

## COMPETENT AUTHORITY AGREEMENT

The Competent Authorities of the United States and Norway hereby enter into the following mutual agreement (“Agreement”). The Agreement specifies the meaning of profits derived from the transportation by ship or aircraft of supplies or personnel to a location where activities in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources are being carried on in the other Contracting State, or from the operation of tugboats and similar vessels in connection with such activities. The Agreement is entered into under paragraph 2 of Article 27 (Mutual Agreement Procedure) 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 December 3, 1971, and as amended by the Protocol signed September 19, 1980 (the “Treaty”).

Paragraph 1 of Article 4A (Offshore Activities) of the Treaty provides that a resident of a Contracting State who carries on activities in the other Contracting State in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources situated in that other Contracting State shall be deemed to be carrying on in respect of those activities a business in that other Contracting State through a permanent establishment or fixed base situated therein.

Paragraph 2 of Article 4A provides an exception to paragraph 1 where the activities are carried on for a period not exceeding 30 days in the aggregate in any 12 month period.

Paragraph 3 of Article 4A of the Treaty provides:

Notwithstanding the preceding paragraphs, the provisions of Article 6 (Shipping and Air Transport) shall apply to profits derived by a resident of a Contracting State from the transportation by ship or aircraft of supplies or personnel to a location where activities in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources are being carried on in the other Contracting State, or from the operation of tugboats and similar vessels in connection with such activities.

**Section 1.** Solely for the purposes of applying paragraph 3 of Article 4A, the Contracting States understand that profits derived from the following activities will be considered profits derived “from the transportation by ship or aircraft of supplies or personnel to a location where activities in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources are being carried on in the other Contracting State, or from the operation of tugboats and similar vessels in connection with such activities”:

- a. transportation by ship or aircraft of supplies or personnel to a location where activities in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources are being carried on in the Contracting State;

- b. tugboat and towboat services; including helping to move ocean vessels in and out of port and between berths, towing (pushing) barges, and transporting port pilots to ships waiting to enter the ship channel or port;
- c. anchor handling;
- d. fire-fighting and rescue support; and
- e. other activities as may be agreed by the competent authorities.

**Section 2.** The Contracting States further understand that all other profits derived by a resident of a Contracting State from carrying on activities in the other Contracting State in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources carried on in that other Contracting State are not covered by paragraph 3 of Article 4A, including profits derived from the operation of the following:

- a. oil production ships;
- b. drilling rigs;
- c. accommodation platforms;
- d. service platforms in stationary position;
- e. pipe-laying barges;
- f. seismic survey vessels;
- g. heavy-lift barges; and
- h. other vessels or platforms used in the performance of any activity not described in Section 1 of this competent authority agreement.

Where a multipurpose supply vessel performs both activities covered by Section 1 and activities not covered by Section 1, the part of income that is attributable to Section 1 activities shall be determined on the basis that most correctly reflects the proper character of the income under the facts and circumstances of the particular case including, for example, assets used, expenses incurred, or time spent.

Agreed to by the undersigned Competent Authorities:

/s/

2/7/2013

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Michael Danilack  
United States Competent Authority

\_\_\_\_\_  
Date

/s/

2/11/2013

\_\_\_\_\_  
Stig Sollund  
Norwegian Competent Authority

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Date