

N° 689.

**FRANCE ET COMMISSION
DE GOUVERNEMENT
DU BASSIN DE LA SARRE**

Convention ayant pour objet d'éviter
la superposition d'impôts français
et sarrois, signée à Paris le 5 juillet
1922.

**FRANCE AND SAAR BASIN
GOVERNING COMMISSION**

Convention designed to prevent the
duplication of French and Saar
taxes, signed at Paris, July 5, 1922.

¹ TRADUCTION. — TRANSLATION.No. 689. — CONVENTION² DESIGNED TO PREVENT THE DUPLICATION OF FRENCH AND SAAR TAXES, SIGNED AT PARIS, JULY 5, 1922.

French official text communicated by the Chairman of the Saar Basin Governing Commission. The registration of this Agreement took place August 9, 1924.

THE GOVERNING COMMISSION OF THE SAAR TERRITORY and THE GOVERNMENT OF THE FRENCH REPUBLIC, being desirous of preventing, as far as possible, the duplication of French and Saar taxes, have decided to conclude for this purpose an Agreement, and have adopted the following provisions :

In all cases where liability to pay a tax is determined by the domicile or habitual residence of the taxpayer, the two Governments undertake to recognise, in the fiscal relations between France and the Saar, a single domicile or a single habitual residence in the case of each taxpayer.

In determining such domicile or habitual residence, the two Governments will, wherever the civil laws in the Saar admit the existence of two domiciles, adopt the principle of recognising a " main establishment ". Should any uncertainty arise as to the position of an official or employee occupying a permanent position, the principal place of employment shall determine the question of his domicile, notwithstanding anything to the contrary contained in the provisions of Article 106 of the Civil Code.

The special case of workmen residing in workmen's barracks in the neighbourhood of their employment and returning at intervals to their families, will be dealt with on the assumption that the domicile, in the case of unmarried men, is the workmen's barracks and, in the case of married men, the place where their families reside.

A. DIRECT TAXES.

Article 1.

Subject to the provisions of Article 2 and in compliance with the general regulations, taxpayers may only be called upon to pay direct taxes in the country in which they are domiciled, or failing such domicile, in the country in which they may be regarded as being habitually resident.

In particular, persons domiciled in the Saar are not liable in France to payment of the general tax on income, even if they are resident in the latter country.

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

² This Convention came into force August 10, 1923.

Article 2.

Persons owning immovable property or industrial, commercial or agricultural establishments in France or in the Saar shall only be liable to taxation in respect of the income or profits which they derive from such property or establishments in the country where such property and undertakings are situated.

The term " establishment " shall include not only the head office, but branches, offices where purchases or sales are effected, agencies, counting-houses and any other installations. In this case, the manner in which the fiscal charges are to be divided will be determined, not only by the receipts shown in the separate accounts, if such exist, but also by the receipts arising out of transactions effected in either territory.

Article 3.

Any taxpayer transferring his residence from France to the Saar, or *vice versa*, shall continue to be amenable to the laws in force in the country in which he was previously taxed, during the period for which he is liable to such taxation. The liability to taxation in France shall be determined by the taxpayer's position on January 1; in the Saar, the tax is payable as from the first of the month after the arrival of the taxpayer and ceases to be payable as from the first of the month following his departure.

B. SUCCESSION.

Article 4.

(1) Succession duties on landed property, personal estate and business capital — including trade credits — situated in France or the Saar, shall only be leviable in the country in which such property is situated; mortgages and business liabilities may only be deducted at the place where the estates or business capital are situated.

(2) Debts due to the estate — with the exception of the business debts mentioned in the previous paragraph — and all other transferable securities shall only be liable to taxation at the place where the deceased was domiciled, if such domicile is in France or the Saar. Should the domicile be in a third country, the provisions of the existing law remain unchanged.

(3) The French Administration shall be notified of the death in the Saar of any person domiciled in France, and *vice versa*. The notifications, which shall be made at regular intervals, shall give particulars of the civil status (*état civil*) of the deceased, the date and place of death, the place of his domicile and the names of his heirs, so far as the latter are known.

C. BILLS OF EXCHANGE.

Article 5.

As regards the stamping of negotiable instruments, France and the Saar undertake to exempt negotiable instruments issued and stamped in the other country from stamp duties.

D. TRANSFERABLE SECURITIES.

Article 6.

(1) The French Government undertakes to waive its right to collect stamp duties on Saar share certificates, bonds or public bills,

The Saar Government undertakes to waive its right to collect stamp duties on French share certificates, bonds or public bills and also on the coupons attached thereto.

These two provisions shall not apply to duties levied on deeds or instruments which affect the constitution of a company, including increases in capital, nor to duties relating to transfer of securities.

(2) The French Government waives the right to collect the tax on the revenue from transferable securities in the case of securities belonging to public companies, associations, undertakings or institutions possessing the status of Saar bodies, associations, undertakings, or institutions, subject, however, to the provisions of French law, in so far as they are applicable to undertakings concerned as the property situated in France.

(3) The Saar Government waives the right to collect the tax payable in respect of the transfer of transferable securities as regards shares of French public companies, associations, undertakings or persons.

The three provisions enumerated above shall apply only to shares expressed in the currency of the French Republic.

E. BUSINESS TURNOVER.

Article 7.

As regards taxes on turnover, each of the two Governments undertakes to levy no charge in respect of the importation of goods coming from the other country, provided that such goods have already been subject to taxes which are not lower than the taxes in force in the importing country.

F. GENERAL PROVISIONS.

Article 8.

This Agreement may be denounced by the Contracting Parties, after previous notice, which shall be given before October 1, for the following calendar year ; failing such notice, the Agreement will be renewed automatically.

Article 9.

This Agreement shall not come into force until ratified by the respective Governments.

In faith whereof the respective Plenipotentiaries have signed this Agreement and have thereto affixed their seals.

Done at Paris, in duplicate, on July 5, 1922.

(L. S.) (Signed) V. RAULT.

(L. S.) (Signed) C. DE LASTEYRIE.