

Double Taxation Treaty

between Ireland and France

Convention between Ireland and France for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The President of Ireland and the President of the Republic of France, desiring to avoid, so far as possible, double taxation and to prevent fiscal evasion in the matter of taxes on income have decided to conclude a Convention and for that purpose have named as plenipotentiaries:

The President of Ireland:

His Excellency Thomas Vincent Commins, Ambassador Extraordinary and Plenipotentiary of Ireland at Paris.

The President of the Republic of France:

Monsieur Gilbert de Chambrun, Ministre Plénipotentiaire, Directeur des Conventions Administratives et des Affaires Consulaires au Ministère des Affaires Etrangères, Paris.

who having exhibited their full powers which have been found in good and due form have agreed upon the following provisions.

Article 1

1. The present Convention shall apply to taxes on income imposed on behalf of each Contracting State irrespective of the manner in which they are levied.
There shall be regarded as taxes on income all taxes imposed on total income or on the elements of income.
2. The provisions of this Convention have as their object the avoidance of double taxation which could result for residents of each of the Contracting States by the levying simultaneously or successively in one State and the other of the taxes to which the above paragraph 1 applies.
3. The existing taxes to which this Convention shall apply are:
 - a. In the case of France:
 - i. l'impôt sur le revenu des personnes physiques (the tax on the income of individuals);
 - ii. la taxe complémentaire (the complementary tax);
 - iii. l'impôt sur les sociétés (the tax on companies) including any withholding tax, prepayment (précompte) or advance payment with respect to the aforesaid taxes.
 - b. In the case of Ireland:
the income tax (including sur-tax) and the corporation profits tax.
4. This Convention shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes. At the beginning of each year, the competent authorities of the Contracting States shall notify to each other any changes which have been made in their respective taxation laws in the course of the preceding year.
5. It is agreed that in the case where the fiscal legislation of one of the Contracting States is made the subject of amendments which substantially affect the nature or character of the taxes to which paragraph 3 of this Article applies, the competent authorities of the two States shall consult together in order to determine what amendments will eventually have to be made in this Convention.

Article 2

In the application of this Convention:

1. The term "France" means Metropolitan France and the Overseas departments (Guadeloupe, Guiana, Martinique and Reunion);
2. The terms "a Contracting State" and "the other Contracting State" mean Ireland or France as the context requires;
3. The term "tax" means Irish tax or French tax as the context requires;
4. The term "person" comprises an individual, a company and any other body of persons;
5. The term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
6. The expressions "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively as the context requires an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
7. The expressions "resident of Ireland" and "resident of France" mean respectively:

any person who is a resident of Ireland for the purposes of Irish tax and who is not a resident of France for the purposes of French tax, and

any person who is a resident of France for the purposes of French tax and who is not a resident of Ireland for the purposes of Irish tax;

8. A company shall be regarded as a resident of Ireland if it is managed and controlled in Ireland. It is agreed that this provision does not prevent the application, according to Irish law, of the corporation profits tax in the case of a company incorporated in Ireland which is not managed and controlled in France.

A company shall be regarded as a resident of France if it is managed and controlled in France.

9. The term "permanent establishment" means a fixed place of business in which the business of an enterprise is wholly or partly carried on.
 - a. A permanent establishment shall include especially:
 - a. a place of management;
 - b. a branch;
 - c. an office;
 - d. a factory;
 - e. a workshop;
 - f. a mine, quarry or other place of extraction of natural resources;

- g. a building site or construction or assembly project which exists for more than twelve months.
 - b. The term "permanent establishment" shall not be deemed to include:
 - a. the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
 - b. the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
 - c. the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - d. the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
 - e. the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.
 - c. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State, other than an agent of an independent status to whom subparagraph (d) applies, shall be deemed to be a permanent establishment in the first-mentioned State if he has, and habitually exercises in that State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.
 - d. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business there through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.
 - e. 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 there (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.
10. The expression "competent authority" means:
- in the case of Ireland, the Revenue Commissioners or their duly authorised representatives;
 - in the case of France, the Minister of Finance and Economic Affairs or his duly authorised representatives.
11. In the application of this Convention by a Contracting State any term or expression which is not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the law of that State relating to the taxes which are the subject of this Convention.

Article 3

1. Income from immovable property may be taxed in the Contracting State in which such property is situated.
2. The term "immovable property" shall be defined in accordance with the laws 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 of agricultural and forestry enterprises, 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 mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.
3. The provisions of paragraphs 1 and 2 above shall apply to income derived from the direct use or from the letting of immovable property or from the use in any other form of such property, including income from agricultural or forestry enterprises. They shall likewise apply to profits from the alienation of immovable property.
4. The provisions of paragraphs 1 to 3 above shall also apply to the income from immovable property of any enterprises other than agricultural or forestry enterprises and to income from immovable property used for the performance of professional services.

Article 4

1. The industrial and commercial profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, tax may be imposed in the other State on the profits of the enterprise but only on so much of them as is attributable to that permanent establishment.
2. 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 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 quite independently with the enterprise of which it is a permanent establishment.
3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.
4. In so far 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 of this Article shall preclude such 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.

Article 5

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 6

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

Article 7

1. Income arising from the alienation of shares in a company shall be taxable only in the Contracting State of which the alienator is a resident.
2. Paragraph 1 shall not apply when the shares alienated form part of the assets of a permanent establishment which the alienator possesses in the other State. In that case, Article 4 shall apply.

Article 8

1. A company which is a resident of Ireland and which possesses a permanent establishment in France shall, so far as the distribution of profits which it makes is concerned, remain liable in France to the application, in respect of the tax on the income of individuals, of a withholding tax under the conditions prescribed by French law.
2. A company which is a resident of Ireland shall not be liable in France to the withholding tax mentioned in the above paragraph 1 by reason of its participation in the management or in the capital of a company which is a resident of France or by reason of any other relationship with that company, but the profits distributed by the latter company and subject to that withholding tax shall be, in such a case, increased for the assessment of the said withholding tax by all the profits or benefits which the company which is a resident of Ireland may have indirectly derived from the company which is a resident of France under the conditions prescribed in Article 5; and double taxation shall so far as these profits or benefits are concerned be avoided in accordance with the provisions of Article 21.

Article 9

1. In relation to France the rate of withholding at source applied, in respect of the tax on the income of individuals, to dividends defined in paragraph 5 below shall not exceed 15 per cent while the income arises to a resident of Ireland.
However, the rate shall not exceed 10 per cent on dividends distributed by a company being a resident of France to a company being a resident of Ireland which has held for a year in its own name shares or parts d'intérêt representing at least 50 per cent of the capital of the first company.
2. Dividends arising from sources situated in Ireland which are paid to an individual being a resident of France shall be exempt from Irish sur-tax.
3. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends, being a resident of a Contracting State, has in the other Contracting State, of which the company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, Article 4 shall apply.
4. The competent authorities of the two States shall by mutual agreement settle the mode of application of paragraphs 1 and 2 above.
5. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights assimilated to income from shares by the taxation law of the State of which the company making the distribution is a resident.
6. When the prepayment (précompte) is levied on dividends paid by a company being a resident of France, the recipients of these dividends who are residents of Ireland shall be entitled to the refund of that prepayment, subject to deduction of the withholding tax with respect to the refunded amount, in accordance with the provisions of the present Article.

Article 10

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this provision.
2. The term "interest" as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind, as well as all other income assimilated by the taxation law of the State in which the income arises, to income from money lent.
3. The provisions of paragraph 1 shall not apply if the recipient of the interest, being a resident of a Contracting State, has in the other Contracting State in which the interest arises a permanent establishment with which the debt-claim from which the interest arises is effectively connected. In such a case, Article 4 shall apply.
4. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the interest paid, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the Contracting States' own laws, due regard being had to the other provisions of this Convention.

Article 11

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.
2. The term "royalties" as used in this Article means payments of any kind received as consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
3. Profits from the alienation of any rights or property mentioned in paragraph 2 shall be taxable only in the Contracting State of which the alienator is a resident.
4. Sums paid for the hire or right of usage of cinematograph or television films shall not be treated as royalties. Article 4 shall apply in such a case.
5. The provisions of paragraphs 1 and 3 shall not apply if the recipient of the royalties or the profits, being a resident of a Contracting State, has in the Contracting State in which these royalties or profits arise a permanent establishment with which the right or property giving rise to them is effectively connected. Article 4 shall then apply.
6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the Contracting States' own laws, due regard being had to the other provisions of this Convention.

Article 12

1. Subject to the provisions of Articles 13, 14 and 15, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1 above, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
 - a. the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned, and
 - b. the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
 - c. the remuneration is not deducted from the profits of a permanent establishment or a fixed base which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration for personal services performed aboard a ship or aircraft in international traffic may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 13

1. Remuneration, including pensions, paid by, or out of funds created by, a Contracting State to any individual in respect of services rendered to that State in the discharge of administrative functions (civil or military) shall be taxable only in that State.

However, this provision shall not be applied if the remuneration is granted to an individual who is a national of the other State, without being at the same time a national of the first State; in that case, the remuneration shall be taxable only in the State of which the individual is a resident.

2. The provisions of Articles 12, 14 and 15 shall apply to remuneration and pensions in respect of services rendered in connection with any trade or business carried on by one of the Contracting States.

Article 14

1. Subject to the provisions of paragraph 1 of Article 13, pensions and other similar remuneration paid in Consideration of past employment shall be taxable only in the Contracting State of which the recipient is a resident.
2. In like manner an annuity arising from sources situated in one State shall be taxable only in the Contracting State of which the beneficiary is a resident. The term " annuity" means a fixed sum payable periodically to an individual at fixed due dates, by virtue of an obligation, during life or during a specified period of time the duration of which can be determined.

Article 15

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

Article 16

1. Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, such part of that income as is attributable to that base may be taxed in that other State.
2. The term "professional services" includes, especially, independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 17

Payments which a student or business apprentice from one of the Contracting States who is present in the other Contracting State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training, shall not be taxed in that other State, provided that such payments are made to him from sources outside that other State.

Article 18

Notwithstanding anything contained in this Convention, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.

Article 19

The remuneration which an individual of a Contracting State receives for undertaking study or research at a very advanced level or for teaching, during a period of temporary residence not exceeding two years, at a university, research institute, school, college or other similar establishment in the other Contracting State shall not be taxable in the latter State.

Article 20

Items of income not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in the Contracting State of which the recipient is a resident.

Article 21

It is agreed that double taxation shall be avoided as follows:

- a. In the case of France:
 - a. Income other than that mentioned in paragraph 2 below shall be exempt from the French taxes mentioned in paragraph 3, A, of Article I of this Convention while the income is, by reason of the Convention, taxable in Ireland.
 - b.
 - a. Dividends in the beneficial ownership of a person who is a resident of France which arise from sources situated in Ireland and which are subject to Irish tax either directly or by deduction shall be exempt in France from the withholding tax levied in respect of the tax on the income on individuals to the extent of the rate of 24 per cent.
 - b. To the extent of the same rate of 24 per cent, dividends in the beneficial ownership of a person who is a resident of France which arise from sources situated in Ireland and which are exempt from Irish tax by virtue of Chapter I or Chapter IV of Part XXV of the Income Tax Act, 1967 (No. 6 of 1967), shall not be subject in France to the withholding tax levied in respect of the tax on the income of individuals. This withholding tax shall nevertheless be regarded as having been entirely paid in computing either the tax on the income of individuals or any other tax to which the dividends concerned are subject.
 - c. In any case not governed by the provisions of this Convention, income in the beneficial ownership of a person who has an habitual residence in France (whether that person is or is not regarded as resident in Ireland for the purposes of Irish tax law) shall be exempt from French tax where the source of the income is in Ireland and the income is chargeable in accordance with Irish law.
 - d. Notwithstanding the provisions of paragraphs 1 and 3, French tax may be computed on income chargeable in France by virtue of this Convention at the rate appropriate to the total of the income chargeable in accordance with French law.
- b. In the case of Ireland:

Subject to the provisions of the law of Ireland regarding the allowance as a credit against Irish tax of tax payable in a territory outside Ireland, French tax payable directly on or by deduction in respect of income from sources within France shall be allowed as a credit against any Irish tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of France the credit shall take into account (independently of the withholding tax) the French tax payable by the company in respect of its profits.
- c. It is agreed that:

- a. income derived from sources in the United Kingdom by a person who is resident in Ireland for the purposes of Irish tax and who is resident in France for the purposes of French tax shall be deemed to be income from sources in Ireland if such income is not subject to United Kingdom tax.
- b. profits or remuneration arising from personal services (including professional services) performed in the territory of one of the Contracting States shall be deemed to be income having its source in that Contracting State and the services of an individual whose services are wholly or mainly performed in ships or aircraft operated by a resident of one of the Contracting States shall be deemed to be performed in that State.

Article 22

1. The nationals 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 State in the same circumstances are or may be subjected.
2. In particular, the nationals of a Contracting State shall enjoy in the other Contracting State, and under the same conditions as the nationals of the latter State, all exemptions, basic abatements, deductions and reductions of tax whatsoever granted on account of family responsibilities.
3. The term "nationals" means:
 - a. In the case of France, all individuals who possess French nationality;
 - b. In the case of Ireland, all citizens of Ireland;
 - c. All legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State.
4. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities in the same circumstances.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

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 Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of that first-mentioned State are or may be subjected.
6. In this Article the term "taxation" means taxes of every kind and description.
7. The provisions of this Article shall not be considered as obliging Ireland to grant to residents of France the reductions in or exemptions from tax granted (a) by the Finance (Profits of Certain Mines) (Temporary Relief from Taxation) Act, 1956 (No. 8 of 1956) or by Part II of the Finance (Miscellaneous Provisions) Act, 1956 (No. 47 of 1956) as subsequently amended in either case, (b) by Chapter II or Chapter III of Part XXV of the Income Tax Act, 1967 (No. 6 of 1967).

Article 23

1. The competent authorities of the Contracting States shall exchange information, being such information as may be obtained under the fiscal legislation of the two States in the course of normal administrative practice, which shall serve to ensure the proper levy and recovery of the taxes which are the subject of this Convention and also the application, with respect to such taxes, of the legal provisions relating to the prevention of fiscal fraud.
2. Any information so exchanged retains its secret nature and shall not be disclosed to any persons other than those concerned with the assessment and recovery of the taxes which are the subject of this Convention. No information which would disclose a commercial, industrial or professional secret shall be exchanged. Assistance need not be given if the appropriate State considers that this might endanger its sovereignty or security or cause harm to its general interests.
3. The exchange of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Contracting States shall agree on the list of information which shall be furnished on a routine basis.

Article 24

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident.
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with this Convention.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties arising as to the application of this Convention. They may also consult together for the elimination of double taxation in cases not provided for in this 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 the Contracting States.

Article 25

1. This Convention may be extended either in its entirety or with necessary modifications to the Overseas Territories of the French Republic which impose taxes of a character similar to those to which the said Convention applies. Any such extension shall take effect from such date and subject to such modifications and conditions (including those as to termination) as may be specified and agreed upon between the Contracting States in notes to be exchanged through diplomatic channels or in any other manner in accordance with the constitutional procedures of those States.
2. Unless the Contracting States otherwise agree the denunciation of this Convention by virtue of Article 27 thereof by one of them shall also terminate the application of its provisions to every territory to which it shall have been extended under this Article.

Article 26

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Dublin as soon as possible.
2. It shall enter into force upon the exchange of instruments of ratification and its provisions shall apply for the first time:

- a. in France:

to taxes charged in respect of the year 1966 and later years. However, in the case of income other than that which is the subject of Article 11 of this Convention, no repayment shall be made of the withholding tax (in respect of tax on the income of individuals) which shall have been collected in France on the payment of the said income to beneficiaries before the exchange of instruments of ratification of this Convention.

- b. in Ireland:

as respects income tax (including sur-tax) for any year of assessment beginning on or after the 6th April, 1966; as respects corporation profits tax for any accounting period beginning on or after the 1st April, 1966, and for the unexpired part of any accounting period current at that date.

Article 27

This Convention shall remain in force until denounced by one of the Contracting States. Either Contracting State may denounce the Convention through diplomatic channels after prior notice of at least six months before the end of any calendar year after the year 1970. In such event the Convention shall apply for the last time:

a. in France:

to taxes charged in respect of the calendar year following that in which the notice is given;

b. in Ireland:

to income tax (including sur-tax) in respect of the year of assessment beginning on the 6th April in the calendar year following that in which the notice is given; to corporation profits tax in respect of any accounting period ending on the 31st March in the second calendar year following that in which the notice is given and in respect of the expired part of any accounting period current at that date.

In Witness Whereof the plenipotentiaries of the two States have signed the present Convention and have affixed thereto their Seals.

Done at Paris on 21 March 1968 in duplicate in the French and English languages both texts being equally authoritative.

Signed: T.V. Commins Signed: Gilbert de Chambrun

Given under the Official Seal of the Government, this 14th day of July, 1970.

Seán Ó Loinsigh,
Taoiseach.

Explanatory Note

This note is not part of the Instrument and does not purport to be a legal interpretation.

This Order gives the force of law to the Convention with France which is set out in the Schedule.

Under the Convention certain classes of income derived from one country by a resident of the other country are (subject to certain conditions) to be exempt from tax in the former country. These classes include trading profits not arising through a "permanent establishment" [Article 4], shipping and air transport profits [Article 6], interest [Article 10], patent and copyright royalties [Article 11], certain earnings of temporary residents [Article 12, 17 and 19], pensions (other than Government pensions) and annuities [Article 14], profits from professional or other independent activities not attributable to a fixed base [Article 16]. Government salaries and pensions are normally to be taxed by the paying Government only [Article 13].

In general, dividends paid by Irish companies to French residents are to be exempt from Irish sur-tax; the rate of withholding tax on dividends paid by French companies to Irish residents is not to exceed 15 per cent and, where the Irish resident is a company holding shares representing at least 50 per cent of the capital in French company, is not to exceed 10 per cent [Article 9].

In the matter of personal allowances and reliefs for tax purposes, each country is to treat the nations of the other in the same way as it treats its own nationals under the same conditions [Article 22].

Where, under the Convention, income derived from one country by a person resident in the other country may be taken into account for tax purposes in both countries, a measure of double taxation relief is to be granted by the latter country. In Ireland relief is to be given by allowing against the Irish tax payable on French income, a credit in respect of the French tax which the income has borne including, in the case of dividends, an appropriate proportion of the French tax on the profits out of which the dividends are paid. In France, relief is to be given by way of exemption of income (except dividends) from sources in Ireland but the income so exempted is to be taken into account for the purpose of determining the rate of French tax to be imposed on the taxpayer's other income. Irish dividends, whether or not subject to Irish income tax by deduction, are to be exempt from the French withholding tax to the extent of the rate of 24 per cent which nevertheless is to be regarded as effectively paid for the purposes of French tax [Article 21].

Provision is made for the exchange, between the competent authorities of the two countries, of information necessary to give effect to the Convention and for the prevention of fiscal fraud [Article 23].

The Convention takes effect for the fiscal year 1966-67 [Article 26].