রেজিস্টার্ড নং ডি এ-১

বাংলাদেশ গেজেট

অতিরিক্ত সংখ্যা

কর্তৃপক্ষ কর্তৃক প্রকাশিত

বুধবার, ফেব্রুয়ারি ১৫, ২০০৬

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গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

অর্থ মন্ত্রণালয়

অভ্যন্তরীণ সম্পদ বিভাগ

(আয়কর)

প্রজ্ঞাপন

তারিখ, ৩০ মাঘ ১৪১২/১২ ফেব্রুয়ারি ২০০৬

এস, আর, ও নং ২০-আইন/২০০৬।—যেহেতু, বাংলাদেশে প্রচলিত The Income Tax Ordinance, 1984 (XXXVI of 1984) এবং কিংডম অব নরওয়েতে প্রচলিত এতদ্‌সংক্রান্ত আইনের অধীনে দ্বৈত করারোপন পরিহার এবং আয়ের উপর কর সম্পর্কিত রাজস্ব ফাঁকি প্রতিরোধের উদ্দেশ্য গণপ্রজাতন্ত্রী বাংলাদেশ সরকার এবং কিংডম অব নরওয়ে সরকারের মধ্যে ১৫ সেপ্টেম্বর ২০০৪ তারিখে নিম্নতফসিলে বর্ণিত চুক্তি সম্পাদিত হইয়াছে; এবং

যেহেতু, উক্ত চুক্তির বিধানাবলী বাংলাদেশে কার্যকর করা প্রয়োজন;

সেহেতু, The Income Tax Ordinance, 1984 (XXXVI of 1984) এর section 144 এ প্রদত্ত ক্ষমতাবলে সরকার এতদ্‌দ্বারা নিম্নতফসিলে বর্ণিত চুক্তির বিধানাবলী ১ জুলাই ২০০৬ তারিখে আরব্ধ কর বৎসর হইতে বাংলাদেশে কার্যকর হইবে মর্মে বিধান করিল, যথা ঃ—

তফসিল

CONVENTION

BETWEEN

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

AND

THE GOVERNMENT OF THE KINGDOM OF NORWAY

FOR

মূল্য ঃ টাকা ১৪.০০

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THE AVOIDANCE OF DOUBLE TAXATION

AND

THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the People's Republic of Bangladesh and the Government of the Kingdom of Norway,

DESIRING to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

HAVE AGREED AS FOLLOWS:

CHAPTER-I

Scope Of The Convention

ARTICLE 1

Persons Covered

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

ARTICLE 2

Taxes Covered

1. This Convention shall apply to taxes on income imposed by or on behalf of a Contracting State or of its political subdivisions or its local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income, all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property.

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

   (a) in the case of Norway:

      (i) the national tax on income (inntektsskatt til staten);

      (ii) the county municipal tax on income (inntektsskatt til fylkeskommunen);

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(iii) the municipal tax on income (inntektsskatt til kommunen);

(iv) the national tax relating to the income from the exploration for and the exploitation of submarine petroleum resources and activities and work relating thereto, including pipeline transport of petroleum produced (skatt til staten vedrØrende inntekt *i* forbindelse med undersØkelse etter og utnyttelse av undersjØiske petroleumsforekomster og dertil knyttet virksomhet og arbeid, herunder rØrlediningstransport av utvunnet petroleum); and

(v) the national tax on remuneration to non-resident artistes etc. (skatt til staten på honorar til utenlandske artister m.v.); (hereinafter referred to as "Norwegian tax");

(b) in the case of Bangladesh:

the income-tax;

(hereinafter referred to as "Bangladesh tax").

4. This Convention shall also apply 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 each other of any significant changes which have been made in their respective taxation laws.

CHAPTER-II

DEFINITIONS

ARTICLE 3

GENERAL DEFINITIONS

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

(a) the term "Norway" means the Kingdom of Norway. The term does not comprise Svalbard, Jan Mayen and the Norwegian dependencies ("biland");

(b) the term "Bangladesh" means the People's Republic of Bangladesh;

(c) the terms "A Contracting State" and "the other Contracting State" mean Norway or Bangladesh as the context requires;

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(d) the term "Person" includes an individual, a company and any other body of persons;

(e) the term "Company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

(f) the terms "Enterprise of a Contracting State" and "Enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

(g) the term "Competent Authority" means:

(i) in the case of Norway, the Minister of Finance or his authorised representative;

(ii) in the case of Bangladesh, the National Board of Revenue or its authorised representative;

(h) the term "National" means:

(i) all individuals possessing the nationality of a Contracting State;

(ii) all legal person, partnerships and associations deriving their status as such from the law in force in a Contracting States;

(i) 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;

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time, under the law of that Contracting State, for the purposes of the taxes to which this Convention applies, any meaning under the applicable tax laws of the Contracting State prevailing over a meaning given to the term under other laws of that Contracting State.

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ARTICLE 4

RESIDENT

1. For the purposes of this Convention, the term "Resident of a Contracting State" means any person who, under the laws of that Contracting 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, however, does not include any person who is liable to tax in that Contracting State in respect only of income from sources in that Contracting State.

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

   (a) he shall be deemed to be a resident only 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 of the Contracting State, 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 not a permanent home available to him in either of the Contracting States, he shall be deemed to be a resident only of the Contracting State in which he has in habitual abode;

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

   (d) if he is a national of both of the 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 of the Contracting States, then it shall be deemed to be a resident only of the Contracting State in which its place of effective management is situated.

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ARTICLE 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "Permanent Establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "Permanent Establishment" includes especially:

   (a) a place of management;

   (b) a branch;

   (c) an office;

   (d) a factory;

   (e) a workshop;

   (f) a warehouse; and

   (g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. A building site or construction, installation or assembly project constitutes a permanent establishment only if it lasts for a period of more than six months.

4. Notwithstanding the preceding provisions of this Article, the term "Permanent Establishment" shall be deemed not to include:

   (a) the use of facilities solely for the purpose of storage or display of goods or merchandise belonging to the enterprise;

   (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display;

   (c) the maintenance of stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

   (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information for the enterprise;

   (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory of auxiliary character;

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

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person acting in a Contracting State for or on behalf of an enterprise of the other Contracting State, other than an agent of an independent status to whom paragraph 6 applies, that enterprise shall be deemed to have a permanent establishment in the first mentioned State, if:

(a) that person has and habitually exercised, in the first mentioned State a general authority to conclude contracts for or on behalf of the enterprise, unless the activities are limited to the purchase of goods or merchandise for or on behalf of the enterprise; or

(b) that person habitually maintains in the first mentioned State, a stock of goods or merchandise belonging to the enterprise from which he regularly delivers goods or merchandise for or on behalf of the enterprise; or

(c) that person habitually secures orders for the sale of goods or merchandise in the first mentioned State, wholly or almost wholly for the enterprise itself, or for any other enterprise which is controlled by it or has a controlling interest in it.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that Contracting 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.

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

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CHAPTER-III

TAXATION OF INCOME

ARTICLE 6

INCOME FROM IMMOVABLE PROPERTY

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

2. The term "Immovable Property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

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

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

ARTICLE 7

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that Contracting 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 Contracting State, but only so much of them as is attributable to that permanent establishment.

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

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere, but this does not include any expenses which under the law of that Contracting State would not be allowed to be deducted by an enterprise of that Contracting State.

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

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

ARTICLE 8

SHIPPING, AIR TRANSPORT AND CONTAINERS

1. Income of an enterprise of a Contracting State from the operation of aircraft in international traffic shall be taxable only in that Contracting State.

2. Income of an enterprise of a Contracting State derived form the other Contracting State form the operation of ships in international traffic may be taxed in that other Contracting State, but the tax chargeable in that other Contracting State on such income shall be reduced by an amount equal to fifty per cent of such tax.

3. The provisions of paragraphs 1 and 2, as the case may be, shall also apply to profits of an enterprise of a Contracting State from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise, except insofar as those containers or trailers and related equipment are used for transport solely between places within the other Contracting State.

4. The provisions of paragraphs 1, 2 and 3 shall also apply to profits derived from the participation in a pool, a joint business or an international operating agency.

5. The provisions of paragraphs 1, 2, 3 and 4 shall apply to profits derived by the joint Norwegian, Danish and Swedish air transport consortium, known as the Scandinavian Airlines System (SAS), but only insofar as profits derived by SAS Norge ASA, the Norwegian partner of the Scandinavian Airlines System (SAS), are in proportion to its share in that orginasation.

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.

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 Contracting State.

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

(a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends;

(b) 15 per cent of 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. Where dividends are derived and beneficially owned by the Government of a Contracting State or a statutory body or any institution wholly owned by that Government, such dividends shall be taxable only in that Contracting State. The competent authorities may agree from time to time that dividends which are derived and beneficially owned by a statutory body or any institution mainly owned by a Government, shall be taxable only in that Contracting State.

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

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

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

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of the Contracting State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 10 percent of the gross amount of the interest.

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3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State shall be exempt from tax in that Contracting State if it is derived and beneficially owned by the Government of a Contracting State .For the purposes of this paragraph, the term " Government in a contracting State" shall include:

(a) In the case of Norway:

(i) a local authority;

(ii) the Central Bank of Norway (Norges Bank);

(iii) the Norwegian Government Petroleum fund;

(iv) the National Insurance fund;

(v) the Norwegian Guarantee Institute for Export Credits (GIEK);

(vi) Eksportfinans ASA, but only in respect of loans guaranteed by GIEK; and

(vii) a statutory body or any institution wholly or mainly owned by the Government of Norway as may be agreed from time to time between the competent authorities of the Contracting State.

(b) In the case of Bangladesh:

(i) the Bangladesh Bank-the Central Bank of Bangladesh;

(ii) such financial institutions or statutory bodies which are wholly owned by the Government of Bangladesh; and

(iii) such other financial institutions or statutory bodies which are mainly owned by the Government of Bangladesh as may be agreed from time to time between the competent authorities of the Contracting State.

4. The term "interest" as used in this Article means income from debt-claims of every kind, whether of not secured by mortgage and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

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

6. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not has in a contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

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

ARTICLE 12
ROYALTIES

1. Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other Contracting State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that Contracting State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed 10 percent of the gross amount of the royalties.

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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, any copyright of literary, artistic or scientific work including cinematograph films and films or tapes for radio or television broadcasting, any patent trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

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

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

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

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ARTICLE 13

CAPITAL GAINS

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

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

3. Gains derived by an enterprise of a Contracting State from alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in that Contracting State.

4. Gains derived by an individual who is a resident of a Contracting State from the alienation of shares or other rights in a company which is a resident of the other Contracting State, as well as gains from the alienation of options or other financial instruments related to such shares or rights, may be taxed in that other Contracting State, but only if the alienator has been a resident of that other Contracting State at any time during the five years immediately preceding the alienation of the shares, rights, options or financial instruments.

5. Gains derived by an enterprise of a Contracting State from the alienation for containers (including trailers and related equipment for the transport of containers) used for the transport of good or merchandise shall be taxable only in that Contracting State, except insofar as those containers or trailers and related equipment are used for transport solely between places within the other Contracting State.

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

ARTICLE 14

INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that Contracting State. However, such income may also be taxed in the other Contracting State if :

   (a) the individual has a fixed base regularly available to him that other Contracting State for the purpose of performing his activities; or

   (b) the individual is present in the other Contracting State for a period or periods exceeding in the aggregate 183 days in any periods of twelve months commencing or ending in the fiscal year concerned;

   but only So much thereof as is attributable to services performed in that other Contracting State.

2. The term "professional services" includes especially independent scientific, literary artistic, educational or teaching activities as well as the independent activities of physicians, surgeons, 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 Contracting State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived there from may be taxed in that other Contracting 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 Contracting State if :

   (a) the recipient is present in that other Contracting State for a period, or periods not exceeding in the aggregate 183 days in any period of twelve months commencing or ending in the fiscal year concerned; and

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(b) the remuneration is paid by, of on behalf of, an employer who is a resident of the Contracting State of which the recipient is a resident; and

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

3. Notwithstanding the preceding provisions of this Artcle, remuneration in respect of an employment exercised aboard a ship or aircraft operated in international by an enterprise of a Contracting State, may be taxed in Contracting State.

4. Where a resident of a Contracting State derives remuneration in respect of an employment exercised abroad an aircraft operated in international traffic by the Scandinavian Airlines System (SAS) consortium, such remuneration shall be taxable only in the Contracting State of which the recipient is a resident.

ARTICLE 16

DIRECTOR'S FEES

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

ARTICLE 17

ARTITES AND SPORTSPERSONS

1. Notwithstanding the provisions of Artcles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artists, or a musician, or as a sportsperson, from his or her personal activities as such exercised in the Contracting State.

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

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

ARTICLE 18

PENSIONS, ANNUITIES, PAYMENTS UNDER A SOCIAL SECURITY SYSTEM AND ALMONY

1. Pensions (including Government pensions and payments under a social security system) and annuities paid to a resident of a Contracting State shall be taxable only in that Contracting State. However, to the extent a pension paid to a resident of Norway is exempt from tax under the law of Bangladesh it shall be exempt from tax in Norway.

2. The team "Annuity" means a stated sum payable to an individual periodically at stated times during his 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.

3. Alimony and other maintenance payments paid to a resident of a Contracting State shall be taxable only in that Contracting State. However, any alimony or other maintenance payment paid by a resident of the Contracting States to a resident of the other Contracting State, Shall, to the extent it not deductible for the payer, be exempt from tax in the last mentioned State.

ARTICLE 19

GOVERNMENT SERVICE

1. (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that Contracting State or subdivision or authority shall be taxable only in that Contracting State.

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(b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that Contracting State and the individual is a resident of that Contracting State who:

(i) is a national of that Contracting State; or

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

2. The provisions of Articles 15, 16 and 17 shall apply to salaries, wages and other similar remuneration other than pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

ARTICLE 20

STUDENTS, RESEARCHERS AND APPRENTICES

1. An individual who is or was immediately before visiting a Contracting State a resident of other Contracting State and who is present in the first mentioned Contracting State solely as a student or a researcher at a recognised university, college, school or other similar recognised educational institution in the first mentioned Contracting State or as a business or technical apprentice therein, for a period not exceeding five years from the date of his first arrival in the first mentioned Contracting State in connection with that visit, shall be exempt from tax in that first mentioned Contracting State on:

(a) all remittances from abroad for the purposes of this maintenance, education or training; and

(b) any remuneration for personal services rendered in the first mentioned Contracting State with a view to supplementing the resources available to him for such purposes Such amount of remuneration shall, subject to the limiations set out in the legislation in that Contracting State, not exceed USD 5000 annually, unless a higher amount is provided for in the legislation of the Contracting State he is visiting.

2. An individual who was a resident of a Contracting State immediately before visiting the other Contracting State and is temporarily present in that other Contracting State solely for the purpose of study, research or training as a recipient of a grant, allowance or award from a scientific,

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educational, religious or charitable organisation or under a technical assistance programme entered into by the Government of a Contracting State shall, from the date of his first arrival in that other Contracting State, in connection with that vist be exempt from tax in that other Contracting State:

(a) on the amount of such grant, allowance or award; and

(b) on all remittances from abroad for the purpose of his maintenance, education or training.

3. The term "grant, allowance or award" in paragraph 2 shall not comprise remuneration received from a Norwegian educational institution for the purpose of exercising post-graduate research with a view of obtaining a Doctorate or a similar academic degree.

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 Contracting State.

2. Notwithstanding the provisions of paragraph 1, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other Contracting State.

CHAPTER-IV

METHOD FOR ELIMINATION OF DOUBLE TAXATION

ARTICLE 22

METHOD FOR ELIMINATION OF DOUBLE TAXATION

Double taxation shall be avoided as follows :

1. **In Norway :**

Subject to the provisions of the laws of Norway regarding the allowance as a credit against Norwegian tax of tax payable in a territory outside Norway (which shall not affect the general principle hereof)—

(a) Where a resident of Norway derives income which, in accordance with the provisions of this Convention, may be taxed in

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Bangladesh, Norway shall allow as a deduction from the tax on the income of that resident, an amount equal to the income-tax paid in Bangladesh on that income;

Such deduction shall not, however, exceed that part of the income-tax as computed before the deduction in given, which is attributable to the income which may be taxed in Bangladesh.

(b) Where in accordance with any provision of the Convention, income derived by a resident of Norway is exempted from tax in Norway, Norway may nevertheless include such income in the tax base, but shall allow as a deduction from the Norwegian tax on income, that part of the income-tax which is attributable to the income derived from Bangladesh.

2. In Bangladesh :

(a) Subject to the provisions of sub-paragraph (c), where a resident of Bangladesh derives income which, in accordance which the provisions of this Convention, may be taxed in Norway, Bangladesh shall allow as a deduction from the tax on the income of that resident, an amount equal to the income-tax paid in Norway.

(b) such deduction shall not, however, exceed that part of the income-tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Norway.

(c) where a resident of Bangladesh derives income which, in accordance with the provisions of this Convention, shall be taxable only in Norway, Bangladesh may include this income in the tax base, but shall allow as a deduction from the Bangladesh tax that part of the income-tax, which is attributable to the income derived from Norway.

CHAPTER-V

SPECIAL PROVISIONS

ARTICLE 23

NON-DISCRIMINATION

1. National of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected there with, which is other or more burdensome than the taxation and connected requirements to which nationals of that other Contracting

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State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

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

3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting 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, relief and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Except where the provisions of Article 9, paragraph 7 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 conditions as if they had been paid to a resident of the first mentioned State.

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

6. The provisions of this Article shall, not withstanding the provisions of Article 2, apply to taxes of every kind and description.

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ARTICLE 24

MUTUAL AGREMENT PROCEDURE

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 23, to that of the Contracting State of which he is a national. The case must be presented within three years from the receipt of the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

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

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

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

ARTICLE 25

EXCHANGE OF INFORMATION

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

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

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

(a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

(b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or 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 (order public).

ARTICLE 26

ASSISTANCE IN COLLECTION

1. The Contracting States shall undertake to lend assistance to each other in the collection of taxes of every kind and description imposed on behalf of the Contracting States, or their political sub-divisions or local authorities unless imposed contrary to this Convention together with interest, costs and additions to the taxes and administrative penalties referred to under this Article as "revenue claims". Assistance in the collection of taxes is not restricted by Articles 1 and 2.

2. Revenue claims of each of the Contracting States as to which the taxpayer has no right to prevent collection in the applicant Contracting States shall be accepted for enforcement by the requested Contracting State and collected in that Contracting State in accordance with the laws applicable to the enforcement and collection of its own taxes except in relation to time limits and to priority. Time limits shall be governed solely by the laws of the applicant Contracting State. A revenue claim accepted for collection shall not have in the requested Contracting State any priority accorded to the revenue claims of the requested or applicant Contracting State.

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3. The request for collection by a Contracting State shall be accompanied by such documentation as is required by the laws of that Contracting State or as agreed to by the competent authorities of each Contracting State to establish that the taxes owed by the taxpayer are enforceable in the applicant Contracting State and that the taxpayer has no right to prevent collection in the applicant Contracting State.

4. At the request of the applicant Contracting State, the requested Contracting State shall, with a view to the collection of an amount of tax, take measures of conservancy even if the claim is a claim as to which the taxpayer may have a right to prevent collection in the applicant Contracting State.

5. It is understood that unless otherwise agreed by the competent authorities of both of the Contracting States:

(a) ordinary costs incurred by a Contracting State in providing assistance shall be borne by that Contracting State;

(b) extraordinary cost incurred by a Contracting State in providing assistance shall be borne by the other Contracting State and shall be payable regardless of the amount collected on its behalf by the first mentioned State.

As soon as a Contracting State anticipates that extraordinary costs may be incurred, it shall so advise the other Contracting State and indicate the estimated amount of such costs. The competent authorities of the Contracting State may settle the mode of application of this paragraph.

6. In no case shall the privisions of the per sent Article be construed so as to impose on the requested Contracting State the obligation:

(a) to carry out measures at variance with its own laws or administrative practice or the laws or administrative practice of the applicant Contracting State;

(b) to carry out measures which it considers contrary to public policy (order public), to generally accepted taxation principles or to its essential interests;

(c) to provide assistance, except with respect to measures of conservancy, if the applicant Contracting State has not pursued all means available in its own territory except where recourse to such means would give rise to disproportionate difficulty.

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ARTICLE 27

MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS

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

CHAPTER-VI

FINAL PROVISIONS

ARTICLE 28

ENTRY INTO FORCE

1. The government of the Contracting State shall notify each other that the constitutional requirements for the entry into force of this Convention have been complied with.

2. This convention shall enter into force on the date of the later of the notifications referred to in paragraph 1 and its provision shall have effect:

   (a) **in Norway:**

   in respect of taxes on income relating to the calendar year (including accounting periods beginning in any such year) next following that in which this Convention enters into force and subsequent years;

   (b) **in Bangladesh:**

   for any year of assessment beginning on or after July 1 in the calendar year next following that in which this Convention enters into force.

ARTICLE 29

TERMINATION

1. The Convention shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Convention, through diplomatic channels, by giving to the other Contracting State, written notice of termination not later than the 30th June of any calendar year

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from the fifth year following that in which the Convention enters into force. In such event, the Convention shall cease to have effect:

(a) **in Norway:** in respect of taxes on income relating to the calendar year (including accounting periods beginning in such year) next following that in which the notice is given;

(b) **in Bangladesh:** for any year of assessment beginning on or after July 1 in the calendar year next following that in which the notice of termination is given.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, by their respective Governments, have signed this Convention.

DONE, in duplicate at Dhaka this 15th day of September of the year two thousand and four in the English languages.

FOR THE GOVERNMENT OF THE KINGDOM OF **NORWAY**

Aud Lise Norheim
Ambassador
Royal Norwegian Embassy,
Dhaka, Bangladesh

FOR THE GOVERNMENT OF THE PEOPLES REPUBLIC OF **BANGLADESH**

Khairuzzaman Chowdhury
Secretary
Internal Resources Division
Ministry of Finance
and
Chairman
National Board of Revenue.

রাষ্ট্রপতির আদেশক্রমে

এ এস জহির মোহাম্মদ
অতিরিক্ত সচিব (পদাধিকারবলে)।

মোঃ নূর-নবী (উপ-সচিব), উপ-নিয়ন্ত্রক, বাংলাদেশ সরকারী মুদ্রণালয়, ঢাকা কর্তৃক মুদ্রিত।
মোঃ আমিন জুবেরী আলম, উপ-নিয়ন্ত্রক, বাংলাদেশ ফরম ও প্রকাশনা অফিস,
তেজগাঁও, ঢাকা কর্তৃক প্রকাশিত।

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