

N° 3507.

FRANCE ET ITALIE

Convention pour éviter à l'importation les doubles impositions en matière de taxe sur les échanges et d'impôt sur le chiffre d'affaires, et protocole final. Signés à Paris, le 3 octobre 1932.

FRANCE AND ITALY

Convention for avoiding the Double Imposition on Imports of Taxes on Sales and on Business Turnover, and Final Protocol. Signed at Paris, October 3rd, 1932.

¹ TRADUCTION. — TRANSLATION.

No. 3507. — CONVENTION² BETWEEN FRANCE AND ITALY FOR AVOIDING THE DOUBLE IMPOSITION ON IMPORTS OF TAXES ON SALES AND ON BUSINESS TURNOVER. SIGNED AT PARIS, OCTOBER 3RD, 1932.

French official text communicated by the Italian Minister for Foreign Affairs and by the Minister for Foreign Affairs of the French Republic. The registration of this Convention took place September 24th, 1934.

HIS MAJESTY THE KING OF ITALY and THE PRESIDENT OF THE FRENCH REPUBLIC, being desirous of avoiding the double taxation likely to result from the Italian Decree Law of December 24th, 1931, No. 1562 (Article 14), and the French Law of March 31st, 1932 (Article 32), in respect of the tax on sales and the registration tax, in so far as it takes the place of the tax on sales, the tax on imports, the turnover tax and the single or "replacement" taxes, have decided to conclude a special Convention and have for this purpose appointed as their Plenipotentiaries :

HIS MAJESTY THE KING OF ITALY :

M. Vincenzo ROGARI, Director-General at the Ministry of Finance ; and
M. Erasmo CARAVALA, Commercial Adviser at the Italian Embassy, Paris ;

THE PRESIDENT OF THE FRENCH REPUBLIC :

M. Marcel BORDUGE, former Counsellor of State, Director-General specially employed at the Ministry of Finance ;
M. Pierre CHAUDUN, Counsellor of State, Director-General of Customs ;
M. Henri DERROY, Director-General of Indirect Taxation ; and
M. Yves BOUTHILLIER, Director of the Audit Department of Financial Administrations and Expenditure Commitments ;

Who, having communicated their full powers, found in good and due form, have reciprocally agreed on the following provisions :

Article 1.

The present Convention shall apply :

A. *In the case of Italy*, to the tax on sales levied on importation and the registration tax, in so far as it takes the place of the tax on sales.

B. *In the case of France*, to the charges levied on imports in respect of the turnover tax and the single or "replacement" taxes.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² The exchange of ratifications took place at Rome, June 24th, 1933.
Came into force June 28th, 1933.

Article 2.

§ 1. In fixing the rate of the tax on sales or the registration tax on semi-manufactured products or articles and on manufactured products or articles coming from France, the Italian Government shall take into account the charges successively borne, prior to their exportation, by such products in France in respect of the turnover tax and the single or "replacement" taxes.

In fixing the rate of the tax on imports on semi-manufactured products or articles and on manufactured products or articles coming from Italy, the French Government shall take into account the taxes successively borne, prior to their exportation, by the said products in Italy in respect of the tax on sales and the registration tax, in so far as it takes the place of the tax on sales.

§ 2. In no case, however, may the amount of the tax to be levied on imported goods in either of the two countries be less than that chargeable in application of the rate fixed within that country for the sale of national products of the same kind.

§ 3. It is understood, however, that exemptions from the sales or turnover tax enjoyed by national products in each of the two countries shall be extended to products of the same kind imported from the other country.

Article 3.

After a study of the respective legislation in both countries, it has been agreed that, as the texts at present stand, semi-manufactured products or articles and manufactured products or articles are on the whole taxed in the exporting country at a rate equal to that applicable to similar products or articles in the other country. Each of the two High Contracting Parties therefore declares its willingness to forgo applying to the products of the other High Contracting Party the increased rates mentioned in the Preamble to the Convention.

Article 4.

§ 1. The present Convention shall be ratified and the instruments of ratification shall be exchanged in Rome at the earliest moment possible.

§ 2. The Convention shall come into force on the fourth day following the date of the exchange of ratifications.

§ 3. It may cease to take effect provided that it has been denounced at least eight months beforehand.

In faith whereof, the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Paris, in duplicate, this third day of October, one thousand nine hundred and thirty-two.

(L. S.) V. ROGARI.

(L. S.) CARVALE.

(L. S.) M. BORDUGE.

(L. S.) Pierre CHAUDUN.

(L. S.) Henri DERROY.

(L. S.) Y. BOUTHILLIER.

FINAL PROTOCOL.

When proceeding to sign the present Convention, the undersigned Plenipotentiaries have made the following identical declarations, which form an integral part of the Convention :

I.

For the purposes of the application of the provisions of Article 2, paragraph 2, it is laid down that the minimum tax is that which corresponds to a single sale or trading transaction, in particular, in cases where the turnover tax in France and the tax on sales in Italy are levied in the form of a single or " replacement " tax, the sale or trading transaction to be taken into consideration is the one which is liable to the highest tax.

II.

§ 1. In the event of either of the High Contracting Parties making any changes in its fiscal legislation, the provisions of the present Convention shall be readjusted in the spirit of the Convention by agreement between the competent administrations of the two States.

§ 2. Such amendments or supplementary agreements shall be the subject of notes exchanged through diplomatic channels.

III.

The competent administrations of the two States shall order any measures necessary to avoid abuses and ensure the correct application of the present Convention.

Done at Paris, in duplicate, this third day of October, one thousand nine hundred and thirty-two.

(Signed) V. ROGARI.

(Signed) CARVALE.

(Signed) M. BORDUGE.

(Signed) Pierre CHAUDUN.

(Signed) Henri DEROY.

(Signed) Y. BOUTHILLIER.