

**No. 54103\***

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**Republic of Korea  
and  
Panama**

**Convention between the Government of the Republic of Korea and the Government of the Republic of Panama for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (with protocol and corrections). Seoul, 20 October 2010**

**Entry into force:** *1 April 2012, in accordance with article 28*

**Authentic texts:** *English, Korean and Spanish*

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**République de Corée  
et  
Panama**

**Convention entre le Gouvernement de la République de Corée et le Gouvernement de la République du Panama tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu (avec protocole et corrections). Séoul, 20 octobre 2010**

**Entrée en vigueur :** *1<sup>er</sup> avril 2012, conformément à l'article 28*

**Textes authentiques :** *anglais, coréen et espagnol*

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**CONVENTION  
BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF KOREA  
AND THE GOVERNMENT OF THE REPUBLIC OF PANAMA  
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 Republic of Panama, desiring to conclude a convention 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 Convention shall apply to persons who are residents of one or both of the Contracting States.

#### **Article 2**

#### **TAXES COVERED**

1. This Convention 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 Convention shall apply are in particular:
  - a) in Korea:
    - (i) the income tax;
    - (ii) the corporation tax;
    - (iii) the special tax for rural development, and
    - (iv) the local income tax;(hereinafter referred to as "Korean tax");

- b) in Panama:

The Income Tax provided in the *Código Fiscal, Libro IV, Título I*, and its related decrees and regulations.

(hereinafter referred to as "Panamanian tax").

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

### Article 3

#### GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:
  - a) the term "Korea" means the Republic of Korea, and when used in a geographical sense, the territory of the Republic of Korea including its territorial sea, and any area adjacent to the territorial sea of the Republic of Korea which, in accordance with international law, has been or may hereafter be designated under the laws of the Republic of Korea as an area within which the sovereign rights or jurisdiction of the Republic of Korea with respect to the sea-bed and sub-soil, and their natural resources may be exercised;
  - b) the term "Panama" means the Republic of Panama and, when used in a geographical sense, means the territory of the Republic of Panama, including inland waters, its airspace, the territorial sea and any area outside the territorial sea upon which, in accordance with international law and on application of its domestic legislation, the Republic of Panama exercises, or may exercise in the future, jurisdiction or sovereign rights with respect to the seabed, its subsoil and superjacent waters, and their natural resources;
  - c) the terms "a Contracting State" and "the other Contracting State" mean Korea or Panama, as the context requires;

- d) the term "tax" means Korean tax or Panamanian 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 term "enterprise" applies to the carrying on of any business;
- h) 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;
- i) 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;
- j) the term "national", in relation to a Contracting State, means:
  - (i) any individual possessing the nationality of that Contracting State; and
  - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State;
- k) the term "competent authority" means:
  - (i) in Korea, the Minister of Strategy and Finance or his authorized representative;
  - (ii) in Panama, the Ministry of Economy and Finance or its authorized representative;
- l) the term "business" includes the performance of professional services and of other activities of an independent character.

2. As regards the application of the Convention 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 Convention 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.