

No. 47115

**Finland
and
Georgia**

Agreement between the Government of the Republic of Finland and the Government of Georgia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (with protocol). Helsinki, 11 October 2007

Entry into force: *23 July 2008 by notification, in accordance with article 27*

Authentic texts: *English, Finnish and Georgian*

Registration with the Secretariat of the United Nations: *Finland, 22 February 2010*

**Finlande
et
Géorgie**

Accord entre le Gouvernement de la République de Finlande et le Gouvernement de la Géorgie tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu (avec protocole). Helsinki, 11 octobre 2007

Entrée en vigueur : *23 juillet 2008 par notification, conformément à l'article 27*

Textes authentiques : *anglais, finnois et géorgien*

Enregistrement auprès du Secrétariat des Nations Unies : *Finlande, 22 février 2010*

[ENGLISH TEXT – TEXTE ANGLAIS]

**AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND
THE GOVERNMENT OF GEORGIA FOR THE AVOIDANCE OF DOUBLE
TAXATION AND THE PREVENTION OF FISCAL EVASION WITH
RESPECT TO TAXES ON INCOME**

The Government of the Republic of Finland and the Government of Georgia,

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows:

Article 1
Persons covered

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

Article 2
Taxes covered

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

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

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

a) in Finland:

- (i) the state income taxes;
 - (ii) the corporate income tax;
 - (iii) the communal tax;
 - (iv) the church tax;
 - (v) the tax withheld at source from interest; and
 - (vi) the tax withheld at source from non-residents' income;
- (hereinafter referred to as "Finnish tax");

b) in Georgia:

- (i) the profit tax; and
 - (ii) the income tax;
- (hereinafter referred to as "Georgian tax").

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

Article 3
General definitions

1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the term "Finland" means the Republic of Finland and, when used in a geographical sense, means the territory of the Republic of Finland, and any area adjacent to the territorial waters of the Republic of Finland within which, under the laws of Finland and in accordance with international law, the rights of Finland with respect to the exploration for and exploitation of the natural resources of the sea bed and its sub-soil and of the superjacent waters may be exercised;
 - b) the term "Georgia" means the territory within the state borders of Georgia recognized by international law, including its land territory, internal waters and territorial sea, the air space above them, as well as the exclusive economic zone and continental shelf adjacent to its territorial sea in respect of which Georgia exercises its sovereign rights in accordance with international law, for the purpose of exploration and exploitation of the natural resources of such areas;
 - c) the term "person" includes an individual, a company and any other body of persons;
 - d) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - e) the term "a Contracting State" and "the other Contracting State" mean the Republic of Finland and Georgia as the context requires;
 - f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - g) the term "national" in relation to a Contracting State, means:
 - (i) any individual possessing the nationality or citizenship of that Contracting State; and
 - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State.
 - h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - i) the term "competent authority" means:
 - (i) in Finland, the Ministry of Finance, its authorised representative or the authority which, by the Ministry of Finance, is designated as competent authority;

(ii) in Georgia, the Ministry of Finance or its authorised representative.

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

Article 4 *Residence*

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation (registration) or any other criterion of a similar nature, and also includes that State, and any political subdivision, statutory body or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State.

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

- a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);
- b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 of this Article a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall settle the question by mutual agreement and determine the mode of application of this Agreement to such person.

Article 5 *Permanent establishment*

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

2. The term "permanent establishment" includes especially: