3

General definitions

(1) In this Convention:

(a) the term "United Kingdom" means the territory of Great Britain and Northern Ireland;

(b) the terms "Union of Soviet Socialist Republics" and "USSR" mean the territories of all the Union Republics;

(c) the term "Contracting State" means the United Kingdom or the USSR, as the context requires;

(d) the term "person" means an individual and:

(i) in relation to the United Kingdom, also a company or any body corporate or any other entity which is treated as a body corporate for the purposes of taxation in the United Kingdom;

(ii) in relation to the USSR, also any legal person or other organisation created under the laws of the USSR or any Union Republic and treated as a legal person for the purposes of taxation in the USSR;

(e) 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 or any other criterion of a similar nature. This term does not include any person who is liable to tax in that Contracting State only if he derives income from sources therein;

(f) the term "international traffic" means any transport by ship, aircraft, motor vehicle or railway operated by a resident of a Contracting State except when the transport is operated solely between places in the other Contracting State;

(g) the term "technical specialists" means individuals employed in the provision of expert services of any kind and includes physicians, scientists, lawyers, accountants, architects, engineers and personnel performing training and supervisory activities;

(h) the term "competent authority" means:

(i) in the case of the United Kingdom, the Board of Inland Revenue or their authorised representative;

(ii) in the case of the USSR, the Ministry of Finance of the USSR or their authorised representative.

(2) As regards the application of this Convention by the Contracting States any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the laws of the Contracting State levying the taxes which are covered by this Convention.

ARTICLE 4

Residence for tax purposes

(1) Where by reason of the provisions of sub-paragraph *(e)* of paragraph (1) of Article 3 an individual is deemed to be a resident of both Contracting States, then his status shall be determined in accordance with the following rules:

(a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him; if he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (centre of vital interests);

(b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has no permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;

(c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;

(d) if each Contracting State regards him as a national of that State or if he is a national of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

(2) Where by reason of the provisions of sub-paragraph *(e)* of paragraph (1) of Article 3 a person other than an individual is deemed to be a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting 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 any branch, office, agency or other fixed place of business situated in a Contracting State in accordance with the law of that State through which a resident of the other Contracting State wholly or partly carries on any commercial activity.

(2) Notwithstanding the provisions of paragraph (1) of this Article a permanent establishment in a Contracting State through which a resident of the other Contracting State wholly or partly carries on any commercial activity shall not include:

(a) a building site, construction or assembly project, providing it lasts for not more than 24 months;

(b) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the resident;

(c) the use of facilities for the display of goods or merchandise by the resident at exhibitions and for the subsequent sale of those goods or merchandise;

(d) the maintenance of a stock of goods or merchandise belonging to the resident solely for the purpose of storage, display or delivery;

(e) the maintenance of a stock of goods or merchandise belonging to the resident solely for the purpose of processing by another person;

(f) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting and disseminating information, for the resident;

(g) the maintenance of a fixed place of business solely for the purpose of carrying on, for the resident, advertising, marketing or any other activity of a preparatory or auxiliary character;

(h) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs *(a)* to *(g)* inclusive, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character for the resident.

(3) Notwithstanding the provisions of paragraph (1) of this Article, where a resident of a Contracting State carries on commercial activities in the other Contracting State through an agent who:

(a) is not an agent of an independent status to whom paragraph (4) of this Article applies;

(b) acts in the interest and on behalf of that resident; and

(c) has and habitually exercises an authority to conclude contracts in the name of that resident;

that resident shall be deemed to have a permanent establishment in the other State unless the agent carries on for the resident those commercial activities mentioned in paragraph (2) of this Article and the activities if exercised through a fixed place of business would not make that fixed place of business a permanent establishment under the provisions of that paragraph.

(4) A resident of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State if that resident 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.

(5) The fact that a person (other than an individual) which is a resident of a Contracting State controls or is controlled by a person (other than an individual) which is a resident of the other Contracting State or carries on business in that other State (whether through a permanent establishment or otherwise) shall not of itself constitute either person a permanent establishment of the other.

ARTICLE 6

Profits from commercial activities

(1) The profits derived by a resident of a Contracting State from carrying on commercial activities in the other Contracting State other than through a permanent establishment shall not be taxable in that other State. If the resident derives profits from commercial activities through a permanent establishment situated in that other State those profits may be taxed in that State but only so much of them as is attributable to the activities of the permanent establishment.

(2) In determining the profits derived by a resident through a permanent establishment, there shall be deducted expenses which are incurred for the purposes of the permanent establishment, including management and general administrative expenses, whether incurred in the State in which the permanent establishment is situated or elsewhere.

(3) No profits shall be attributed to a permanent establishment by reason of the mere purchase of goods or merchandise for the resident.

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

ARTICLE 7

Profits from international traffic

(1) Profits derived by a resident of a Contracting State from international traffic shall be taxable only in that State.

(2) The provisions of paragraph (1) of this Article shall also apply to profits from the participation in a pool, a joint business or an international transport operating agency.

ARTICLE 8

Dividends

(1) Dividends paid by a resident (in the case of the United Kingdom, a company) of a Contracting State, which are beneficially owned by a resident of the other Contracting State who is and has been present in that other State during the period to which the dividend relates shall be exempt from any tax in the first-mentioned State which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the resident (in the case of the United Kingdom, the company).

(2) The term "dividends" as used in this Article shall have the meaning which it has under the taxation law of the Contracting State of which the person (in the case of the United Kingdom, the company) paying the dividend is a resident and shall include any item which is treated under that law as a dividend or distribution.

(3) The provisions of paragraph (1) of this Article shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on commercial activities in the other Contracting State through a permanent establishment situated therein, and the holding in respect of which the dividends are paid is effectively connected with that permanent establishment. In such a case, the provisions of Article 6 shall apply.

ARTICLE 9

Interest

(1) Interest arising in a Contracting State which is derived and beneficially owned by and paid to a person who is a resident of and has been present in the other Contracting State during the period of accrual of that interest shall be taxable only in that other State.

(2) The term "interest" as used in this Article means income from debt-claims of every kind and shall include income deemed by the law of the Contracting State in which such income arises to be income from money lent.

(3) The provisions of paragraph (1) of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on commercial activities in the other Contracting State through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with that permanent establishment. In such a case, the provisions of Article 6 shall apply.

(4) Where, by reason of an existing relationship between the payer and the beneficial owner of the interest or between both of them and some other person, the amount of interest paid exceeds, for whatever reason, the amount which would have been agreed upon by independent persons, the provisions of this Article shall apply only to the last-mentioned amount. In that 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 10

Royalties including copyright royalties

(1) Royalties arising in a Contracting State which are derived and beneficially owned by and paid to a person who is a resident of and has been present in the other Contracting State during the period in which those royalties arise shall be taxable only in that other State.

(2) The term "royalties" as used in this Article means payments of any kind for the sale of, the use of, or the right to use, any copyright of literary, artistic or scientific work (including cinematograph films, films or tapes for radio or television broadcasting and tapes for the production of gramophone records and other means of sound reproduction). This term also includes payments of any kind for the sale of, the use of, or the right to use, any patent, trade mark, service mark, design or model, secret formula or process, industrial, commercial or scientific equipment including any computer program or for information concerning industrial, commercial or scientific experience or knowledge or for the provision of technical services connected with such sale, use or right of use.

(3) The provisions of paragraph (1) of this Article shall not apply if the beneficial owner of the payments mentioned in paragraph (2) of this Article, being a resident of a Contracting State, carries on commercial activities in the other Contracting State through a permanent establishment situated therein, and the right or property in respect of which the royalties are paid is effectively connected with that permanent establishment. In such a case, the provisions of Article 6 shall apply.

(4) Where, by reason of an existing relationship between the payer and the beneficial owner of the payments mentioned in paragraph (2) of this Article or between both of them and some other person, the amount of the payments exceeds, for whatever reason, the amount which would have been agreed upon by independent persons, the provisions of this Article shall apply only to the last-mentioned amount. In that 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 11

Income from immovable property

(1) Income derived by a resident of a Contracting State from the direct use, letting or use in any other form of immovable property situated in the other Contracting State may be taxed in that other State.

(2) The term "immovable property" as used in this Convention shall have the meaning which it has under the law of the Contracting State in which the property in question is situated.

ARTICLE 12

Capital gains

(1) Gains derived by a resident of a Contracting State from the alienation of immovable property as defined in paragraph (2) of Article 11 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 property of a permanent establishment which a resident of a Contracting State has in the other Contracting State may be taxed in that other State.

(3) Notwithstanding the provisions of paragraph (2) of this Article, gains from the alienation of ships, aircraft, railway and road vehicles operated in international traffic and movable property pertaining to the operation of such ships, aircraft, railway and road vehicles shall be taxable only in the Contracting State in which, under the provisions of Article 7, profits from such activities are taxable.

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

ARTICLE 13

Salaries and similar remuneration of individuals

(1) Salaries and other similar remuneration derived by a resident of a Contracting State in respect of an employment exercised or services rendered 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 the fiscal year concerned or, in the case of

technical specialists, not exceeding an aggregate of 365 days in two consecutive fiscal years;

(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 which the employer has in the other State.

(2) Notwithstanding the provisions of paragraph (1) of this Article, 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 of a company or other legal person which is a resident of the other Contracting State may be taxed in that other State.

(3) Notwithstanding the preceding provisions of this Article, salaries and other similar remuneration derived by a resident of a Contracting State in respect of an employment exercised or services rendered in the other Contracting State shall not be taxable in that other State if the employment is exercised or the services are rendered directly:

(a) in connection with a building site, construction or assembly project in that other State which is within the provisions of sub-paragraph *(a)* of paragraph (2) of Article 5;

(b) for a permanent establishment in that other State of an air transport undertaking whose place of effective management is situated in the first-mentioned State;

(c) aboard a ship, aircraft, railway or road vehicle in international traffic provided the place of effective management of the person operating the ship, aircraft, railway or road vehicle is situated in the first-mentioned State; or

(d) as a press, radio or television reporter or correspondent and the remuneration is derived from a source outside that other State.

ARTICLE 14

Income of artistes and athletes

Notwithstanding the provisions of Article 13 income derived by a resident of a Contracting State from performances as an artiste, athlete or sportsman in the other Contracting State shall be taxable only in the first-mentioned State.

ARTICLE 15

Income of teachers and researchers

(1) Notwithstanding the provisions of Article 13 remuneration for teaching or research derived by an individual who visits one of the Contracting States for a period not exceeding three years for the purpose of teaching or engaging in research at a university or other educational institution (including in the case of the USSR a research institution) in that State shall be exempted from tax in that State provided:

(a) he was a resident of the other Contracting State immediately before that visit; and

(b) the exemption will not exceed a period of three years from the date he first visits the first-mentioned State for such purposes.

(2) The provisions of paragraph (1) of this Article shall not apply to income from research undertaken primarily for the benefit of private persons.

ARTICLE 16

Income of students and trainees

Grants and other payments which a student or 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 17

Income from Government service

(1) Notwithstanding the provisions of Article 13 remuneration paid by a Contracting State or an administrative political subdivision including any local authority thereof to an individual in respect of employment or services rendered to that State or subdivision or authority shall be taxable only in that State.

(2) Notwithstanding the provisions of paragraph (1) of this Article such remuneration shall be taxable only in the other Contracting State if the employment or services are rendered in that State and the individual is a resident of that State who:

(a) is a national of that State; or

(b) did not become a resident of that State solely for the purpose of rendering the employment or services.

(3) Where an individual mentioned in paragraph (1) of this Article derives remuneration from commercial activities the provisions of Article 13 shall apply.

ARTICLE 18

Pensions

(1) Pensions and other similar remuneration paid in consideration of past employment to a resident of a Contracting State shall be taxable only in that State.

(2) Notwithstanding the provisions of paragraph (1) of this Article any pension paid by or out of funds created by a Contracting State or an administrative political subdivision including any local authority thereof to an individual in respect of past employment or services rendered to that State or authority shall be taxable only in that State. However such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.

ARTICLE 19

Other income

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles shall be taxable only in that State.

ARTICLE 20

Elimination of double taxation

(1) Subject to the provisions of the law of the United Kingdom regarding the allowance as a credit against United Kingdom tax of tax payable in a territory outside the United Kingdom USSR tax payable under the law of the USSR and in accordance with this Convention, whether directly or by deduction, on profits or income from sources within the USSR shall be allowed as a credit against any United Kingdom tax computed by reference to the same profits or income by reference to which the USSR tax is computed.

(2) In the USSR double taxation shall be eliminated in accordance with the law of the USSR.

ARTICLE 21

Non-discrimination

(1) Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation which is other or more burdensome than the taxation to which nationals of that other State in the same circumstances are or may be subjected.

(2) The taxation of the income or profits which a resident of a Contracting State derives through a permanent establishment in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on the income or profits derived through a permanent establishment in that State by residents of third States carrying on similar activities in the same circumstances.

(3) Nothing contained in this Article shall be construed as obliging either Contracting State to grant to individuals not resident in that State any of the allowances, reliefs and reductions for tax purposes, which are granted to individuals who are resident in that State.

ARTICLE 22

Mutual agreement procedure for settling disputes

(1) Where a person to whom this Convention applies 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, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident.

(2) The competent authority to whom the case is presented will endeavour, if the case appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the matter by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the provisions of this Convention.

(3) The competent authorities of the Contracting States will endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Convention.

ARTICLE 23

Exchange of information

(1) The competent authorities of the Contracting States shall, to the extent permitted by their respective laws, exchange such information as is necessary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is in accordance with this Convention.

(2) In no case shall the provisions of paragraph (1) of this Article be regarded as imposing on the competent authority of either Contracting State the obligation:

(a) to carry out administrative measures at variance with the laws or administrative practice prevailing in either Contracting State;

(b) to supply information which is not obtainable under the laws or in the normal course of the administration of either Contracting State;

(c) to supply information which would disclose any industrial, commercial or professional secret or process, or information, the disclosure of which would be contrary to public policy.

(3) The competent authorities of the Contracting States shall supply to each other details of any substantial changes which are made in their respective taxation laws.

(4) Any information exchanged under the provisions of this Article shall be treated as secret and shall not be disclosed to any persons other than persons concerned with the implementation of the laws relating to the taxes covered by this Convention.

ARTICLE 24

Members of diplomatic missions and consular posts

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

ARTICLE 25

Existing Agreements

Nothing in this Convention shall affect the provisions of existing agreements between the Contracting States to the extent that they have effect in respect of the taxes to which this Convention applies. However, where any greater relief from these taxes is afforded by any provision of this Convention, that provision shall apply.

ARTICLE 26

Entry into Force of the Convention

(1) This Convention shall be ratified and the instruments of ratification exchanged as soon as possible.

(2) This Convention shall enter into force immediately after the expiration of thirty days following the date on which the instruments of ratification are exchanged (a) and shall thereupon have effect:

(a) in the USSR:

in respect of taxes assessed for the calendar year in which the Convention enters into force and for subsequent calendar years;

(a) Instruments of ratification were exchanged on 30th December 1985.

(b) in the United Kingdom:

(i) in respect of income tax and capital gains tax, for the year of assessment beginning in the calendar year in which the Convention enters into force and for subsequent years of assessment; and

(ii) in respect of corporation tax, for the financial year beginning in the calendar year in which the Convention enters into force and for subsequent financial years.

ARTICLE 27

Termination of the Convention

This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention through the diplomatic channel, by giving written notice of termination at least six months before the end of any calendar year beginning after the expiration of five years from the date of entry into force of the Convention. In such event, the Convention shall cease to have effect:

(a) in the United Kingdom:

(i) in respect of income tax and capital gains tax for the year of assessment beginning in the calendar year next following that in which the notice of termination is given and for subsequent years of assessment; and

(ii) in respect of corporation tax for the financial year beginning in the calendar year next following that in which the notice of termination is given and for subsequent financial years;

(b) in the USSR:

in respect of taxes assessed for the calendar year following that in which the notice of termination is given and for subsequent calendar years.

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

Done at London this 31st day of July 1985, in duplicate both in the English and Russian languages, both texts being equally authoritative.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

Malcolm Rifkind

For the Government of the Union of Soviet Socialist Republics:

Victor I. Popov

EXPLANATORY NOTE

(This Note is not part of the Order.)

The Convention with the Union of Soviet Socialist Republics is set out in the Schedule to this Order.

The Convention provides for business profits not arising through a permanent establishment to be taxed only in the country of the taxpayer's residence. Profits attributable to a permanent establishment may be taxed in the country in which the permanent establishment is situated (Articles 5 and 6). Profits arising from international traffic are to be taxed only in the country of the taxpayer's residence (Article 7).

The country of source will exempt from tax dividends, interest and royalties paid to a resident of the other country (Articles 8, 9 and 10).

Provision is made for income arising from immovable property and gains from the alienation of that property to be taxed in the country in which the property is situated (Articles 11 and 12).

The earnings of temporary business visitors and some other individuals are, subject to certain conditions, to be taxed only in the country of the taxpayer's residence (Article 13).

Income derived by artistes and athletes is taxable in the country of the taxpayer's residence (Article 14). The income of visiting teachers and researchers (Article 15) and certain payments made to visiting students and trainees (Article 16) are, subject to certain conditions, to be exempt from tax in the country visited.

Government service salaries and pensions are normally to be taxed by the paying Government only (Articles 17 and 18) while other pensions are to be taxed only in the country of the taxpayer's residence (Article 18).

Where income continues to be taxable in both countries relief from double taxation will be given, in effect, in accordance with the laws of each country (Article 20).

There are provisions safeguarding nationals and enterprises of one country against discriminatory taxation in the other country (Article 21) and for consultation (Article 22) and exchange of information (Article 23) between the taxation authorities of the two countries.

The Convention will enter into force 30 days after the date on which instruments of ratification are exchanged and will take effect in the calendar year in which it enters into force (Article 26).

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