

No. 8450. CONVENTION BETWEEN THE GOVERNMENT OF THE STATE OF ISRAEL AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL. SIGNED AT JERUSALEM ON 21 JANUARY 1965<sup>1</sup>

---

EXCHANGE OF NOTES CONSTITUTING A SUPPLEMENTARY CONVENTION<sup>2</sup> TO THE ABOVE-MENTIONED CONVENTION. TEL AVIV, 19 OCTOBER 1970, AND JERUSALEM, 26 OCTOBER 1970.

*Authentic text: English.*

*Registered by Finland on 27 August 1971.*

## I

*The Ambassador of Finland to the Minister of Foreign Affairs of Israel*

Tel Aviv, 19th October, 1970

No. 424

Excellency,

I have the honour to refer to the Convention between the Governments of the Republic of Finland and the State of Israel for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital, signed at Jerusalem on January 21st, 1965,<sup>1</sup> and to the subsequent negotiations which have taken place between this Embassy and the Ministry for Foreign Affairs, concerning the addition of a new third paragraph to Article 23 of the said Convention.

I have the honour to propose that the following provision be added to Article 23 of the Convention as paragraph 3.

“3. Notwithstanding the provisions of paragraph 2 of this Article dividends paid by a company which is a resident of Israel to a company which is a resident of Finland shall be exempt from Finnish tax to the extent that the dividends would have been exempt from tax under Finnish law if both companies had been residents of Finland.

---

<sup>1</sup> United Nations, *Treaty Series*, vol. 581, p. 275.

<sup>2</sup> Came into force on 17 July 1971, the thirtieth day after the date on which the Governments of the Contracting Parties had notified each other that the constitutional requirements had been complied with, in accordance with the provisions of the said notes.

“ This Supplementary Convention shall enter into force on the 30th day after the date on which the Governments of the Contracting Parties have notified each other that the constitutional requirements for the entering into force of the Supplementary Convention have been complied with, and shall thereupon have effect in respect of taxes on income acquired during the calendar year of 1969 or during any accounting period closed in the course of that calendar year or on income acquired thereafter.

“ This Supplementary Convention shall continue in force indefinitely as though it were an integral part of the Convention of January 21, 1965.”

If this proposal meets with the approval of the Government of Israel, I have the honour to propose that this Note and Your Excellency's reply to that effect, shall constitute a Supplementary Convention to the Convention between the Governments of Finland and Israel for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital.

Accept, Excellency, the assurances of my highest consideration.

ALGAR VON HEIROTH

## II

*The Minister of Foreign Affairs of Israel ad interim to the Ambassador of Finland*

Jerusalem, October 26, 1970

Your Excellency,

I have the honour to refer to your Note No. 424 of 19 October, concerning the proposal of the Government of the Republic of Finland to add a new third paragraph to Article 23 of the Convention between the Government of the Republic of Finland and the Government of the State of Israel for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital, signed at Jerusalem on 21 January 1965.

The Government of Israel accepts the addition of the new third paragraph to Article 23, as set out in the Note and agrees that this Note of reply together with your Note shall constitute an Agreement to that effect between the two Governments.

Accept, Your Excellency, the assurances of my highest consideration.

Y. ALLON