

COMPETENT AUTHORITY AGREEMENT

The Competent Authorities of the United States of America and the Kingdom of Norway hereby enter into the following mutual agreement (the "Agreement") clarifying the meaning of "remuneration described in Article 17 (Governmental Functions)" and "payments described in Article 19 (Social Security Payments)" as those phrases are used in the last sentence of paragraph 6 of Article 24 (Source of Income) of the Convention Between the United States of America and the Kingdom of Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Property, signed on December 3, 1971, and as amended by the Protocol signed on September 19, 1980 (the "Treaty"). This Agreement is entered into under paragraph 2 of Article 27 (Mutual Agreement Procedure) of the Treaty.

Article 24 provides, in relevant part:

For purposes of this Convention:

(6) Income received by an individual for his performance of labor or personal services, whether as an employee or in an independent capacity, shall be treated as income from sources within a Contracting State only to the extent that such services are performed in that Contracting State ...

Notwithstanding the preceding provisions of this paragraph, remuneration described in Article 17 (Governmental Functions) and payments described in Article 19 (Social Security Payments) shall be treated as income from sources within a Contracting State only if paid by or from the public funds of that Contracting State or a political subdivision or local authority thereof.

Article 17 provides as follows:

Wages, salaries, and similar remuneration, including pensions or similar benefits, paid by or from public funds of one of the Contracting States, or a political subdivision or local authority thereof, to a citizen of that Contracting State for labor or personal services performed for that Contracting State, or for any of its political subdivisions or local authorities, in the discharge of governmental functions shall be exempt from tax by the other Contracting State.

Article 19 provides as follows:

Social Security payments and other public pensions paid by one of the Contracting States to an individual who is a resident of the other Contracting State or a citizen of the United States shall be taxable only in the first-mentioned Contracting State. This article shall not apply to payments described in Article 17 (Governmental Functions).

The Competent Authorities agree that for purposes of the last sentence of Article 24(6):

(1) The phrase "remuneration described in Article 17 (Governmental Functions)" is limited to wages, salaries, and similar remuneration, including pensions or similar benefits,

