

CONVENTION

Between

The Government of The French Republic
And

The Government of The Hashemite Kingdom of Jordan

For the avoidance of double taxation and prevention of fiscal evasion
with respect to taxes on income

Desiring to conclude a convention for the avoidance of double taxation and
the prevention of fiscal evasion with respect to taxes on income,
Have agreed as follows :

Article 1

PERSONAL SCOPE

This Convention shall apply to persons who are residents of one or both of
the States .

Article 2

TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf
of a State (or of its local authorities) , irrespective of the manner in which
they are levied.
2. There shall be regarded as taxes on income all taxes imposed on
total income or on elements of income, including taxes on gains from the
alienation of movable or immovable property ,taxes on the total amounts of
wages or salaries paid by enterprises.
3. The existing taxes to which the Convention shall apply are :
 - a. in the case of France :
 - i. the income tax ;
 - ii. the corporation tax ;
including any withholding tax, payment (precompte) or advance
payment with respect to the a foresaid taxes;
(hereinafter referred to as " French tax ");
 - b. in the case of Jordan :

- i. the income tax ;
 - ii. [*J*]the distribution tax;
 - iii. [*J*]the social service tax;
- (hereinafter referred to as " Jordanian tax ") .

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes . The competent authorities of the States shall notify each other of any substantial changes which have been made in their respective taxation laws .

Article 3

GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires :
- a. The terms “a State” and “the other State” mean the French Republic or the Hashemite Kingdom of Jordan, as the case may be;
 - b. the term " person " includes an individual, a company and any other body of persons ;
 - c. the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes ;
 - d. the terms “enterprise of a State” and “ enterprise of the other State” mean respectively an enterprise carried on by a resident of a State and an enterprise carried on by a resident of the other State ;
 - e. the term "international traffic" means any transport by[*J*-a ship] or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when[*J*- a ship] or aircraft is operated solely between places in the other Contracting State ;
 - f. the term " competent authority " means :
 - i. in the case of the French Republic, the Minister in charge of the Budget or his authorized representative ;
 - ii.in the case of the Hashemite Kingdom of Jordan, the Minister of Finance or his authorized representative .
2. In the application of the Convention by a State any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the law of that State concerning the taxes to which the Convention applies .

Article 4
RESIDENT

1. For the purposes of this Convention, the term " resident of a State " means any person who, under the laws of that State , is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature .
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both States, then his status shall be determined as follows :
 - a. he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (center of vital interests) ;
 - b. if the State in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode ;
 - c. if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;
 - d. if he is a national of both States or of neither of them, the competent authorities of the States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both States, then it shall be deemed to be a resident of the State in which its place of effective management is situated .

Article 5
PERMANENT ESTABLISHMENT

1. For the purpose of this Convention, the term "permanent establishment " means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
2. the term " permanent establishment " includes especially :
 - a. a place of management ;
 - b. a branch ;
 - c. an office ;
 - d. a factory ;
 - e. a workshop ; and
 - f. a mine, an oil or gas well, a quarry or any other place of extraction [J] or exploration of natural resources .

3. a. A building site or construction or installation project or *[J] supervisory activities in connection therewith* , constitutes a permanent establishment only if it lasts more than *[J] three months within any twelve month period*
[J] b. The furnishing of services, including consultancy services , by an enterprise through employees or other personnel engaged by the enterprise for such purpose, but only if activities of that nature continue (for the same or a connected project) within the country for a period or periods aggregating more than 1 month within any 12-month period.
4. Notwithstanding the preceding provisions of this Article, the term “permanent establishment” shall be deemed not to include :
 - a. the use of facilities solely for the purpose of storage, display or *[delivery]* of goods or merchandise belonging to the enterprise ;
 - b. the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or *[delivery]* ;
 - c. the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - d. the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise ;
 - e. the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character ;
 - f. *[the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a. to e.) , provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character .]*
5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State. In respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph .

- [J]5. *Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 7 applies - is acting in a Contracting State on behalf of an enterprise of the other Contracting State, that enterprise shall be deemed to have a permanent establishment in first-mentioned State in respect of any activities which that person undertakes for the enterprise, if such a person :*
- a. *has and habitually exercises in that State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph; or*
 - b. *has no such authority, but habitually maintains in the first mentioned State a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the enterprise ; or*
 - c. *manufactures or processes in that State for the enterprise goods or merchandise belonging to the enterprise .]*
6. An enterprise shall not be deemed to have a permanent establishment in a State merely because it carries on (exports of goods and services) in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business .[J] *However , when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, he will not be considered an agent of an independent status within the meaning of this paragraph.*

Article 6

INCOME FROM IMMOVABLE PROPERTY

1. Income derived by a resident of a State from immovable property (including income from agriculture or forestry) situated in the other State may be taxed in that other State .
2. The term " immovable property " shall have the meaning, which it has under the law of the State in which the property in question is situated . The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits,

sources and other natural resources ; ships and aircraft shall not be regarded as immovable property .

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services .

Article 7

BUSINESS PROFITS

1. The profits of an enterprise of a State shall be taxable only in that State unless the enterprise carries on business in the other State through a permanent establishment situated therein . If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to (a.) that permanent establishment ; *[J] (b.) sales in that other State of goods or merchandise of the same or similar kind as those sold through that permanent establishment; or (c.) other business activities carried on in that other State of the same or similar kind as those effected through that permanent establishment.*
2. Subject to the provisions of paragraph 3, where an enterprise of a State carries on business in the other State through a permanent establishment situated therein, there shall in each State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment .
3. For determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses insofar as they are reasonably allocable to the permanent establishment, whether in the State in which the permanent establishment is situated or elsewhere . *{[J] However, no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties , fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management or, except in the case of a banking enterprise, by way of interest on moneys lent to the permanent establishment . Likewise , no account shall be taken, in the determination of the profits of a permanent establishment , for amount charged, (otherwise than towards reimbursement of actual*

expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties , fees or other similar payments in return for the use of patents or other rights, or by way of commission for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest or moneys lent to the head office of the enterprise or any of its other offices .}

4. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

5. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary .

4. Where profits include items of income which are dealt separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

[J] SHIPPING AND AIR TRANSPORT

1. Profits from the operation of aircraft [*J*] or ships] in international traffic shall be taxable only in the State in which the place of effective management of the enterprise is situated .

2. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

Article 9

ASSOCIATED ENTERPRISES

1. Where

a. an enterprise of a State participates directly or indirectly in the management, control or capital of an enterprise of the other State, or

b. the same persons participate directly or indirectly in the management, control or capital of an enterprise of a State and an enterprise of the other State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for

those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly .

2. Where a Contracting State includes in the profits of an enterprise of that State-and taxes accordingly-profits on which an enterprise of the other Contracting-its from the State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had- to the other-provisions of the Convention and the competent authorities of the Contracting States shall, if necessary, consult each other.

Article 10 **DIVIDENDS**

1. Dividends paid by a company which is a resident of a State to a resident of the other State may be taxed in that other State .
2. However, such dividends may also be taxed in the State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed *[J] 10 percent of the gross amount of the dividends :*
 - a. *[5 percent of the gross amount of the dividends if the beneficial owner is a company(other than a partnership) which holds directly at least 10 percent of the capital of the company paying the dividends;*
 - b. *15 percent of the gross amount of the dividends in all other cases.]*

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term " dividends " as used in this Article means income from shares, ["jouissance" shares or "jouissance" rights,] mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident .
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a State, carries on business in the other State of which the company paying the dividends is a resident,

through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base . In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. *[A resident of Jordan who receives dividends paid by a company which is a resident of France may obtain the refund of the payment (precompte) relating to such dividends, in the event it had been paid by such company. Such refund shall be taxable in France according to the provisions of paragraph 2.]*

The gross amount of the payment (precompte) refunded shall be deemed to be dividends for the purposes of the provisions of this Convention.]

6. *[Where a company which is a resident of a State carries on business in the other State through a permanent establishment situated therein, the profits of this permanent establishment shall, after having borne the corporation tax, be liable to a tax the rate of which shall not exceed 5 percent, according to the laws of that other State.]*

Article 11

INTEREST

1. Interest arising in a State and paid to a resident of the other State may be taxed in that other State .
2. However, such interest may also be taxed in the State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed (10) percent of the gross amount of the interest .
3. *[Notwithstanding the provisions of paragraph 2, any such interest as is mentioned in paragraph 1 shall be taxable only in the State of which the recipient is a resident , if such recipient is the beneficial owner of the interest and such interest is paid :*
 - a. *in connection with the sale on credit of any industrial, commercial or scientific equipment,*
 - b. *in connection with the sale on credit of any merchandise by one enterprise to another enterprise, or*
 - c. *on any loan of whatever kind granted by a bank.]*
4. The term "interest " as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or

debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the interest, being a resident of a State, carries on business in the other State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.
6. Interest shall be deemed to arise in a State when the payer is that State itself, a local authority, a statutory body or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a State or not, has in a State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each State, due regard being had to the other provisions of this Convention.

Article 12 **ROYALTIES**

1. Royalties arising in a State and paid to a resident of the other State may be taxed in that other State.
2. However, such royalties may also be taxed in the State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed *[J]* (10) percent of the gross amount of the royalties.

[25 percent of the gross amount of the royalties for the use of, or the right to use trademarks;

5 percent of the gross amount of the royalties for the use of, or the right to use any copyright of literary, artistic or scientific work including cinematography films and works recorded for broadcasting or television;

15 percent of the gross amount of the royalties in all other cases.]

3. The term "royalties" as used in the Article means payments of any kind, received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematography films, and works recorded for broadcasting or television, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a State, carries on business in the other State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such (a) permanent establishment or fixed base,*[J]* or with (b) *business activities referred to under (c) of paragraph 1 of Article 7. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.*
5. Royalties shall be deemed to arise in a State when the payer is that State itself, a local authority, a statutory body or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a State or not, has in a State a permanent establishment or fixed base with which the right or property in respect of which the royalties are paid is effectively connected, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last - mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each State, due regard being had to the other provisions of this Convention.

Article 13
CAPITAL GAINS

- [1. *Gains derived by a resident of a State from the alienation of immovable property referred to in Article 6 and situated in the other State may be taxed in that other State.*

2. *Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a State has in the other State or of movable property pertaining to a fixed base available to a resident of a State in the other State for the purpose of performing independent personal services including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State .*

3. *Gains from the alienation of ships or aircraft operated in international traffic, or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the State in which the place of effective management of the enterprise is situated.*

4. *Gains from the alienation of any property other than that referred to in paragraphs 1,2 and 3,shall be taxable only in the State of which the [alienator] is a resident.]*

Article 14
INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a State in respect of professional services or other activities of an independent character shall be taxable only in that State, except in the following circumstances when such income may also be taxed in the other State:
 - a. if he has a fixed base regularly available to him in the other State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or

 - b. If his stay in the other State is for a period or periods amounting to or exceeding in the aggregate 120 days in the fiscal year concerned; in that case, only so much of income as is derived from his activities performed in that other State may be taxed in that other State.

 - [c. *[J] if the income for individual activities in the other Contracting State is paid by a resident of that Contracting State or is borne by a*

permanent establishment or a fixed base situated in that Contracting State and exceeds in the fiscal year the equivalent of 5000 US \$.]

2. The term " professional services " includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 15

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a State in respect of an employment exercised in the other State shall be taxable only in the first-mentioned State if:
 - a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned, and
 - b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
 - c) the remuneration is not borne by a permanent establishment or a fixed base, which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a State in respect of an employment exercised aboard *[J][a ship]* or aircraft operated in international traffic shall be taxable only in that State.*[J] in which the place of effective management is situated.]*

Article 16

DIRECTOR'S FEES *[J]* AND REMUNERATION OF TOP-LEVEL MANAGERIAL OFFICIALS

1. Director's fees and other similar payments derived by a resident of a State in his capacity as a member of the board of directors of a company which is a resident of the other State may be taxed in that other State.

2. *[J] Salaries, wages and other remuneration derived by a resident of a Contracting State in that resident's capacity as an official in a top – level managerial position of a company which is a resident of the other Contracting State may be taxed in that other State.*

Article 17

ARTISTES AND ATHLETES [J] SPORTSMEN

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as an athlete *[J] sportsman*, from his personal activities as such exercised in the other State, may be taxed in that other State.
2. Where income in respect of personal activities exercised by an entertainer, or an athlete *[J] sportsman* in his capacity as such accrues not to the entertainer or athlete *[J] sportsman* himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the State in which the activities of the entertainer or athlete *[J] sportsman* are exercised.
3. *[Notwithstanding the provisions of paragraph 1, remunerations or profits, and wages, salaries and other similar income derived by an entertainer or an athlete [J] sportsman, who is a resident of a State, from his personal activities as such exercised in the other State, shall be taxable only in the first mentioned State if these activities in the other State are supported substantially by public funds of the first mentioned State, one of its local authorities or of a statutory body thereof.]*
4. *[Notwithstanding the provisions of paragraph 2, where income in respect of personal activities exercised by an entertainer, or an athlete [J] sportsman in his capacity as such in a State accrues not to the entertainer or athlete [J] sportsman himself but to another person, that income, notwithstanding the provisions of Articles 7, 14 and 15 shall be taxable only in the other State, if that other person, is supported substantially by public funds of that other State, one of its local authorities or of a statutory body thereof, or if that other person is a non-profit organization of that other State.]*

Article 18

PENSIONS

1. Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid to a resident of a

State in consideration of past employment shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1, pensions and other payments made under the social security legislation of a State shall be taxable only in that State.

Article 19

GOVERNMENT SERVICE

1. a) remuneration, other than a pension, paid by a State or a local authority thereof, or by a statutory body thereof, to an individual in respect of services rendered to that State or authority or statutory body shall be taxable only in that State.

b) however, such remuneration shall be taxable only in the other State if the services are rendered in that State and if the individual is a resident of that State who:
 - i. is a national of that State; or
 - ii. did not become a resident of that State solely for the purpose of rendering the services.
2. a) any pension paid by, or out of funds created by, a State or a local authority thereof, or by a statutory body thereof, to an individual in respect of services rendered to that State or authority or statutory body shall be taxable in that State.

b) however, such pension shall be taxable only in the other State if the individual is a resident of, and a national of, that State.
3. The provisions of this article shall not apply to remuneration, and pensions in respect of services rendered in connection with a business carried on by a State or a local authority thereof, or a statutory body thereof.

Article 20

STUDENTS

1. Payments which a student or business apprentice who is or was immediately before visiting a State a resident of the other State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State.
2. Notwithstanding the provisions of Articles 14 and 15, remuneration which a student or business apprentice who is, or

was immediately before visiting a State, a resident of the other State and who is present in the first-mentioned State solely for the purpose of his education or training, derives in respect of services rendered in the first mentioned State shall not be taxed in the first mentioned State, provided that such services are in connection with his education or training or that the remuneration of such services is necessary to supplement the resources available to him for the purpose of his maintenance.

Article 21

TEACHERS AND RESEARCHERS

1. Remuneration which a teacher or a researcher who is or was immediately before visiting a State a resident of the other State, and who is present in the first-mentioned State solely for the purpose of teaching or engaging in research, derives in respect of such activities shall not be taxed in that State for a period not exceeding two years [*J*] *six months*.
2. The provisions of paragraph 1 shall not apply to remuneration derived in respect of research undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

Article 22

OTHER INCOME

1. Items of income of a resident of a State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable [*only in that State.*]
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a State, carries on business in the other State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base . In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2 ,items of income of a resident of a State not dealt with in the foregoing Articles of this Convention and arising in the other State may also be taxed in that other State.

Article 23

METHOD FOR ELIMINATION OF DOUBLE TAXATION

Double taxation shall be avoided in the following manner :

1. *[J] In the case of Jordan, double taxation shall be avoided as follows:*

(a) *where a person being a resident of Jordan derives income from France and that income, in accordance with the provisions of this Convention may be taxed in France, Jordan shall allow as a deduction from the tax on the income of that person an amount equal to the tax paid in France. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is appropriate to the income derived from France;*

(b) *where, in accordance with any provision of this Convention, income derived by a resident of Jordan is exempt from tax in Jordan, Jordan may nevertheless, in calculating the amount of tax on other income, take into account the exempted income.*

2. In the case of France :

a) income other than that referred to in sub-paragraph b) below shall be exempt from the French taxes referred to in sub-paragraph a) of paragraph 3 of Article 2 if the income is taxable in Jordan under this Convention.

b) Income referred to in Articles 10,11,12,14,16 and 17, received from Jordan may be taxed in France in accordance with the provisions of these Articles, on their gross amount. The Jordanian tax levied on such income entitles residents of France to a tax credit corresponding to the amount of Jordanian tax levied but which shall not exceed the amount of French tax attributable to such income. Such credit shall be allowed against taxes referred to in sub-paragraph (a) of paragraph 3 of Article 2, in the bases of which such income is included.

c) for the application of sub-paragraph (b) , the Jordanian tax is deemed to have been paid as follows:

- at the rates provided for in paragraph 2 or Article 10 ;

- at the rate of 10 percent in the case of interest which is exempted in Jordan by virtue of the Jordanian legislation encouraging the economic development of the country ;

d) notwithstanding the provisions of sub-paragraphs (a) and (b) , French tax is computed on income chargeable in

France by virtue of this Convention at the rate appropriate to the total of the income chargeable in accordance with the French laws.

Article 24

NON - DISCRIMINATION

1. Nationals of a State shall not be subjected in the other State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the States.
2. The term “national” means :
 - a. all individuals possessing the nationality of a State;
 - b. all legal persons , partnerships and associations deriving their status as such from the laws in force in a State.
3. Stateless persons who are residents of a State shall not be subjected in the other State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are may be subjected.
4. The taxation on a permanent establishment which an enterprise of a State has in the other State shall not be less favorably levied in that other State than the taxation levied on enterprise of that other State carrying on the same activities. This provision shall not be construed as obliging a State to grant to residents of the other State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
5. Except where the provisions of Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12 apply, interest, royalties and other disbursements paid by an enterprise of a State to a resident of the other State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.[Similarly, any debts of an enterprise of a State to a resident of the other State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.]
6. Enterprises of a State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome

than the taxation and connected requirements to which other similar enterprises of the first-mentioned State, are or may be subjected.

7. *[The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description which are the subject of this Convention.]*

Article 25

MUTUAL AGREEMENT PROCEDURE

1. Where a person considers that the actions of one or both of the States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the State of which he is a resident or, if his case comes under paragraph 1 of Article 24, to that of the State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.
2. The competent authority shall endeavor, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other State, with a view to the avoidance of taxation which is not in accordance with the Convention. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the States.
3. The competent authorities of the States shall endeavor to resolve by mutual agreement any difficulties arising as to the application of the Convention.

[In particular, the competent authorities of the States may consult together to endeavor to agree :

- a. to the same attribution in both States of the profits attributable to a permanent establishment situated in a State of an enterprise of the other State;
- b. to the same allocation of income between a resident of a State and associated person referred to in Article 9 who is a resident of the other State.]

They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place

through a Commission consisting of representatives of the competent authorities of the States.

5. The competent authorities of the States shall by mutual agreement settle the mode of application of the Convention and, especially, the requirements to which the residents of a State shall be subjected in order to obtain, in the other State, the tax reliefs or exemptions provided for by the Convention.

Article 26

EXCHANGE OF INFORMATION

1. The competent authorities of the States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws of the States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Article 1. Any information received by a State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Convention. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
2. In no case shall the provisions of paragraph 1 be construed so as to impose on a State the obligation:
 - a. to carry out administrative measures at variance with the laws and the administrative practice of that or of the other State;
 - b. to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other State ;
 - c. to supply information, which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public) .

Article 27

DIPLOMATIC AGENTS AND CONSULAR OFFICERS

1. Nothing in this Convention shall affect the fiscal privileges of members of diplomatic missions and (*their personal domestics*), of members of

consular missions, or of members of permanent missions to international organisations under the general rules of international law or under the provisions of special agreements.

2. Notwithstanding the provisions of Article 4, an individual who is a member of a diplomatic mission, consular post or permanent mission of a State which is situated in the other State or in third State shall be deemed for the purposes of this Convention to be a resident of the sending State if :
 - a. in accordance with international law he is not liable to tax in the receiving State in respect of income from sources outside that State; and
 - b. he is liable in the sending State to the same obligations in relation to tax on his total worldwide income as are residents of that State.
3. This Convention shall not apply to international organisations, to organs or officials thereof and to persons who are members of a diplomatic mission, consular post or permanent mission of a third State, being present in a State and not treated in either State as residents in respect of taxes on income.

Article 28

TERRITORIAL SCOPE

1. This Convention shall apply:
 - a) to the territory of the Hashemite Kingdom of Jordan including the territorial sea and to any area outside the territorial sea within which, in accordance with international law, the Hashemite Kingdom of Jordan has sovereign rights for the purpose of exploring and exploiting the resources of the sea-bed and their sub-soil and of the superjacent waters;
 - b) to the European and overseas departments of the French Republic including the territorial sea, and to any area outside the territorial sea within which, in accordance with international law, the French Republic has sovereign rights for the purpose of exploring and exploiting the resources of the sea-bed and their sub-soil and of the superjacent waters.
2. This Convention may be extended, either in its entirety or with any necessary modification, to the overseas territories of the French Republic which impose taxes substantially similar in character to those to which the Convention applies. Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed between the States in notes to be exchanged through diplomatic channels or in any other manner in accordance with their constitutional procedures.

3. Unless otherwise agreed by both States, the termination of the Convention by one of them under Article 30 shall also terminate, in the manner provided for in that Article, the application of the Convention to any territory to which it has been extended under this Article.

Article 29

ENTRY INTO FORCE

1. Each State shall notify to the other the completion of the procedure required as far as it is concerned for the bringing into force of this Convention. This Convention shall enter into force the first day of the second month following the day when the latter of these notifications has been received .
2. Its provisions shall apply for the first time:
 - a. as regards taxes withheld at source to amounts payable on or after the date of entry into force of this Convention.
 - b. as regards other taxes on income, to income derived during the calendar year in which the Convention entered into force, or relating to the accounting period ending during this year.

Article 30

TERMINATION

1. This Convention shall remain into force indefinitely. However, after 1987,each State may, by giving at least six months written notice of termination through diplomatic channels, denounce the Convention for the end of a calendar year .
2. In such an event ,its provisions shall apply for the last time:
 - a. as regards taxes withheld at source to amounts payable before or on the 31st of December of the calendar year for the end of which the termination has been notified;
 - b. as regards other taxes on income, to income derived during the calendar year for the end of which the termination has been notified or relating to the accounting period ending during this year.

PROTOCOL

[At the time of proceeding to the signature of the Convention between the Government of the French Republic and the Government of the Hashemite

Kingdom of Jordan for the avoidance of double taxation with respect to taxes on income, the undersigned have agreed that the following provisions shall form an integral part of the Convention.

- 1. In respect of paragraph 1 e) of Article 3, the term “ international traffic” also means any transport by a container where such transport is supplementary to a transport in international traffic.*
- 2. In respect of Article 6, income from shares rights or participation’s in a company or a legal person owning immovable property situated in France, which, under the French Laws, is subjected to the same taxation treatment as income from immovable property, may be taxed in France.*
- 3. a) In respect of paragraphs 1 and 2 of Article 7, where an enterprise of a State sells goods or merchandise or carries on business in the other State through a permanent establishment situated therein, the profits of this permanent establishment are not determined on the basis of the total amount received by the enterprise, but are determined only on the basis of the remuneration which is attributable to the actual activity of the permanent establishment for such sales or business.*

In the case of contracts for the survey, supply installation or construction of industrial, commercial or scientific equipment or premises, or of public works, when the enterprise has a permanent establishment the profits of such permanent establishment are not determined on the basis of the total amount of the contract, but are determined only on the basis of that part of the contract which is effectively carried out by the permanent establishment in the State where the permanent establishment is situated. The profits related to that part of the contract which is carried out by the head office of the enterprise shall be taxable only in the State of which the enterprise is a resident.

b) In respect of paragraph 1 of Article 7, payments of any kind received as a consideration for the use of, or the right to use, industrial, commercial or scientific equipment shall be deemed to be profits of an enterprise to which the provisions of Article 7 apply.

PROTOCOL(following)

- 4. In respect of paragraph 3 of Article 12, payments received as a consideration for technical services, including studies or surveys of a scientific, geological or technical nature, or for engineering contracts including blue prints related thereto, or for consultant or supervisory services shall be deemed not to be payments received as a consideration for information concerning industrial, commercial or scientific experience.*

5. a) *In respect of Article 13 , gains from the alienation of shares, rights or participation's in a company or a legal person owning immovable property situated in France, which under the French laws, are subjected to the same taxation treatment as gains from the alienation of immovable property may be taxed in France.*
- b) *Notwithstanding the provisions of paragraph 4 of Article 13, gains from the alienation of shares forming part of substantial interest in the capital of a company which is a resident of France may be taxed in France, according to the provisions of Article 160 of the " Code General des Impots" . A substantial interest shall be deemed to exist when the alienator, alone or together with associated or related persons, holds directly or indirectly shares which together give right to 25 per cent or more of the company profits.*
6. *In respect of Article 24:*
- a) *Nothing in paragraph 1 shall be construed as preventing France from granting only to persons possessing the French nationality the benefit of the exemption of the capital gains derived from the alienation of immovable property or part of immovable property constituting a residence in France of French persons who are not domiciled in France, according to the provisions of Article 150 C of the "Code General des Impots".*
- b) *Nothing in paragraph 5 shall be construed as preventing France from applying the provisions of Article 212 of the " Code General des Impots" as regards interest paid by a French company to a foreign parent company.]*

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Convention.

Done, at Paris this 14th Sept 1981, in duplicate, in the French and Arabic languages, both texts being equally authoritative.

**For the Government of
the French Republic**

**For the Government of the
Hashemite Kingdom of Jordan**