TAX

Reimbursement

Agreement Between the
UNITED STATES OF AMERICA
and the INTERNATIONAL
ORGANIZATION OF LEGAL
METROLOGY

Signed at Paris December 9, 2011

with

Annex

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

INTERNATIONAL ORGANIZATION OF LEGAL METROLOGY

Tax: Reimbursement

Agreement signed at Paris December 9, 2011;
Entered into force December 9, 2011.
With annex.

TAX REIMBURSEMENT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE INTERNATIONAL ORGANIZATION OF LEGAL METROLOGY

This Agreement is made between the United States of America (hereinafter "United States") and the International Organization of Legal Metrology (hereinafter "OIML"), hereinafter called "the Parties."

It is the intent of the United States to assume sole responsibility pursuant to this Agreement for funding the reimbursement of taxes to directly employed staff members (hereinafter "staff members") of OIML who are subject to United States tax law as United States citizens or permanent resident aliens;

It is the intent of OIML to place the reimbursement of United States income tax to its staff members on a sound basis; and The Parties are desirous of concluding an agreement on reimbursement to OIML staff members of United States Federal, state, and local income tax and self-employment tax levied under United States law on the income they receive as compensation for official services rendered to OIML (hereinafter "institutional income");

THE PARTIES AGREE AS FOLLOWS:

1. OIML shall reimburse the OIML staff members paid from the regular budget who are liable for and pay United States Federal self-employment tax and United States Federal, state, and local income taxes on their OIML institutional income, as defined in the Annex of this Agreement, for the amount of those taxes, under the terms and conditions set forth below. This Agreement does not apply to any reimbursement of taxes by the OIML on income not included in the Annex. This Agreement does not cover staff members paid from voluntary funds. An advance payment made by OIML relating to the estimated tax liability of a staff member during a current year shall be treated as reimbursement under this Agreement, provided that such payment is effected by an instrument payable to the Internal Revenue Service or counterpart body of the taxing state or local government.

2. Subject to the availability of appropriated funds, the United States shall reimburse OIML for each taxpayer an amount not to exceed the tax that would be due if the specified categories of OIML income were the taxpayer's only income, taking into account any special tax benefits available to United States taxpayers employed abroad, as well as the deductions and personal exemptions otherwise allowed.

3. OIML shall inform the staff members who seek reimbursement of taxes under this Agreement that they are obligated to claim all deductions, exemptions, or exclusions to which they are entitled under applicable tax legislation and regulations.

4. For purposes of United States Federal income tax, deductions, exemptions, and adjustments to income shall be apportioned on a *pro rata* basis between taxable OIML institutional income and private income for the purposes of calculating tax reimbursement, except where deductions and exemptions relate to a specific category of income. "Taxable OIML institutional income" means the amount of OIML income subject to tax after the application of the foreign earned income exclusion.

5. Both parties shall take all possible measures to reduce or eliminate the burden resulting from the cumulative effect of tax reimbursements being treated as taxable income.

6. OIML staff members who seek reimbursement of taxes under this Agreement are themselves responsible for complying with any income tax laws applicable to them. Penalties, interest, or other charges resulting from noncompliance with such laws shall not be reimbursed by OIML to OIML staff members and shall not be reimbursed by the United States to OIML.

7. OIML shall require each OIML staff member claiming tax reimbursement to determine the status defined by United States tax law under which that staff member files an income tax return, reimbursement being made on the basis of the status under which taxes are in fact being paid.

8. OIML shall maintain separate accounting of the tax reimbursements covered by this Agreement. OIML shall require each staff member receiving tax reimbursement to authorize OIML to obtain confirmation from the United States Internal Revenue Service and state and local government counterpart bodies, as appropriate, of the tax liability of that staff member and the payment of the tax due. OIML shall require each staff member to provide it with all the materials necessary to verify that the amounts claimed under this Agreement from OIML are the same as the tax liability the staff member reports and the tax payments the staff member in fact makes.

9. Checks by OIML for payment of estimated taxes shall be made payable to the Internal Revenue Service, or counterpart body of the taxing state or local government, and checks by OIML for reimbursement of taxes already paid by a staff member shall be made payable to the staff member concerned.

10. Reimbursement of the United States Federal self-employment taxes shall equal the difference between the amount the staff member pays as a result of the staff member's classification as a self-employed person, less any applicable tax credit arising from the same qualification, and the amount the staff member would have to pay in social security (Old Age, Survivors and Disability Insurance) taxes and health insurance (Medicare) taxes were the staff member classified as an employee.

11. The principles embodied in this Agreement on reimbursement of Federal taxes equally constitute the basis for the reimbursement of state and local taxes.

12. The United States shall reimburse OIML on the basis of a certification that reimbursements have been made by OIML to United States citizens or others who are liable to pay United States income taxes. The certification shall set forth the names and United States social security numbers of the OIML staff members reimbursed, the total of OIML income against which the United States tax has been paid (that is, institutional income as defined in the Annex), the amounts reimbursed to OIML staff members, the tax year for which reimbursement is made, the year in which reimbursement is made for each category of tax specified in Article 1, and affirm that the salaries and benefits of the staff members reimbursed are paid from the regular budget as required by Article 1. This information shall be provided yearly to the United States by October 1 following the tax year for which the claim is made. Without prejudice to the foregoing, OIML shall claim all tax reimbursements for a particular tax year no later than 24 months from October 1 following the tax year for which the claim is made.

13. The United States shall reimburse OIML at the earliest possible date following receipt of the certification specified in Article 12 a sum sufficient to cover all tax reimbursements documented by such certification that were paid by OIML with respect to preceding tax years, in accordance with this Agreement.

14. Subject to the availability of funds, the United States and OIML may agree to a reimbursement for such reasonable and necessary expenses as OIML may incur in connection with the implementation of the administrative procedures required to carry out the provisions of this Agreement.

15. This Agreement shall apply with regard to tax reimbursements for institutional income earned on or after January 1, 2010.

16. This Agreement shall enter into force upon signature by the Parties and may thereafter be terminated by either Party on December 31 of the year following the year in which notice of termination is given in writing to the other Party.

17. Should the United States subsequently conclude a tax reimbursement agreement with any other international organization substantially more favorable to that organization or its staff members than the present Agreement, the latter shall be amended to extend to the OIML the benefit of the former, subject to the written agreement of the United States and OIML, which shall not unreasonably be refused by the United States.

18. Any difficulties arising from the implementation of this Agreement shall be resolved by consultations between the Parties.

Done in duplicate, in the English language, at Paris, this 9th day of December 2011.

FOR THE UNITED STATES OF AMERICA:

(Name, Title) J. PATRICK TRUHN, MINISTER-COUNSELOR FOR MANAGEMENT

FOR THE INTERNATIONAL ORGANIZATION OF LEGAL METROLOGY:

Director

(Name, Title)

ANNEX

Particulars of Institutional Income "Institutional income," as used in this Tax Reimbursement Agreement, include only the following particulars of compensation:

- Basic salary
- Salary increments
- Overtime
- Supplemental annual bonus
- Dependent child's allowance
- Expatriation allowance
- Reimbursement as stipulated in this agreement of United States Federal, state, or local income tax payments and United States self-employment tax payments on institutional income.

Should OIML approve the addition, modification, or deletion of any elements of institutional income, this Annex may be amended by written agreement of the Parties, which shall not unreasonably be refused by the United States.