

**AGREEMENT BETWEEN THE ISLE OF MAN AND  
DENMARK  
FOR THE AVOIDANCE OF DOUBLE TAXATION  
WITH RESPECT TO ENTERPRISES OPERATING  
SHIPS OR AIRCRAFT IN INTERNATIONAL TRAFFIC**

The Government of the Isle of Man and the Government of Denmark,  
desiring to conclude an agreement for the avoidance of double taxation with  
respect to enterprises operating ships or aircraft in international traffic,

have agreed as follows:

## **ARTICLE 1**

### **DEFINITIONS**

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

- (a) the terms "a Party" means Denmark or the Isle of Man, as the context requires; the term "Parties" means Denmark and the Isle of Man;
- (b) the term "Denmark" means the Kingdom of Denmark including any area outside the territorial sea of Denmark which in accordance with international law has been or may hereafter be designated under Danish laws as an area within which Denmark may exercise sovereign rights with respect to the exploration and exploitation of the natural resources of the sea-bed or its subsoil and the superjacent waters and with respect to other activities for the exploration and economic exploitation of the area; the term does not comprise the Faroe Islands and Greenland;
- (c) the term "Isle of Man" means the island of the Isle of Man;
- (d) the term "person" includes an individual, a company and any other body of persons;
- (e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- (f) the term "resident of a Party" means any person, who under the law of that Party is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any

other criterion of a similar nature;

- (g) the term "enterprise of a Party" means an enterprise, carried on by a resident of a Party;
- (h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Party, except when the ship or aircraft is operated solely between places in the other Party;
- (i) the term "income derived from the operation of ships or aircraft in international traffic" means revenues, gross receipts and profits derived from:
  - i) such operation of ships or aircraft for the transport of passengers or cargo;
  - ii) the rental on a charter basis of ships or aircraft where the rental is ancillary to the operation of ships or aircraft in international traffic;
  - iii) the sale of tickets or similar documents and the provision of services connected with such operation, either for the enterprise itself or for any other enterprise, where such sale of tickets or similar documents or provision of services is directly connected with or ancillary to the operation of ships or aircraft in international traffic;
  - iv) 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 the use, maintenance or rental is directly connected with or ancillary to the operation of ships or aircraft in

international traffic;

v) interest on funds deposited directly in connection with the operation of ships or aircraft in international traffic;

(j) the term "competent authority" means:

i) in the case of Denmark, the Minister for Taxation or his authorised representative;

ii) in the case of the Isle of Man, the Assessor of Income Tax or his delegate.

2. As regards the application of the Agreement at any time by a Party, 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 Party for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

**ARTICLE 2**  
**AVOIDANCE OF DOUBLE TAXATION**

1. Income derived from the operation of ships or aircraft in international traffic by an enterprise of a Party shall be taxable only in that Party.
  
2. Gains derived from the alienation of ships or aircraft or movable property pertaining to the operation of ships and aircraft in international traffic by an enterprise of a Party shall be taxable only in that Party.
  
3. The provisions of paragraphs 1 and 2 shall also apply to income and gains derived by an enterprise of a Party from the participation in a pool, a joint business or an international operating agency.

### **ARTICLE 3**

### **MUTUAL AGREEMENT PROCEDURE**

1. Where a person considers that the actions of one or both of the Parties 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 Parties, present his case to the competent authority of the Party of which he is a resident. 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 Party, 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 Parties.
3. The competent authorities of the Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement.
4. The competent authorities of the Parties may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

**ARTICLE 4**  
**ENTRY INTO FORCE**

1. This Agreement shall enter into force on the thirtieth day after the later of the dates on which each of the Parties has notified the other in writing that the procedures required by its law have been complied with. The Agreement shall have effect on taxes chargeable for any tax year beginning on or after the first day of January of the year next following that in which this Agreement enters into force.

2. Notwithstanding paragraph 1 of this Article, the Agreement shall only be applicable when the Agreement signed on 30<sup>th</sup> October 2007 between the Isle of Man and Denmark for the exchange of information relating to tax matters shall have effect.

## **ARTICLE 5**

### **TERMINATION**

1. This Agreement shall remain in force until terminated by a Party. Either Party may terminate the Agreement by giving written notice of termination at least six months before the end of any calendar year. In such event, the Agreement shall cease to have effect on taxes chargeable for any tax year beginning on or after the first day of January of the year next following the end of the six months period.

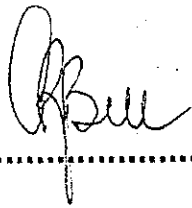
2. Notwithstanding paragraph 1 of this Article, this Agreement will be terminated, without giving notice of termination, on the date of termination of the Agreement signed on 30 October 2007 between the Isle of Man and Denmark for the exchange of information relating to tax matters.



In witness whereof the undersigned, duly authorised thereto, have signed this Agreement.

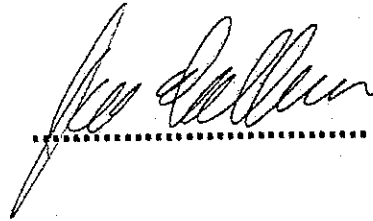
Done at Oslo, this 30<sup>th</sup> day of October, 2007, in duplicate in the English language.

**FOR THE GOVERNMENT OF  
THE ISLE OF MAN:**



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**FOR THE GOVERNMENT OF  
DENMARK:**



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