

Income Tax (Singapore — United Arab Emirates) (Avoidance of Double Taxation Agreement) Order 1996

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Enacting Formula

THE SCHEDULE Agreement between the Government of the Republic of Singapore and the Government of the United Arab Emirates for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income

Legislative History

**INCOME TAX ACT
(CHAPTER 134, SECTION 49)**

**INCOME TAX (SINGAPORE — UNITED ARAB EMIRATES)
(AVOIDANCE OF DOUBLE TAXATION AGREEMENT)
ORDER 1996**

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REVISED EDITION 1997

(15th June 1997)

[30th August 1996]

WHEREAS it is provided by section 49 of the Income Tax Act that if the Minister by order declares that arrangements specified in the order have been made with the Government of any country outside Singapore with a view to affording relief from double taxation in relation to tax under the Act and any tax of a similar character imposed by the laws of that country, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to tax under the Act notwithstanding anything in any written law:

AND WHEREAS by an Agreement dated the 1st day of December 1995, between the Government of the Republic of Singapore and the Government of the United Arab Emirates, arrangements were made amongst other things for the avoidance of double taxation:

NOW, THEREFORE, it is hereby declared by the Minister for Finance —

- (a) that the arrangements specified in the Schedule have been made with the Government of the United Arab Emirates; and
- (b) that it is expedient that those arrangements should have effect notwithstanding anything in any written law.

THE SCHEDULE

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

AND

THE GOVERNMENT OF THE UNITED ARAB EMIRATES

FOR THE AVOIDANCE OF DOUBLE TAXATION AND

THE PREVENTION OF FISCAL EVASION WITH RESPECT

TO TAXES ON INCOME

The Government of the Republic of Singapore and the Government of the United Arab Emirates desiring to conclude an Agreement 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 Agreement shall apply to persons who are residents of one or both of the Contracting States.

ARTICLE 2

TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State, or its political subdivision or 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 alienation of movable or immovable property.

3. The existing taxes to which the Agreement shall apply are: —

(a) in the case of the United Arab Emirates:

(i) Income Tax;

(ii) Corporation Tax,

(hereinafter referred to as “United Arab Emirates tax”);

(b) in the case of Singapore:

the income tax,

(hereinafter referred to as “Singapore tax”).

4. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes referred to in paragraph 3. The competent authorities of the Contracting States shall notify each other of any substantial changes which have been made in their respective taxation laws within a reasonable period of time after such changes.

5. If by reason of changes made in the taxation law of either Contracting State, it seems desirable to amend any Article of this Agreement without affecting the general principles thereof, the necessary amendments may be made by mutual consent by means of an exchange of diplomatic notes or in any other manner in accordance with their constitutional procedures.

ARTICLE 3

GENERAL DEFINITIONS

1. In this Agreement, unless the context otherwise requires: —

(a) the term “United Arab Emirates or U.A.E.” means the United Arab Emirates and, when used in a geographical sense, means the United Arab Emirates territory and territorial sea, including islands and any area adjacent to its territorial sea in which the United Arab Emirates may exercise sovereign rights or jurisdiction in relation to such activities as may be permitted under international law;

(b) the term “Singapore” means the Republic of Singapore;

(c) the terms “a Contracting State” and “the other Contracting State” mean the United Arab Emirates or Singapore as the context requires;

(d) the term “tax” means United Arab Emirates tax or Singapore tax as the context requires;

(e) the term “person” includes an individual, a company and any other entity which is treated as a taxable entity under the tax laws of the respective Contracting States;

- (f) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (g) the terms “enterprise of a Contracting State” and “enterprise of the other Contracting State” mean respectively, an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- (h) the term “national” means: —
 - (i) in the case of United Arab Emirates, all individuals possessing the nationality of United Arab Emirates in accordance with United Arab Emirates laws and any legal person, partnership and other body corporate deriving the status as such from United Arab Emirates laws;
 - (ii) in relation to Singapore, any individual possessing the citizenship of Singapore, and any legal person, partnership, association and any other entity deriving its status as such from the laws in force in Singapore;
- (i) the terms “resident of a Contracting State” and “resident of the other Contracting State” mean a person who is a resident of United Arab Emirates or a person who is a resident of Singapore as the context requires.

2. The term “international traffic” means any transport by ships or aircraft operated by an enterprise which has its place of management in either of the Contracting State except when the ship or aircraft is operated solely between places in the other Contracting State.

3. The term “competent authority” means:

- (a) in the case of United Arab Emirates, the Minister of Finance and Industry or his authorised representative; and
- (b) in the case of Singapore, the Minister for Finance or his authorised representative.

4. In the application of the Agreement by a Contracting State, any term not defined therein shall — unless the context otherwise requires — have the meaning which it has under the laws of that State concerning the taxes to which the Agreement applies.

ARTICLE 4

RESIDENT

1. For the purposes of this Agreement, the term “resident of a Contracting State” means any person who is a resident of a Contracting State in accordance with the taxation laws of that State.

2. For the purpose of paragraph 1, the term “a resident of a Contracting State” shall include: —

- (a) in the case of United Arab Emirates:
 - (i) the Federal Government and local Governments;
 - (ii) a political subdivision of U.A.E.;

- (iii) the U.A.E. Central Bank, Abu Dhabi Investment Authority, insofar as they are residents of U.A.E. in accordance with the taxation laws of U.A.E.;
 - (iv) any statutory body, institution or entity which is a resident of U.A.E. in accordance with the taxation laws of U.A.E.
- (b) in the case of Singapore:
 - (i) the Government of Singapore;
 - (ii) the Monetary Authority of Singapore, the Board of Commissioners of Currency and the Government Investment Corporation of Singapore Pte Ltd;
 - (iii) any statutory body, institution or entity which is a resident of Singapore in accordance with the taxation laws of Singapore.

3. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his case shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (centre of vital interests);
- (b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;
- (c) if he has an habitual abode in both Contracting States or in neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

4. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the State in which its place of effective management is situated. If its place of effective management cannot be determined, the competent authorities of the Contracting States shall settle the question by mutual agreement.

ARTICLE 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, 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;