

AGREEMENT BETWEEN
THE MINISTRY OF TAXATION OF THE RUSSIAN FEDERATION AND
THE MINISTRY OF TAXATION OF THE KINGDOM OF DENMARK

ON

MUTUAL ADMINISTRATIVE ASSISTANCE AND EXCHANGE OF INFORMATION IN
TAX MATTERS

The Ministry of Taxation of the Russian Federation and the Ministry of Taxation of the Kingdom of Denmark agree to conclude an Agreement on Mutual Administrative Assistance and Exchange of Information in Tax Matters, founded on Article 26 of the Convention of 8 February 1996, between the Russian Federation and the Kingdom of Denmark for the avoidance of double taxation with respect to taxes on income and on capital, hereinafter called the Convention. The provisions of the Agreement are as follows:

Article 1. Taxes covered

The taxes, to which this Agreement shall apply, are those covered by the Convention.

Article 2. General definitions

For the purpose of this Agreement, the following terms shall have the following definitions:

“tax legislation” means the totality of legal regulations, which determine types of taxes and the order of their collection in the territory of the States and regulate the relationships as far as the creation, changes and termination of tax obligations are concerned;

“violation of tax legislation” means action or inaction expressed in non-execution or improper execution of the national tax legislation;

“Competent Tax Authority” means

- in case of the Russian Federation - the Ministry of Taxation of the Russian Federation;

- in case of the Kingdom of Denmark – the Ministry of Taxation Central Customs and Tax Administration.

Article 3. Forms of co-operation

Under the scope of this Agreement the Competent Tax Authorities use the following forms of co-operation:

- providing information automatically (Article 4 of this Agreement);
- providing information spontaneously (Article 5 of this Agreement);
- providing information on request (Article 6 of this Agreement);
- simultaneous tax examinations and presence at tax examinations (Article 7 of this Agreement);
- exchange of information on the national tax systems and their specific features; and
- other forms of co-operation relevant to the execution of this Agreement and agreed upon in written form.

Article 4. Exchange of information automatically

After the end of each calendar year the Competent Tax Authority of each Party shall supply automatically to the Competent Tax Authority of the other Party, in accordance with the national tax legislation, without any special request being necessary, the information available concerning individuals and legal entities in respect of:

- salaries, wages, fees, pensions, annuities and other remuneration as defined in Articles from 14 to 21 inclusive of the Convention, paid by residents in one of the States to residents in the other State;
- dividends as defined in Article 10 of the Convention;
- interest as defined in Article 11 of the Convention;
- royalties as defined in Article 12 of the Convention.

Until relevant legislation is enacted in both States, the above-mentioned information will be exchanged spontaneously.

Article 5. Exchange of information spontaneously

The Competent Tax Authority of each State shall supply, without any specific request, the Competent Tax Authority of the other State with information that concerns taxpayers of the other State, and which may be of use for proper execution of this Agreement, and which is assumed to be of interest to the other Competent Tax Authority.

Article 6. Exchange of information on request

The Competent Tax Authorities shall render each other assistance in accordance with their national legislation and within the scope of their competence.

A request for information shall contain:

- the name of the requesting Competent Tax Authority;
- the name of the requested Competent Tax Authority;
- the identity of the taxpayer in question including, if available, the tax identification number in both States, and VAT numbers and/or personal identity number and date of birth;
- a brief statement of the content of the request with a description of the examination period and types of taxes and any other information required for its fulfillment.

The requested Competent Tax Authority may require additional information necessary for the fulfillment of the request for information.

The requested Competent Tax Authority will provide details of laws and regulations, other materials and attested copies of documents if they are necessary for the fulfillment of the request for information.

The requested Competent Tax Authority shall notify the requesting Competent Tax Authority in case the request for information cannot be executed.

A request for information should be transmitted in writing by post, fax or computer communication with the enclosure of the documents necessary for its processing. When using fax or computer communication or in case of doubt of authenticity, the Competent Tax Authority may require written confirmation.

The request for assistance shall be answered by the requested Competent Tax Authority, where possible, within 3 months.

The request for information and the answer shall be formulated in English.

Article 7. Simultaneous tax examinations and presence at tax examinations

A simultaneous tax examination means an arrangement between the Competent Tax Authorities to examine simultaneously and independently, each in its own territory, the tax affairs of selected taxpayers in which they have a common or related interest, with a view to exchanging any relevant information which they so obtain.

At the request of the Competent Tax Authority of one State, the Competent Tax Authority in the other State may allow authorized representatives of the requesting Competent Tax Authority to be present at the appropriate part of a tax examination arranged by the requested Competent Tax Authority.

All decisions with respect to the conduct of the tax examination shall be made by the requested State. The Competent Tax Authority in the requested State shall notify the other Competent Tax Authority regarding the particulars of each examination.

The Competent Tax Authorities shall consult each other for the purposes of determining cases and procedures for simultaneous tax examinations and presence at tax examinations on a case by case basis.

Article 8. Expenses

Each Competent Tax Authority shall be responsible for the expenses of its own officials, except in cases of special agreement confirmed in writing.

The Competent Tax Authorities shall finance all expenses for fulfillment of the provisions of this Agreement in their own territory. When execution of requests for information requires additional expenses, the Competent Tax Authorities will decide the responsibility for financing by mutual agreement, when necessary.

Article 9. Confidentiality of information

The Competent Tax Authorities agree that the use of information exchanged is possible within the limits and on the terms provided for by Article 26 of the Convention.

Article 10. Interpretation and application of the Agreement

The Competent Tax Authorities shall endeavour to reach mutual agreement in resolving any difficulties or doubts arising out of the interpretation or application of this Agreement.

To fulfill the provisions of this Agreement the Competent Tax Authorities may enter into additional protocols to resolve particular issues.

The Competent Tax Authorities deal directly with each other in matters concerning the implementation of this Agreement.

Requests for assistance and the information to be exchanged shall be forwarded to:

In Russia:

The Ministry of Taxation
of the Russian Federation
103381 Moscow
Neglinnaya str., 23

In Denmark:

The Ministry of Taxation
Central Customs and Tax Administration
PO Box 2760
Østbanegade 123
2100 Copenhagen Ø

Article 11. Amendments

When necessary, the Competent Tax Authorities will review the application of this Agreement and amend it at any time by mutual consent.

Article 12. Entry into force and termination

This Agreement enters into force on the date of its signing by the Competent Tax Authorities. It may be cancelled by the wish of one of the Competent Tax Authorities. The cancellation will take place six months after the day when a written notice of termination has been received by one of the Competent Tax Authorities.

This Agreement will not remain in force any longer than the Convention period.

Done in Copenhagen on 21 January 2002 in duplicate, in the English language.

FOR THE MINISTRY OF
TAXATION
OF THE RUSSIAN FEDERATION


Gennadiy I. Bukaev

FOR THE MINISTRY OF
TAXATION
OF THE KINGDOM OF DENMARK


Svend Erik Hovmand

