

法規名稱：AGREEMENT BETWEEN THE TAIPEI REPRESENTATIVE OFFICE IN DENMARK AND THE DANISH TRADE ORGANISATIONS' TAIPEI OFFICE FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

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AGREEMENT BETWEEN THE TAIPEI REPRESENTATIVE OFFICE IN DENMARK AND THE DANISH TRADE ORGANISATIONS' TAIPEI OFFICE FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income for the purpose of maintaining and promoting bilateral economic and commercial relations,

Have agreed as follows:

Article 1

Persons Covered

This Agreement shall apply to persons who are residents of one or both of the territories.

Article 2

Taxes Covered

1.The existing taxes to which this Agreement shall apply are:

- a) In the territory where the taxation laws administered by the Danish Ministry of Taxation (Skatteministeriet) are applied:
 - (i) the income tax to the State
(indkomstskatten til staten);
 - (ii) the income tax to the municipalities
(den kommunale indkomstskat);
 - (iii) the income tax to the county municipalities
(den amtskommunale indkomstskat).
- b) In the territory where the taxation laws administered by the

Taxation Agency, Ministry of Finance in Taipei are applied:

- (i) the profit-seeking enterprise income tax; and
- (ii) the individual consolidated income tax;

including the surcharges levied thereon.

2. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the territories shall notify each other of any significant changes which have been made in the taxation laws of the respective territories.

Article 3

General Definitions

1. For the purposes of this Agreement, unless the context otherwise requires:

- a) the term “territory” means the territory referred to in subparagraphs 1 a) or 1 b) of Article 2, as the context requires, and “the other territory” and “territories” shall be construed accordingly;
- b) the term “person” includes an individual, a company and any other body of persons;
- c) the term “company” means any body corporate or any entity that is -treated as a body corporate for tax purposes;
- d) the term “enterprise” applies to the carrying on of any business;
- e) the terms “enterprise of a territory” and “enterprise of the other territory” mean respectively an enterprise carried on by a resident of a territory and an enterprise carried on by a resident of the other territory;
- f) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise of a territory, except when the ship or aircraft is operated solely between places in the other territory;
- g) the term “competent authority” means:
 - (i) in the territory where the taxation laws administered by

- the Danish Ministry of Taxation are applied: The Central Customs and Tax Administration (Told- og Skattestyrelsen);
- (ii) in the territory where the taxation laws administered by the Taxation Agency, Ministry of Finance in Taipei are applied: Director-General of the Taxation Agency or his authorised representative;
- h) the term “business” includes the performance of professional services and of other activities of an independent character.
- 2.As regards the application of the Agreement at any time in a territory, 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 territory for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that territory prevailing over a meaning given to the term under other laws of that territory.

Article 4

Resident

- 1.For the purposes of this Agreement, the term “resident of a territory” means any person who, under the laws of that territory, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar nature, and also includes the authority administering a territory and any subdivision or local authority thereof.
- 2.A person is not a resident of a territory for the purposes of this Agreement if that person is liable to taxation in that territory in respect only of income from sources in that territory, provided that this paragraph shall not apply to individuals who are residents of the territory referred to in subparagraph 1 b) of Article 2, as long as resident individuals are taxed only in respect of income from sources in that territory .
- 3.Where by reason of the provisions of paragraph 1 an individual

is a resident of both territories, then his status shall be determined as follows:

- a) he shall be deemed to be a resident only of the territory in which he has a permanent home available to him; if he has a permanent home available to him in both territories, he shall be deemed to be a resident only of the territory with which his personal and economic relations are closer (centre of vital interests);
- b) if the territory 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 territory, he shall be deemed to be a resident only of the territory in which he has an habitual abode;
- c) if he has an habitual abode in both territories or in neither of them, he shall be deemed to be a resident only of the territory in which he is a national under laws in force of that territory;
- d) if he is a national as referred to under subparagraph c) above in both territories or in neither of them, the competent authorities of the territories shall settle the question by mutual agreement.

4. A legal person, a fund or other entity which is established in a territory under the laws in force in that territory with the purpose of providing pensions or other similar benefits to individuals, and which is generally tax exempt in that territory, shall be deemed to be a resident of that territory for the purposes of this Agreement.

5. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both territories, then it shall be deemed to be a resident only of the territory in which its place of effective management is situated.

Article 5

Permanent Establishment

1. For the purposes of this Agreement, the term “permanent esta-

blishment” 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 mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

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

4.An enterprise of a territory shall be deemed to have a permanent establishment in the other territory if:

- a) an installation or drilling rig or ship used for the exploration of natural resources lasts more than six months;
- b) it carries on supervisory activities for more than six months in connection with a building site or construction or installation project which is being undertaken in the other territory;
- c) it furnishes services, including consultancy services, through employees or other personnel or persons engaged by the enterprise for such purpose, but only where activities of that nature continue for the same or a connected project, for a period or periods aggregating more than six months within any twelve month period.

5.For the purposes of determining the duration of activities under paragraphs 3 and 4, the period during which activities are carried on in a territory by an enterprise associated with another enterprise shall be aggregated with the period during which activities are carried on by the enterprise with which it is associated if the first-mentioned activities are connected with the activities carried on in that territory by the last-mentioned enterprise, provided that any period during wh-

ich two or more associated enterprises are carrying on concurrent activities is counted only once. An enterprise shall be deemed to be associated with another enterprise if one is controlled directly or indirectly by the other, or if both are controlled directly or indirectly by a third person or persons

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6. 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, 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 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 or auxiliary character;
- f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs 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.

7. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 8 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a territory an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that

territory in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 6 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

8. An enterprise shall not be deemed to have a permanent establishment in a territory merely because it carries on business in that territory 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.
9. The fact that a company which is a resident of a territory controls or is controlled by a company which is a resident of the other territory, or which carries on business in that other territory (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

Income from Immovable Property

1. Income derived by a resident of a territory from immovable property (including income from agriculture or forestry) situated in the other territory may be taxed in that other territory .
2. The term “immovable property” shall have the meaning which it has under the law of the territory 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, boats 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.

Article 7

Business Profits

- 1.The profits of an enterprise of a territory shall be taxable only in that territory unless the enterprise carries on business in the other territory 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 territory 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 territory carries on business in the other territory through a permanent establishment situated therein, there shall in each territory 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 territory in which the permanent establishment is situated or elsewhere.
- 4.Insofar as it has been customary in a territory 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 territory 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 contained 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 Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

Shipping and Air Transport

- 1.Profits derived by an enterprise of a territory from the operation of ships or aircraft in international traffic shall be taxable only in that territory.
- 2.For the purposes of this Article, profits from the operation of ships or aircraft in international traffic include:
 - a) profits from the rental on a full (time or voyage) basis or a bareboat basis of ships or aircraft; and
 - b) profits 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;where such rental or such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic.
- 3.The provisions of paragraphs 1 and 2 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

4. Where enterprises from different jurisdictions have agreed to operate ships or aircraft in international traffic through a business consortium, the provisions of this Article shall apply only to such proportion of the profits as corresponds to the participation held in that consortium by an enterprise of a territory.

Article 9

Associated Enterprises

1. Where

- a) an enterprise of a territory participates directly or indirectly in the management, control or capital of an enterprise of the other territory, or
- b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a territory and an enterprise of the other territory, 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 a territory includes in the profits of an enterprise of that territory - and taxes accordingly - profits on which an enterprise of the other territory has been charged to tax in that other territory and the profits so included are profits which would have accrued to the enterprise of the first-mentioned territory if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other territory shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the

competent authorities of the territories shall if necessary consult each other.

Article 10

Dividends

1.Dividends paid by a company which is a resident of a territory to a resident of the other territory may be taxed in that other territory.

2.However, such dividends may also be taxed in the territory of which the company paying the dividends is a resident and according to the laws in force of that territory, but if the beneficial owner of the dividends is a resident of the other territory the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.

The competent authorities of the territories shall by mutual agreement settle the mode of application of these limitations. 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 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 territory of which the company making the distribution is a resident.

4.The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a territory, carries on business in the other territory of which the company paying the dividends is a resident, through a permanent establishment situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5.Where a company which is a resident of a territory derives profits or income from the other territory, that other territory 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 territory or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other territory, 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 territory.

Article 11

Interest

1. Interest arising in a territory and paid to a resident of the other territory may be taxed in that other territory.
2. However, such interest may also be taxed in the territory in which it arises and according to the laws in force of that territory, but if the beneficial owner of the interest is a resident of the other territory, the tax so charged shall not exceed 10 per cent of the gross amount of the interest.
The competent authorities of the territories shall by mutual agreement settle the mode of application of these limitations.
3. Notwithstanding the provisions of paragraph 2, tax shall not be charged on the gross amount of the interest if the beneficial owner is a public institution (including a central bank) in a territory or any agency (including a financial institution) owned or controlled by an authority administering a territory.
4. The term “interest” as used in this Article means income from debt-claims 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 public 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.
5. The provisions of paragraphs 1 and 2 shall not apply if the

beneficial owner of the interest, being a resident of a territory, carries on business in the other territory in which the interest arises, through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

6. Interest shall be deemed to arise in a territory when the payer is a resident of that territory. Where, however, the person paying the interest, whether he is a resident of a territory or not, has in a territory 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, then such interest shall be deemed to arise in the territory in which the permanent establishment 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 person, 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 territory, due regard being had to the other provisions of this Agreement.

Article 12

Royalties

1. Royalties arising in a territory and paid to a resident of the other territory may be taxed in that other territory.
2. However, such royalties may also be taxed in the territory in which they arise and according to the laws in force of that territory, but if the beneficial owner of the royalties is a resident of the other territory, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

The competent authorities of the territories shall by mutual agreement settle the mode of application of these limitations.

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, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience. Subject to the provisions of Article 16, the term “royalties” shall also include payments of any kind for the use or the right to use a person’s name, picture or any other similar personality rights as well as films or tapes of entertainers’ or sportsmen’s performances used for radio or television broadcasting.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a territory, carries on business in the other territory in which the royalties arise, through a permanent establishment situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.
5. Royalties shall be deemed to arise in a territory when the payer is a resident of that territory. Where, however, the person paying the royalties, whether he is a resident of a territory or not, has in a territory 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 territory in which the permanent establishment 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 territory, due regard being had to the other provisions of this Agreement.

Article 13

Capital Gains

1. Gains derived by a resident of a territory from the alienation of immovable property referred to in Article 6 and situated in the other territory may be taxed in that other territory.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a territory has in the other territory, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), may be taxed in that other territory.
3. Gains derived by an enterprise of a territory from the 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 territory.
4. Gains derived by a resident of a territory from the alienation of shares deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other territory may be taxed in that other territory.
5. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4 shall be taxable only in the territory of which the alienator is a resident.
6. Where enterprises from different jurisdictions have agreed to operate ships or aircraft in international traffic through a business consortium, the provisions of paragraph 3 shall apply only to such proportion of the capital gains as corresponds to the participation held in that consortium by an enterprise of a territory.

Article 14

Income from Employment

1. Subject to the provisions of Articles 15, 17 and 18, salaries, wages and other similar remuneration derived by a resident of a territory in respect of an employment shall be taxable only in that territory unless the employment is exercised in the other territory. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other territory.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a territory in respect of an employment exercised in the other territory shall be taxable only in the first-mentioned territory if:
 - a) the recipient is present in the other territory for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and
 - b) the remuneration is paid by, or on behalf of, an employer who is a resident of the first-mentioned territory, and
 - c) the remuneration is not borne by a permanent establishment which the employer has in the other territory.
3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a territory, may be taxed in that territory.

Article 15

Directors' Fees

Directors' fees and other similar payments derived by a resident of a territory in his capacity as a member of the board of directors of a company which is a resident of the other territory, may be taxed in that other territory.

Article 16

Artistes and Sportsmen

1. Notwithstanding the provisions of Articles 7 and 14, income derived by a resident of a territory as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other territory, may be taxed in that other territory.
2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the territory in which the activities of the entertainer or sportsman are exercised.
3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities performed in a territory by artistes or sportsmen if the visit to that territory is wholly or mainly supported by public funds of one or both of the territories or subdivisions or local authorities thereof. In such case, the income is taxable only in the territory in which the artiste or the sportsman is a resident.

Article 17

Pensions, Social Security Payments and Similar Payments

1. Payments received by an individual, being a resident of a territory, under the social security legislation of the other territory, or under any other scheme out of funds created by that other territory or a subdivision or a local authority thereof, may be taxed in that other territory.
2. Subject to the provisions of paragraph 1 of this Article and paragraph 2 of Article 18, pensions and other similar remuneration arising in a territory and paid to a resident of the other territory, whether in consideration of past employment or not, shall be taxable only in the other territory. However, such pensions and other similar remuneration may be taxed in the first-mentioned territory if
 - a) contributions paid by the beneficiary to the pension scheme

were deducted from the beneficiary' s taxable income in the first-mentioned territory under the law of that territory;
or

- b) contributions paid by an employer were not taxable income for the beneficiary in the first-mentioned territory under the law of that territory.

3. Pensions shall be deemed to arise in a territory if paid by a pension fund or other similar institution providing pension schemes in which individuals may participate in order to secure retirement benefits, where such pension fund or other similar institution is recognized for tax purposes in accordance with the laws of that territory.

Article 18

Public Service

1.

- a) Salaries, wages and other similar remuneration, other than a pension, paid by an authority administering a territory or a subdivision thereof, or by a local authority of that territory, to an individual in respect of services rendered to such authorities shall be taxable only in that territory.
- b) However, such salaries, wages and other similar remuneration shall be taxable only in the other territory if the services are rendered in that territory and the individual is a resident of that territory who:
 - (i) is a national of that territory under the laws in force in that territory; or
 - (ii) did not become a resident of that territory solely for the purpose of rendering the services.

2.

- a) Any pension paid by, or out of funds created by, an authority administering a territory or a subdivision thereof, or a local authority of that territory, to an individual in respect of services rendered to such authorities shall be taxable only in that territory.

b) However, such pension shall be taxable only in the other territory if the individual is a resident of and, under the laws in force in that territory, a national of that territory.

3. The provisions of Articles 14, 15, 16 and 17 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by an authority referred to in paragraph 1.

Article 19

Students

Payments which a student or business apprentice who is or was immediately before visiting a territory a resident of the other territory and who is present in the first-mentioned territory solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that territory, provided that such payments arise from sources outside that territory.

Article 20

Other Income

1. Items of income of a resident of a territory, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that territory.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a territory, carries on business in the other territory through a permanent establishment situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a territory not dealt with in the foregoing Articles of the Agreement and arising in the other ter-

ritory may also be taxed in that other territory.

Article 21

Elimination of Double Taxation

Double taxation shall be avoided as follows:

1. In the case of the territory where the taxation laws administered by the Danish Ministry of Taxation are applied:

- a) Subject to the provisions of subparagraph c), where a resident of the territory where the taxation laws administered by the Danish Ministry of Taxation are applied derives income which, in accordance with the provisions of this Agreement, may be taxed in the territory where the taxation laws administered by the Taxation Agency, Ministry of finance in Taipei are applied, the first mentioned territory shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in the other territory;
- 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 the other territory;
- c) where a resident of the territory where the taxation laws administered by the Danish Ministry of Taxation are applied derives income which, in accordance with the provisions of this Agreement shall be taxable only in the territory where the taxation laws administered by the Taxation Agency, Ministry of Finance in Taipei are applied, the first mentioned territory may include this income in the tax base, but shall allow as a deduction from the income tax that part of the income tax, which is attributable to the income derived from the other territory.

2. In the case of the territory where the taxation laws administered by the Taxation Agency, Ministry of Finance in Taipei are applied:

Where a resident of the territory where the taxation laws administered by the Taxation Agency, Ministry of Finance in Taipei

ei are applied derives income from the other territory where the taxation laws administered by the Danish Ministry of Taxation are applied, the amount of tax on that income paid in the other territory and in accordance with the provisions of this Agreement, shall be credited against the tax levied in the first mentioned territory imposed on that resident. The amount of credit, however, shall not exceed the amount of the tax in the first mentioned territory on that income computed in accordance with its taxation laws and regulations.

Article 22

Non-Discrimination

1. Nationals of a territory under the laws in force in that territory shall not in the other territory be subjected 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 territory under the laws in force in that other territory 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 territories.
2. The taxation on a permanent establishment which an enterprise of a territory has in the other territory shall not be less favourably levied in that other territory than the taxation levied on enterprises of that other territory carrying on the same activities. This provision shall not be construed as obliging a territory to grant to residents of the other territory 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 7 of Article 11, or paragraph 6 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a territory to a resident of the other territory shall

, for the purpose of determining the taxable profits of such an enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned territory.

4. Enterprises of a territory, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other territory, shall not be subjected in the first-mentioned territory 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 territory are or may be subjected.
5. The provisions of this Article shall apply to taxes which are the subject of this Agreement.

Article 23

Mutual Agreement Procedure

1. Where a person considers that the actions of the authorities of one or both of the territories result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those territories, present his case to the competent authority of the territory of which he is a resident or, if his case comes under paragraph 1 of Article 22, to that of the territory of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
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 territory, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law

of the territories.

- 3.The competent authorities of the territories shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.
- 4.The competent authorities of the territories may communicate with each other directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 24

Exchange of Information

- 1.The competent authorities of the territories shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the territories, or their subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.
- 2.Any information received under paragraph 1 by a territory shall be treated as secret in the same manner as information obtained under the domestic laws of that territory and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. 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.
- 3.In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a territory the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other territory;
 - b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other territory;
 - 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*).
- 4.If information is requested by a territory in accordance with this Article, the other territory shall use its information gathering measures to obtain the requested information, even though that other territory may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 except where such limitations would preclude a territory from supplying information solely because it has no domestic tax interest in such information.
- 5.In no case shall the provisions of paragraph 3 be construed to permit a territory to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or relates to ownership interests in a person.

Article 25

Assistance in the Collection of Taxes

- 1.Each of the territories shall endeavor to collect, as if it were its own tax, any tax referred to in Article 2, which has been imposed by the other territory and the collection of which is necessary to ensure that any exemption or reduction of tax granted under this Agreement by that other territory shall not be enjoyed by persons not entitled to such benefits.
- 2.In no case shall the provisions of this Article be construed so as to impose on a territory the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other territory;
- b) to carry out measures which would be contrary to public policy (ordre public);
- c) to provide assistance if the other territory has not pursued all reasonable measures of collection or conservancy, as the case may be, available under its laws or administrative practice;
- d) to provide assistance in those cases where the administrative burden for that territory is clearly disproportionate to the benefits to be derived by the other territory.

Article 26

Limitation of Benefits

1. Notwithstanding any other provisions of this Agreement, where

- a) a company that is a resident of a territory derives its income primarily from outside that territory
 - (i) from activities such as banking, financing or insurance;
 - or
 - (ii) from being the headquarters, co-ordination centre or similar entity providing administrative services or other support to a group of companies which carry on business primarily outside the first-mentioned territory; and
- b) except for the application of the method of elimination of double taxation normally applied by that territory, such income would bear a significantly lower tax under the laws of that territory than income from similar activities carried out within that territory or from being the headquarters, co-ordination centre or similar entity providing administrative services or other support to a group of companies which carry on business in that territory, as the case may be, any provisions of this Agreement conferring an exemption or reduction of tax shall not apply to the interest or royalties derived by such company.

2. Notwithstanding the provisions of Article 10, Article 11 and Article 12, a territory may tax in accordance with the applicable tax laws of that territory, dividends, interest and royalties paid by a company which is a resident of that territory to a company, trust or partnership or any other legal person, which is a resident of the other territory, where
- a) more than 50 per cent of the capital or votes in the company, trust or partnership or any other legal person receiving the dividends, interest or royalties is owned or controlled directly or indirectly by a person or by associated companies, trusts or partnerships or any other legal persons not being residents of one of the territories or of the European Union or the European Economic Area, and
 - b) the dividends, interest or royalties would not have been subject to a reduced tax rate or tax exemption in the territory in which they arise under the provisions of any double taxation agreement or other agreement concluded between that territory and other territories or jurisdictions, if paid directly from the company of the first mentioned territory to any person or associated companies, trusts or partnerships or any other legal persons which directly or indirectly participate in the ownership or control of the company to which the dividends, interest or royalties are paid.
3. Notwithstanding the provisions of any other Article of this Agreement, a resident of a territory shall not receive the benefit of any reduction in or exemption from tax provided for in the Agreement by the other territory if the main purpose or one of the main purposes of such resident or a person connected with such resident was to obtain the benefits of this Agreement.
4. For the purposes of this Article the term “associated companies, trusts or partnerships or any other legal persons” means companies, trusts or partnerships or any other legal persons in which the same persons participate directly or indirectly in the management, control or capital.

Article 27

Entry into Force

1. The Danish Trade Organisations' Taipei Office and the Taipei Representative Office in Denmark shall notify each other in writing that the legal requirements for the entry into force of this Agreement in their respective territories have been complied with.
2. The Agreement shall enter into force on the date of the later of the notifications referred to in paragraph 1 and its provisions shall have effect:
 - a) in respect of taxes due or withheld at source, on income credited or payable on or after January 1 of the year next following the year in which the Agreement enters into force;
 - b) in respect of other taxes charged, on income of taxable periods beginning on or after January 1 of the year next following the year in which the Agreement enters into force.

Article 28

Termination

This Agreement shall remain in force indefinitely. However, the Danish Trade Organisations' Taipei Office and the Taipei Representative Office in Denmark may terminate the Agreement by giving written notice of termination on or before 30 June in any calendar year following after a period of five years from the entry into force of this Agreement. In such case, this Agreement shall cease to have effect:

- a) in respect of taxes due or withheld at source, on income credited or payable on or after January 1 of the year next following the year in which the notice of termination is given;
- b) in respect of other taxes charged, on income of taxable periods beginning on or after January 1 of the year next following the year in which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, being duly authorized there-

to, have signed this Agreement.

Done in duplicate at Taipei this 30 day of Aug, 2005, in the English language.

For the Taipei
Representative
Office
in Denmark

Ping-nan Chang

For the Danish
Trade
Organisations'
Taipei Office

Flemming Aggergaard