

No. 49682

**Republic of Korea
and
Lao People's Democratic Republic**

Agreement between the Government of the Republic of Korea and the Government of the Lao People's Democratic Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Vientiane, 29 November 2004

Entry into force: *9 February 2006, in accordance with article 28*

Authentic texts: *English, Korean and Lao*

Registration with the Secretariat of the United Nations: *Republic of Korea, 6 July 2012*

**République de Corée
et
République démocratique populaire lao**

Accord entre le Gouvernement de la République de Corée et le Gouvernement de la République démocratique populaire lao en vue d'éviter la double imposition et de prévenir l'évasion fiscale en matière d'impôts sur le revenu. Vientiane, 29 novembre 2004

Entrée en vigueur : *9 février 2006, conformément à l'article 28*

Textes authentiques : *anglais, coréen et lao*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *République de Corée, 6 juillet 2012*

[ENGLISH TEXT – TEXTE ANGLAIS]

**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF KOREA
AND
THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC
REPUBLIC
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE
PREVENTION OF FISCAL EVASION WITH RESPECT TO
TAXES ON INCOME**

THE GOVERNMENT OF THE REPUBLIC OF KOREA
AND
THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

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
PERSONS COVERED

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 of its political subdivisions 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 the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises as well as taxes on capital appreciation.
3. The existing taxes to which the Agreement shall apply are in particular:
 - a) in Korea:
 - (i) the income tax;
 - (ii) the corporation tax;
 - (iii) the special tax for rural development on income; and
 - (iv) the inhabitant tax on income.(hereinafter referred to as "Korean tax");
 - b) in Laos:
 - (i) the tax on income of individuals;
 - (ii) the tax on profits (income) of enterprises and organisations; and

- (iii) the minimum tax.
(hereinafter referred to as "Lao tax").

4. The Agreement shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. At the end of each year, the competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their respective taxation laws.

Article 3 **GENERAL DEFINITIONS**

1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the term "Korea" means the Republic of Korea, and when used in a geographical sense, means the territory of the Republic of Korea, including its territorial sea, and any other area adjacent to the territorial sea of the Republic of Korea as an area within which the sovereign rights or jurisdiction of the Republic of Korea with respect to the waters, the sea-bed and subsoil, and their natural resources may be exercised;
 - b) the term "Laos" means the Lao People's Democratic Republic; when used in a geographical sense, means all its national territory, including its territorial water and any area beyond its territorial water within which the Lao P.D.R., by the Lao People's Democratic Republic legislation and in accordance with international law, has sovereign rights of exploration for and exploitation of natural resources of riverbed and its sub-soil and superjacent water resources;
 - c) the terms "a Contracting State" and "the other Contracting State" mean Korea or Laos, as the context requires;
 - d) the term "tax" means Korean tax or Lao tax as the context requires;
 - e) the term "person" includes an individual, a company and any other body of persons;
 - f) the term "company" means any body corporate or any entity that 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 "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - i) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State.
 - j) the term "competent authority" means:
 - (i) in Korea, the Minister of Finance and Economy or his authorised representative;
 - (ii) in Laos, the Minister of Finance or his authorised representative.
2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4

RESIDENT

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of head or main office, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State.
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:
 - a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);