

Income Tax (Singapore — United Kingdom) (Avoidance of Double Taxation Agreement) Order 1966

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

**INCOME TAX (SINGAPORE — UNITED KINGDOM) (AVOIDANCE OF DOUBLE
TAXATION AGREEMENT) ORDER 1966**

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WHEREAS it is provided by section 49 of the Income Tax Ordinance 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 Ordinance 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 Ordinance notwithstanding anything in any written law:

AND WHEREAS by an Agreement dated the first day of December 1966, between the Government of the Republic of Singapore and the Government of the United Kingdom of Great Britain and Northern Ireland, 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 to this Order have been made with the Government of the United Kingdom of Great Britain and Northern Ireland; 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 KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND 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 Kingdom of Great Britain and Northern Ireland,

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

1. The taxes which are the subject of this Agreement are —

- (a) in the Republic of Singapore:
the income tax (hereinafter referred to as “Singapore tax”); and
- (b) in the United Kingdom of Great Britain and Northern Ireland:
the income tax (including surtax), the profits tax, the corporation tax and the capital gains tax (hereinafter referred to as “United Kingdom tax”).

2. This Agreement shall also apply to any other taxes of a substantially similar character imposed in Singapore or the United Kingdom subsequently to the date of signature of this Agreement.

ARTICLE 2

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

- (a) the term “Singapore” means the Republic of Singapore;

- (b) the term “United Kingdom” means Great Britain and Northern Ireland, including any area outside the territorial waters of the United Kingdom which has been designated, under the laws of the United Kingdom concerning the Continental Shelf, as an area within which the rights of the United Kingdom with respect to the sea bed and sub-soil and their natural resources may be exercised;
- (c) the terms “one of the Contracting States” and “the other Contracting State” mean Singapore or the United Kingdom, as the context requires;
- (d) the term “tax” means Singapore tax or United Kingdom tax, as the context requires;
- (e) the term “company” means any body corporate;
- (f) the term “person” includes any body of persons, corporate or not corporate;
- (g)
 - (i) the term “resident of Singapore” means any person who is resident in Singapore for the purposes of Singapore tax; and the term “resident of the United Kingdom” means any person who is resident in the United Kingdom for the purposes of United Kingdom tax;
 - (ii) where by reason of the provisions of sub-paragraph (i) above an individual is a resident of both Contracting States, then his residence shall be determined in accordance with the following rules —
 - (aa) 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 closest;
 - (bb) if the Contracting State, with which his personal and economic relations are closest, 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;
 - (cc) 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;
 - (iii) where by reason of the provisions of sub-paragraph (i) above a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which it is managed and controlled;
- (h) the terms “resident of one of the Contracting States” and “resident of the other Contracting State” mean a resident of Singapore or a resident of the United Kingdom, as the context requires;
- (i) the terms “Singapore enterprise” and “United Kingdom enterprise” mean, respectively, an industrial, mining, commercial, plantation or agricultural enterprise or undertaking carried on by a resident of Singapore and an industrial, mining, commercial, plantation or agricultural enterprise or undertaking carried on by a resident of the United Kingdom;

- (j) the terms “enterprise of one of the Contracting States” and “enterprise of the other Contracting State” mean a Singapore enterprise or a United Kingdom enterprise, as the context requires;
- (k) the terms “profits of a Singapore enterprise” and “profits of a United Kingdom enterprise” do not include rents or royalties in respect of motion picture films or of tapes for telecasting or of mines, oil wells, quarries or other places of extraction of natural resources, or income in the form of dividends, interest, rents, royalties, or capital gains, or fees or other remuneration derived from the management, control or supervision of the trade, business or other activity of another enterprise or concern, or remuneration for labour or personal services, or profits derived from the operation of ships or aircraft;
- (l)
 - (i) subject to the provisions of this sub-paragraph, the term “permanent establishment” means a fixed place of business in which the business of the enterprise is wholly or partly carried on;
 - (ii) a permanent establishment shall include especially —
 - (aa) a place of management;
 - (bb) a branch;
 - (cc) an office;
 - (dd) a factory;
 - (ee) a workshop;
 - (ff) a mine, oil well, quarry or other place of extraction of natural resources;
 - (gg) a building site or construction or assembly project which exist for more than six months;
 - (hh) a farm or plantation;
 - (iii) the term “permanent establishment” shall not be deemed to include —
 - (aa) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
 - (bb) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
 - (cc) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - (dd) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
 - (ee) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise;
 - (iv) an enterprise of one of the Contracting States shall be deemed to have a permanent establishment in the other Contracting State if —
 - (aa) it carries on supervisory activities in that other Contracting State for more than six months in connection with a construction, installation

or assembly project which is being undertaken in that other Contracting State;

(bb) it carries on a business which consists of providing the services of public entertainers referred to in paragraph 3 of Article 12 in that other Contracting State;

(v) a person acting in one of the Contracting States on behalf of an enterprise of the other Contracting State (other than an agent of independent status to whom sub-paragraph (l)(vi) of this Article applies) shall be deemed to be a permanent establishment in the former Contracting State if —

(aa) he has, and habitually exercises in that former Contracting State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise; or

(bb) he maintains in that former Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise;

(vi) an enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of independent status, where such person is acting in the ordinary course of his business;

(vii) the fact that a company which is a resident of one of the Contracting States controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other;

(m) the term “competent authorities” means, in the case of Singapore, the Minister for Finance or his authorised representative; and in the case of the United Kingdom, the Commissioners of Inland Revenue or their authorised representative.

2. In the application of the provisions of this Agreement by the Government of one of the Contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Agreement.

ARTICLE 3

Where this Agreement provides (with or without other conditions) that income from sources in one of the Contracting States shall be exempted from tax, or taxed at a reduced rate, by that Contracting State if it is subject to tax in the other Contracting State, and under the law in force in that other Contracting State the said income is subject to tax by reference to the amount thereof which is remitted to, or received in, that other Contracting State and not by reference to the full amount thereof, then the exemption or reduction of tax to be allowed under this Agreement in the former Contracting State shall apply only to