

No. 53561*

**Finland
and
Turkey**

Agreement between the Republic of Finland and the Republic of Turkey for the avoidance of double taxation with respect to taxes on income (with protocol). Istanbul, 6 October 2009

Entry into force: 4 May 2012, in accordance with article 28

Authentic texts: English, Finnish and Turkish

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**Finlande
et
Turquie**

Accord entre la République de Finlande et la République de Turquie tendant à éviter la double imposition en matière d'impôts sur le revenu (avec protocole). Istanbul, 6 octobre 2009

Entrée en vigueur : 4 mai 2012, conformément à l'article 28

Textes authentiques : anglais, finnois et turc

Enregistrement auprès du Secrétariat des Nations Unies : Finlande, 9 mars 2016

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AGREEMENT
BETWEEN
THE REPUBLIC OF FINLAND AND THE REPUBLIC OF TURKEY
FOR THE AVOIDANCE OF DOUBLE TAXATION
WITH RESPECT TO TAXES ON INCOME

THE GOVERNMENT OF THE REPUBLIC OF FINLAND
AND
THE GOVERNMENT OF THE REPUBLIC OF TURKEY

**Desiring to conclude an agreement for the avoidance of double
taxation 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 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, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

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

a) in Turkey:

- i) the income tax (gelir vergisi); and
- ii) the corporation tax (kurumlar vergisi);

(hereinafter referred to as "Turkish tax");

b) in Finland:

- i) the state income taxes (valtion tuloverot; de statliga inkomstskatterna);
- ii) the corporate income tax (yhteisöjen tulovero; inkomstskatten för samfund);
- iii) the communal tax (kunnallisvero; kommunalskatten);
- iv) the church tax (kirkollisvero; kyrkoskatten);
- v) the tax withheld at source from interest (korkotulon lähdevero; källskatten på ränteinkomst) and
- vi) the tax withheld at source from non-residents' income (rajoitetusti verovelvollisen lähdevero; källskatten för begränsat skattskyldig);

(hereinafter referred to as "Finnish tax").

4. The Agreement shall apply also to any identical or substantially similar taxes which 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 Contracting States shall notify each other of any significant changes that 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) i) the term "Turkey" means the Turkish territory including territorial sea and air space above it, as well as the maritime areas over which it has jurisdiction or sovereign rights for the purpose of exploration, exploitation and conservation of natural resources, pursuant to international law;
- ii) 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 terms "a Contracting State" and "the other Contracting State" mean Turkey or Finland as the context requires;
- 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 "place of incorporation" means the legal head office of a company registered under the Turkish Code of Commerce or the place of registration of a company under Finnish law, as the case may be;
- f) 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;
- g) 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;
- h) the term "competent authority" means:
 - i) in Turkey, the Minister of Finance or his authorised representative; and
 - ii) in Finland, the Ministry of Finance, its authorised representative or the authority which, by the Ministry of Finance, is designated as competent authority;

- i) the term "international traffic" means any transport by a ship, an aircraft or a road vehicle operated by an enterprise of a Contracting State, except when the ship, aircraft or road vehicle is operated solely between places in the other Contracting State.

2. As regards the application of the 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 the 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

RESIDENT

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 incorporation, place of management or any other criterion of a similar nature, and also includes that State and any 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 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 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which it has been incorporated.