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DENMARK



Treaty Series No. 40 (1971)

*Protocol
London 1971*

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Kingdom of Denmark
extending to the Faroe Islands the Supplementary
Protocol signed at London on 18 December 1968
further amending the Convention of 1950 for the Avoidance
of Double Taxation and the Prevention of Fiscal
Evasion with respect to Taxes on Income

Copenhagen, 25–27 November 1970

[The Extension entered into force on 31 May 1971]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
July 1971*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF THE KINGDOM OF DENMARK
EXTENDING TO THE FAROE ISLANDS THE SUPPLEMENTARY
PROTOCOL SIGNED AT LONDON ON 18 DECEMBER 1968
FURTHER AMENDING THE CONVENTION OF 1950 FOR
THE AVOIDANCE OF DOUBLE TAXATION AND THE
PREVENTION OF FISCAL EVASION WITH RESPECT TO
TAXES ON INCOME**

No. 1

*Her Majesty's Ambassador at Copenhagen to the Minister for Foreign
Affairs of Denmark*

*British Embassy,
Copenhagen.*

Your Excellency,

25 November, 1970.

I have the honour to refer to the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at London on 27th March 1950⁽¹⁾ (hereinafter referred to as "the 1950 Convention"), as modified by the Protocol signed at London on 7th July 1966⁽²⁾ (hereinafter referred to as "the 1966 Protocol"); to the Exchange of Notes of 31st October 1960⁽³⁾ between the Government of the United Kingdom and the Government of Denmark extending the 1950 Convention to the Faroe Islands (hereinafter referred to as "the 1960 Exchange of Notes"); to the Exchange of Notes of 13th July and 24th October 1967⁽⁴⁾ between the said Governments extending the 1966 Protocol to the Faroe Islands (hereinafter referred to as "the 1967 Exchange of Notes"); and to the Supplementary Protocol⁽⁵⁾ between the said Governments amending the 1950 Convention as modified by the 1966 Protocol (hereinafter referred to as "the 1968 Protocol").

I have the honour to propose, upon the instructions of Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs, that the provisions of the 1968 Protocol shall also be held to apply, in the manner and subject to the modifications specified in the Annex to the present Note, to the extension of the 1950 Convention as modified by the 1966 Protocol to the Faroe Islands which was provided for in the 1960 Exchange of Notes and the 1967 Exchange of Notes.

⁽¹⁾ Treaty Series No. 47 (1950), Cmd. 8023.

⁽²⁾ Treaty Series No. 53 (1967), Cmnd. 3313.

⁽³⁾ Treaty Series No. 75 (1961), Cmnd. 1477.

⁽⁴⁾ Treaty Series No. 31 (1968), Cmnd. 3588.

⁽⁵⁾ Treaty Series No. 106 (1969), Cmnd. 4170.

If the foregoing proposal is acceptable to the Government of the Kingdom of Denmark I have the honour to suggest that the present Note with its Annex and Your Excellency's reply to that effect shall be regarded as constituting an agreement between the two Governments in this respect.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

C. M. MACLEHOSE.

ANNEX

1. In this Annex:

- (a) "the 1950 Convention" means the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at London on 27th March 1950;
- (b) "the 1966 Protocol" means the Protocol signed at London on 7th July 1966 amending the 1950 Convention;
- (c) "the 1968 Protocol" means the Supplementary Protocol signed at London on 18th December 1968 amending the 1950 Convention as modified by the 1966 Protocol;
- (d) "the Convention as extended in 1966" means the 1950 Convention as extended to the Faroe Islands by the Exchange of Notes of 31st October 1960 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Denmark, as modified by the extension of the 1966 Protocol to the Faroe Islands by the Exchange of Notes of 13th July and 24th October 1967 between those Governments;
- (e) "this Extension" means the extension of the 1968 Protocol to the Faroe Islands in accordance with this Annex;
- (f) "the Convention as now extended" means the Convention as extended in 1966 as modified by this Extension.

2. The provisions of the 1968 Protocol shall apply to the Convention as extended in 1966 as if, in the 1968 Protocol:

- (a) any reference to Denmark were a reference to the Faroe Islands;
- (b) any reference to Danish tax were a reference to Faroese tax, that is to say, the provincial income tax (skat til Landskassen) and the communal income tax (kommunal indkomstskat); and
- (c) Article 12 were deleted.

3. This Extension shall enter into force after the expiration of thirty days following the date on which the last of the measures have been taken in the United Kingdom necessary to give this Extension the force of law in the United Kingdom⁽⁶⁾ and shall thereupon have effect:

(6) The Extension entered into force on 31 May, 1971.

(a) in the United Kingdom:

- (i) as respects income tax (including surtax) and capital gains tax, for any year of assessment beginning on or after 6th April 1968; and
- (ii) as respects corporation tax, for any financial year beginning on or after 1st April 1968;

(b) in the Faroe Islands:

as respects Faroese tax for any taxation year beginning on or after 1st April 1968.

4. The Government of the United Kingdom shall inform the Government of Denmark in writing when the last of the measures necessary as indicated in paragraph 3 above have been taken in the United Kingdom.

5. Subject to paragraph 6 of this Annex, where any greater relief from tax would have been afforded by any provision of the Convention as extended in 1966 than is due under the Convention as now extended, any such provision as aforesaid shall continue to have effect for any year of assessment or financial year or taxation year beginning before the entry into force of this Extension.

6. The provisions of sub-paragraphs (a) and (b) of paragraph 3 of this Annex and of paragraph 5 of this Annex shall not apply in relation to dividends but the provisions of the Convention as now extended shall have effect and the provisions of the Convention as extended in 1966 shall cease to be effective, in relation to dividends payable on or after the date of entry into force of this Extension.

No. 2

*The Minister for Foreign Affairs of Denmark to Her Majesty's
Ambassador at Copenhagen*

Ministry of Foreign Affairs,

Copenhagen, November 27, 1970.

Monsieur l'Ambassadeur,

I have the honour to acknowledge receipt of Your Excellency's Note of November 25, 1970, which reads as follows:

[As in No. 1]

In reply I have the honour to state that the foregoing proposal is acceptable to the Government of the Kingdom of Denmark who agree that Your Excellency's Note and the present reply together with their Annexes shall be regarded as constituting an agreement between the two Governments in this respect.

I avail myself of this opportunity to renew to you, Sir, the assurance of my highest consideration.

POUL HARTLING.

[Annex as in No. 1]

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