
Brussels, 10 November 1966
IP(66)130

PRESS RELEASE

Multilateral Convention on the Avoidance of Double Taxation

The Standing Committee of Heads of Revenue Departments met in Brussels on 8 and 9 November under the chairmanship of M. VerLoren van Themaat, Director-General for Competition. The meeting was concerned mainly with the avoidance of double taxation in the EEC. It was agreed that a multilateral convention would be a suitable means, on the whole, of regulating this matter. However, the novelty of this method means that it is not yet possible to obtain a complete picture of its consequences, which arise chiefly from the very fact that the proposed convention is multilateral. Working Party No. V (International Tax Questions) is to go into this particular aspect more thoroughly.

There was full discussion of the substantive content of the convention. Working Party No. V did the necessary preliminary work: following the OECD model convention, it drew up the text of most of the articles of the convention.

A number of problems that could not be solved at expert level were dealt with by the Heads of Department. These included several specific items such as definition of 'permanent establishment', treatment of dividends received from subsidiary companies, royalties and interest.

All the delegations helped to cut down the number and importance of outstanding problems appreciably, so that it was seen that the methods selected and the work done by the experts had really proved their worth.