

Convention between the Kingdom of Belgium and the Republic of Finland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, signed at Brussels on 18 May 1976.

The Government of the Kingdom of Belgium, and the Government of the Republic of Finland, Desiring to conclude a new 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:

Article 1 Personal scope

This convention shall apply to persons who are residents of one of 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 each Contracting State or of its public communities 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 Finland:
 - (i) the state income and capital tax (tulo- ja varallisuusvero - inkomst - och förmögenhetsskatten);
 - (ii) the communal tax (kunnallisvero - kommunalskatten);
 - (iii) the church tax (kirkollisvero - kyrkoskatten);
 - (iv) the sailor's tax (merimiesvero - sjömansskatten);(hereinafter referred to as "Finnish tax").
 - (b) in Belgium:
 - (i) the individual income tax (impôt des personnes physiques -

personenbelasting);

- (ii) the corporate income tax (impôt des sociétés - vennootschapsbelasting);
- (iii) the income tax on legal entities (impôt des personnes morales - rechtspersonenbelasting);
- (iv) the income tax on non-residents (impôt des non-résidents - belasting van de niet-verblijfhouders); including the prepayments, the surcharges on these taxes and prepayments, and the communal supplement to the individual income tax;

(hereinafter referred to as "Belgian tax").

4. 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 competent authorities of the Contracting States shall notify to each other any significant changes which have been made in their respective taxation laws.

Article 3 General definitions

1. In this Convention, unless the context otherwise requires:

- (a) the term "Finland" means the Republic of Finland and when used in a geographical sense, means the territory of the Republic of Finland, and any area adjacent to the territorial waters of the Republic of Finland within which, under the laws of Finland and in accordance with international law, the rights of Finland with respect to the exploration and exploitation of the natural resources of the seabed and its subsoil may be exercised, as regards the communal tax the term does not include the Country of Aland;
- (b) the term "Belgium" means the Kingdom of Belgium when used in a geographical sense, it includes any area outside the Belgian national sovereignty which has been or may hereafter be designated, under the Belgian laws concerning the continental shelf and in accordance with international law, as an area within which the rights of Belgium with respect to the seabed and subsoil and their natural resources may be exercised;
- (c) the term "person" comprises an individual, a company and any other body of persons;
- (d) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes in the Contracting State of which it is a resident;
- (e) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- (f) 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 law in force in a Contracting State;
 - (g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - (h) the term "competent authority" means:
 - (i) in the case of Finland, the Ministry of Finance or its authorised representative;
 - (ii) in the case of Belgium, the Minister responsible for finance or his authorised representative.
2. As regards the application of the Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

Article 4 Fiscal domicile

1. For the purposes of this Convention, the term "resident of Contracting State" means any person whose income or capital, under the law of that state, is subject to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature. But this term does not include any person who is liable to tax in that Contracting State in respect only of income from sources therein or capital situated in that State. An undivided estate shall be deemed to be a resident of the Contracting State of which the deceased was a resident at the time of his death according to the provisions of this paragraph on the provisions of paragraph 2.
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 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 this Contracting State with which his personal and economic relations are the 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 not a 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 he is a national of both Contracting 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 Contracting State in which its place of effective management is situated.

Article 5 Permanent establishment

1. For the purpose of this Convention the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

(f) a mine, quarry or other place of extraction of natural resources;

(g) a building site or construction or assembly project which exists for more than twelve months.

3. 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 for collecting information, for the enterprise;

(e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

4. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State - other than an agent of an independent status to whom paragraph 5 applies - shall be deemed to be a permanent establishment in the first-mentioned State if he has, and habitual exercises in that State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.
5. 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, where such persons are acting in the ordinary course of their business.
6. Notwithstanding the provisions of paragraphs 4 and 5, an insurance enterprise of one of the Contracting States shall be deemed to have a permanent establishment in the other State if it collects premiums in that other State or insures risks situated therein through an agent as is mentioned in paragraph 4 or an agent of an independent status who has and habitually exercises an authority to conclude contracts in the name of the enterprise.
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 make either company a permanent establishment of the other.

Article 6 Income from immovable property

1. Income from immovable property including income from agriculture or forestry may be taxed in the Contracting State in which such property is situated.
2. The term "immovable property" shall be defined in accordance with 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.
4. Where the ownership of shares or other corporate rights in a company, being a resident of Finland, entitles the owner of such shares or corporate rights to the enjoyment of immovable property owned by the company, the income from the direct use, letting, or use in any other form of such right to enjoyment may be taxed in the Contracting State in which the immovable property is situated.
5. The provisions of paragraphs 1, 3 and 4 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional 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 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 the determination of 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. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles embodied in this Article.
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 purpose of the preceding paragraphs, the profit 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 these Articles shall not be affected by the provisions of this Article.

Article 8 Shipping and air transport

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
2. If the place of effective management of a shipping enterprise is abroad a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.

3. The provisions of paragraph 1 shall also apply to profits derived from the participation in a pool, a joint business or in an international operating agency.

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 profits on which an enterprise of a Contracting State has been charged to tax in that State are also included, by virtue of paragraph 1, in the profits of an enterprise of the other Contracting State and taxed accordingly, and the profits so included are profits which might have been expected to have accrued to the enterprise of the other State if the conditions operative between the enterprise had been those which might have been expected to have operated between independent enterprises dealing wholly independently with one another, then the first-mentioned State shall make such adjustment as it considers appropriate to the amount of tax charged on those profits in the first-mentioned State. In determining any adjustment, due regard shall be had to the other provisions of this Convention, and for this purpose the competent authorities of the Contracting State shall if necessary consult each other.

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 be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed:
 - (a) 5 % of the gross amount of the dividends if the recipient is a company which holds directly at least 25 % of the capital of the company paying the dividends;
 - (b) 15 % 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 or other rights, not being debtclaims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation law of the State of which the company making the distribution is a resident. The term includes income, even when paid in the form of interest, which is taxable as income from capital invested by the members of a company other than a company with share capital, which is a resident of Belgium.
4. The provisions of paragraphs 1 and 2 shall not apply if the recipient 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 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 a 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 to a resident of that first-mentioned State, nor subject the company's undistributed profits to a tax on the company's undistributed, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State; this provision shall not prevent that other State from taxing dividends relating to a holding which is effectively connected with a permanent establishment or a fixed base situated in that other State.

Article 11 Interest

1. Interest 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 interest may be taxed in the Contracting State in which it arises, and according to the law of that State, but if the recipient is the beneficial owner of the interest, the tax so charged shall not exceed 10 per cent of the amount of the interest.
3. The term "interest" as used in this Article means income from debtclaims 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 securities and income from bonds or debentures, including premiums and prizes attaching to bonds or debentures.

This term shall not include:

- (a) interest taxable under the Belgian law as income from capital invested by the members of a company other than a company with share capital which is a resident of Belgium, such interest being assimilated to dividends under paragraph 3 of Article 10;
- (b) penalty charges for late payment;
- (c) interest from commercial debt-claims - including debt-claims represented by commercial paper - resulting from deferred payments for goods or merchandise or

services supplied by an enterprise;

(d) interest on current accounts or on advance payments between banks of the Contracting States;

(e) interest on deposits of sums of money - not represented by bearer bonds - with banks including public credit institutions.

The interest mentioned under (c) and (d) of the preceding subsection is subject to the provisions of Article 7 and the interest mentioned under (b) and (e) is subject to the provisions of Article 7 or Article 21, as the case may be.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient 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 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 of fixed base. In such a case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a public community, 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 in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, that such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the interest paid, 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 recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the interest may be taxed in the Contracting State in which the interest arises according to the law of that State.

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, royalties of the kind referred to in sub-paragraph (b) of paragraph 3 may be taxed in the Contracting State in which they arise, and according to the law of that State but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.

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:

(a) any copyright of literary, artistic or scientific work including cinematograph films, and films or tapes for television or radio broadcasting;

- (b) any patent, trade mark, design or model, plan, secret formula or process, or any industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
4. The provisions of paragraphs 1 and 2 shall not apply if the recipient 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 professional 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 a 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 Contracting State itself, a public community, 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 in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.
6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, 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 recipient in the absence of such relationship, the provisions of this Article shall apply only to the last mentioned amount. In that case, the excess part of the royalties may be taxed in the Contracting State in which the royalties arise, according to the law of that State.

Article 13 Capital gains

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.
2. Gains from the alienation of movable property forming part of the 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 professional services including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains from the alienation of movable property of the kind referred to in paragraph 3 of Article 23 shall be taxable only in the Contracting State in which such movable property is taxable according to the said Article.
3. Gains from the alienation of corporate rights referred to in paragraph 4 of Article 6 may be taxed in the Contracting State in which the immovable property owned by the company is situated.
4. Gains from the alienation of any property other than those mentioned in paragraphs 1, 2 and 3, shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14 Independent personal services

1. Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other Contracting 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, 18, 19 and 20, 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 the calendar year concerned, 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. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft in international traffic, may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 16 Directors' fees

1. 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 a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State. This provision shall also apply to payments derived in respect of services rendered in the discharge of functions which under the laws of the Contracting State of which the company is a resident are treated as functions similar to those stated hereinbefore.
2. Remuneration paid by a company to any of its directors in respect of services rendered

in the discharge of day-to-day functions of a managerial or technical nature and remuneration paid by a company, other than a company with share capital, to any of its members in respect of his personal activity as such member may be taxed in accordance with the provisions of paragraph 1 of Article 15, as if the remuneration were paid in respect of an employment.

Article 17 Artistes and athletes

1. Notwithstanding the provisions of Article 14 and 15, income derived by entertainers, such as theatre, motion picture, radio or television artists and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.
2. Where income in respect of personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

Article 18 Pensions and annuities

1. Subject to the provisions of paragraph 2 of Article 19, 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, and subject to the provisions of paragraph 2 of Article 19, pensions and other allowances, periodic or non-periodic, paid under the social security legislation of a Contracting State or under a public scheme organised by a Contracting State for social welfare purposes, and any annuity arising in that State may be taxed in that State.
3. 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).

Article 19 Government service

1.
 - (a) Remuneration, other than a pension, paid by a Contracting State or a public community or a local authority thereof to any individual in respect of services rendered to that State or public community or local authority thereof shall be taxable only in that State.
 - (b) However, such remuneration shall be taxable only in the Contracting State of which the recipient is a resident if the services are rendered in that State and the recipient:
 - (a) is a national of that State; or

- (ii) did not become a resident of that State solely for the purpose of performing the services.

2.

- (a) Any pension paid by, or out of funds created by, a Contracting State or a public community or a local authority thereof to any individual in respect of services rendered to that State or public community or local authority thereof shall be taxable only in that State.

- (b) However, such pension shall be taxable only in the Contracting State of which the recipient is a resident if he is a national of that State.

- 3. The provisions of Articles 15, 16 and 18 shall apply to remuneration and pensions in respect of services rendered in connection with any business carried on by one of the Contracting States or a public community or a local authority thereof.

Article 20 Students

- 1. Payments which a student or business, technical, agricultural or forestry apprentice who is present in a Contracting State solely for the purpose of his education or training and who is or was immediately before such visit a resident of the other Contracting State receives for the purpose of his maintenance, education or training shall not be taxed in the first-mentioned Contracting State, provided that such payments are made to him from sources outside that State.
- 2. A student at a university or other institution for higher education in a Contracting State, or a business, technical, agricultural or forestry apprentice who is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned and who is or was immediately before such visit a resident of the first-mentioned State, shall not be taxed in the other Contracting State in respect of remuneration for services rendered in that other State, provided that the services are in connection with his studies or training and the remuneration constitutes earnings necessary for his maintenance.

Article 21 Other income

- 1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.
- 2. The provisions of paragraph 1 shall not apply if the recipient of the 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 professional 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 a case the provisions of Article 7 or Article 14, as the case may be, shall apply.

Article 22 Undivided estates

Where under the provisions of this Convention a resident of Belgium is exempt or entitled to relief from Finnish tax, similar exemption or relief shall be applied to undivided estates in so far as one or more of the beneficiaries is a resident of Belgium.

Article 23 Capital

1. Capital represented by immovable property, as defined in paragraph 2 of Article 5, may be taxed in the Contracting State in which such property is situated.
2. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise, or by movable property pertaining to a fixed base used for the performance of professional services, may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.
3. Ships and aircraft operated in international traffic, and movable property pertaining to the operation of such ships and aircrafts, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. Corporate rights referred to in paragraph 4 of Article 6 may be taxed in the Contracting State in which the immovable property owned by the company is situated.
5. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 24 Elimination of double taxation

1. In the case of Finland, double taxation shall be avoided as follows:
 - a) Where a resident of Finland derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Belgium, Finland shall, subject to the provisions of sub-paragraph b), allow:
 - i) as a deduction from the tax on income of that person, an amount equal to the tax on income paid in Belgium;
 - ii) as a deduction from the tax on capital of that person, an amount equal to the tax on capital paid in Belgium.

Such deduction in either case shall not, however, exceed that part of the tax on income or on capital, as computed before the deduction is given, which is attributable, as the case may be, to the income or the capital which may be taxed in Belgium.

- b) Dividends paid by a company which is a resident of Belgium to a company which is a resident of Finland and controls directly at least 10 % of the voting power in the company paying the dividends shall be exempt from Finnish tax.

- c) Where in accordance with any provisions of the Convention income derived or capital owned by a resident of Finland is exempt from tax in Finland, Finland may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital.

2. In the case of Belgium, double taxation shall be avoided as follows:

- a) Where a resident of Belgium derives income or owns capital which may be taxed in Finland in accordance with the provisions of the Convention, other than those of paragraph 2 of Article 10, of paragraphs 2 and 6 of Article 11 and of paragraphs 2 and 6 of Article 12, Belgium shall exempt such income or capital from tax but may, in calculating the amount of tax on the remaining income or capital of that resident, apply the rate of tax which would have been applicable if such income or capital had not been exempted.
- b) Where a resident of Belgium derives items of his aggregate income for Belgian tax purposes which are dividends taxable in accordance with paragraph 2 of Article 10, and not exempt from Belgian tax according to sub-paragraph e) below, interest taxable in accordance with paragraph 2 or 6 of Article 11, or royalties taxable in accordance with paragraph 2 or 6 of Article 12, the fixed proportion in respect of the foreign tax for which provision is made under Belgian law shall, under the conditions and at the rate provided for by such law, be allowed as a credit against Belgian tax relating to such income.
- c) Where a resident of Belgium derives income which has been taxed in Finland in accordance with the provisions of paragraph 3 of Article 13, the amount of Belgian tax proportionately attributable to such income shall not exceed the amount which would be charged according to Belgian law if such income were taxed as earned income derived from sources outside Belgium and subject to foreign tax.
- d) Where a resident of Belgium derives income from an undivided estate which is a resident of Finland, and such income may be taxed in Finland in accordance with the Convention, the provisions of sub-paragraph a) or sub-paragraph b), as the case may be, shall apply according to the nature of the income.
- e) Where a company which is a resident of Belgium owns shares in a company which is a resident of Finland, the dividends which are paid to it by the latter company shall be exempt from the corporate income tax in Belgium under the conditions and within the limits provided for in Belgian law.
- f) Where, in accordance with Belgian law, losses of an enterprise carried on by a resident of Belgium which are attributable to a permanent establishment situated in Finland have been effectively deducted from the profits of that enterprise for its taxation in Belgium, the exemption provided in sub-paragraph a) shall not apply in Belgium to the profits of other taxable periods attributable to that establishment to the extent that those profits have also been exempted from tax in Finland by reason of compensation for the said losses.

Article 25 Non-discrimination

1. The nationals of a Contracting State, whether or not they are residents of one of the

Contracting States, 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.

2. 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.

This provision shall not 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.

3. Except where the provisions of paragraph 1 of Article 9, paragraph 6 of Article 11, or paragraph 6 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 condition 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 as if they had been contracted to a resident of the first-mentioned State.

4. 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 Contracting 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 that first-mentioned State are or may be subjected.

5. Nothing in this Article shall be construed so as to prevent Belgium from imposing the movable property prepayment on dividends derived from a holding which is effectively connected with a permanent establishment of a fixed base maintained in Belgium by a company which is a resident of Finland or by an association which has its place of effective management in Finland and is taxable as a body corporate in Belgium.

6. In this Article the term "taxation" means taxes of every kind and description.

Article 26 Mutual agreement procedure

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with 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 or, if his case comes under paragraph 1 of Article 25, to that of the Contracting State of which he is national. This case must be presented within three years from the first notification of the action giving rise to taxation not in accordance with 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 an appropriate 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.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the application of the Convention.
4. The competent authorities of the Contracting States shall agree on administrative measures necessary to carry out the provisions of the Convention, particularly on the proofs to be furnished by residents of either Contracting State in order to benefit in the other Contracting State from the exemptions and reductions in tax provided for in the Convention. 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 Contracting States.

Article 27 Exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention or of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is not contrary to this Convention. The exchange of information 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 which are the subject of the Convention. Such persons or authorities shall use the information only for such purposes. These persons or authorities may disclose the information in public court proceedings or in judicial decisions.
2. In no case shall the provisions of paragraph 1 construed so as to impose on one of the Contracting States the obligation:
 - (a) to carry out administrative measures at variance with the laws of the administrative practice of that or of the other Contracting State;
 - (b) to supply particulars which are 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).

Article 28 Aid in recovery of taxes

1. The Contracting States shall lend aid and assistance to each other in order to notify and recover taxes mentioned in Article 2, and prepayments, surcharges and additions on those taxes, as well as interest, costs and fines of a non-penal nature.

2. On the request of a Contracting State, the other Contracting State shall secure, in accordance with the legal provisions and regulations applicable to the notification and recovery of its own taxes, the notification and recovery of fiscal debt-claims referred to in paragraph 1 which are due in the requesting State. Such debtclaims shall not be considered as preferential claims in the requested State and that State shall not be obliged to apply any means of enforcement which are not authorised by the legal provisions and regulations of the requesting State.
3. The Contracting State making a recovery under the provisions of paragraph 2 shall be responsible to the requesting State for the amounts thus recovered.
4. With regards to fiscal debt-claims referred to in paragraph 1 which are open to appeal a Contracting State may, in order to safeguard its rights, request the other Contracting State to take the protective measures provided for in the law of that other State. The provisions of paragraph 2 shall apply accordingly to such measures.
5. The provisions of paragraph 1 of Article 27 shall apply also to any information which under this Article is supplied to the requested State.
6. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this Article.

Article 29 Miscellaneous

1. Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.
2. For the purpose of this Convention, persons who are members of a diplomatic or consular mission of a Contracting State in the other Contracting State or in a third State and who are nationals of the sending State, shall be deemed to be residents of the sending State if they are subjected therein to the same obligations in respect of taxes on income and on capital as are residents of that State.
3. This Convention shall not apply to international organisations, to organs or officials thereof and to persons who are members of a diplomatic or consular mission of a third State, being present in a Contracting State and who are not liable in either Contracting State to the same obligations in respect of taxes on income and on capital as are residents of that State.
4. The competent authorities of the Contracting States shall communicate directly with each other for the application of this Convention.

Article 30 Territorial extension

1. This Convention may be extended, either in its entirety or with any necessary modifications, to the County of Åland as regards the communal tax. Such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed between the Contracting

States in notes to be exchanged through diplomatic channels.

2. Unless otherwise agreed by both Contracting States, the termination of the Convention by one of them under Article 32 shall terminate, in the manner provided for in that Article, the application of the Convention to the County of Åland as regards also the communal tax.

Article 31 Entry into force

1. The Governments of the Contracting States shall notify to 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 date of the latter of the notifications referred to in paragraph 1 and its provisions shall have effect:
 - (a) in respect of taxes due 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 taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January in the calendar year next following the year in which the Convention enters into force.
3. The Convention between Belgium and Finland for the avoidance of double taxation and the settlement of certain questions with respect to taxes on income and on capital, signed at Helsinki on 11 February 1954, and the Final Protocol, as amended by the Supplementary Convention signed at Brussels on 21 May 1970, shall cease to have effect at the time that the provisions of this Convention shall be effective.
4. The Convention between Belgium and Finland for the avoidance of double taxation with respect to taxes on profits of shipping enterprises, signed at Brussels on 19 February 1929, shall not have effect for any period for which Article 8 of the present Convention has effect.

Article 32 Termination

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

- (a) in respect of taxes due 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 taxes on capital, to taxes chargeable for any taxable 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, being duly authorised thereto by their respective Governments, have signed this Convention.

Done in duplicate at Brussels, on this 18th day of May 1976, in the English language,

For the Government of the Kingdom of Belgium,
R. Van Elsende

For the Government of the Republic of Finland,
A.R. Wihtol