

**SYNTHESISED TEXT OF THE MLI AND THE AGREEMENT BETWEEN  
THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND AND THE GOVERNMENT OF THE  
REPUBLIC OF SINGAPORE FOR THE AVOIDANCE OF DOUBLE  
TAXATION AND THE PREVENTION OF FISCAL EVASION WITH  
RESPECT TO TAXES ON INCOME AND CAPITAL GAINS**

**General disclaimer on the Synthesised text document**

This document presents the synthesised text for the application of the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains signed on 12 February 1997 and the Protocols signed on 24 August 2009 and 15 February 2012 (together the “Agreement”), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by the United Kingdom and Singapore on 7 June 2017 (the “MLI”).

The document was prepared on the basis of the MLI position of the United Kingdom submitted to the Depository upon ratification on 29 June 2018 and of the MLI position of Singapore submitted to the Depository upon ratification on 21 December 2018. These MLI positions are subject to modifications as provided in the MLI. Modifications made to MLI positions could modify the effects of the MLI on the Agreement.

The authentic legal texts of the Agreement and the MLI take precedence and remain the legal texts applicable.

The provisions of the MLI that are applicable with respect to the provisions of the Agreement are included in boxes throughout the text of this document in the context of the relevant provisions of the Agreement. The boxes containing the provisions of the MLI have generally been inserted in accordance with the ordering of the provisions of the 2017 OECD Model Tax Convention.

Changes to the text of the provisions of the MLI have been made to conform the terminology used in the MLI to the terminology used in the Agreement (such as “Covered Tax Agreement” and “Agreement”, “Contracting Jurisdictions” and “Contracting States”), to ease the comprehension of the provisions of the MLI. The changes in terminology are intended to increase the readability of the document and are not intended to change the substance of the provisions of the MLI. Similarly, changes have been made to parts of provisions of the MLI that describe existing provisions of the Agreement: descriptive language has been replaced by legal references of the existing provisions to ease the readability.

In all cases, references made to the provisions of the Agreement or to the Agreement must be understood as referring to the Agreement as modified by the provisions of the MLI, provided such provisions of the MLI have taken effect.

References:

The copies of the legal texts of the MLI and the Agreement can be found at the following links:

The MLI:

<http://www.oecd.org/tax/treaties/multilateral-convention-to-implement-tax-treaty-related-measures-to-prevent-BEPS.pdf>

In the United Kingdom:

<http://www.legislation.gov.uk/uksi/1997/2988/contents/made>

[http://www.legislation.gov.uk/uksi/2010/2685/pdfs/uksi\\_20102685\\_en.pdf](http://www.legislation.gov.uk/uksi/2010/2685/pdfs/uksi_20102685_en.pdf)

[http://www.legislation.gov.uk/uksi/2012/3078/pdfs/uksi\\_20123078\\_en.pdf](http://www.legislation.gov.uk/uksi/2012/3078/pdfs/uksi_20123078_en.pdf)

In Singapore:

<https://sso.agc.gov.sg/SL/134-OR30B?DocDate=19980615>

<https://sso.agc.gov.sg/SL/ITA1947-S752-2010?DocDate=20101209>

<https://sso.agc.gov.sg/SL/ITA1947-S658-2012?DocDate=20121227>

<https://sso.agc.gov.sg/SL/ITA1947-S259-2019?DocDate=20190401>

The MLI position of the United Kingdom submitted to the Depository upon ratification on 29 June 2018 and of the MLI position of Singapore submitted to the Depository upon ratification on 21 December 2018 can be found [on the MLI Depository \(OECD\) webpage](#).

**Disclaimer on the entry into effect of the provisions of the MLI**

The provisions of the MLI applicable to the Agreement do not take effect on the same dates as the original provisions of the Agreement. Each of provisions of the MLI could take effect on different dates, depending on the types of taxes involved (taxes withheld at source or other taxes levied) and on the choices made by the United Kingdom and Singapore in their MLI positions.

Dates of the deposit of instruments of ratification, acceptance or approval: 29 June 2018 for the United Kingdom and 21 December 2018 for Singapore.

Entry into force of the MLI: 1 October 2018 for the United Kingdom and 1 April 2019 for Singapore.

Unless it is stated otherwise elsewhere in this document, the provisions of the MLI have effect with respect to the Agreement:

- In the United Kingdom and Singapore, for taxes withheld at source, from 1 January 2020;
- In the United Kingdom, from 1 April 2020 for corporation tax and from 6 April 2020 for income tax and capital gain tax; and
- In Singapore, for other taxes for basis periods beginning on or after 1 October 2019.

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE  
GOVERNEMENT OF THE REPUBLIC OF SINGAPORE FOR THE  
AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL  
EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS**

The Government of the United Kingdom of Great Britain and Northern Ireland and  
the Government of the Republic of Singapore:

**[REPLACED by paragraph 1 of Article 6 of the MLI]** [Desiring to conclude  
an Agreement for the avoidance of double taxation and the prevention of fiscal evasion  
with respect to taxes on income and on capital gains;]

*The following paragraph 1 and paragraph 3 of Article 6 of the MLI replace the  
text referring to an intent to eliminate double taxation in the preamble of this  
Agreement:*

**ARTICLE 6 OF THE MLI – PURPOSE OF A COVERED TAX AGREEMENT**

Intending to eliminate double taxation with respect to the taxes covered by [*the  
Agreement*] without creating opportunities for non-taxation or reduced taxation  
through tax evasion or avoidance (including through treaty-shopping  
arrangements aimed at obtaining reliefs provided in [*the Agreement*] for the  
indirect benefit of residents of third jurisdictions),

Desiring to further develop their economic relationship and to enhance their co-  
operation in tax matter,

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 and on capital gains imposed on behalf of a Contracting State, irrespective of the manner in which they are levied.

(2) There shall be regarded as taxes on income and on capital gains all taxes imposed on total income, or on elements of income including taxes on gains from the alienation of movable or immovable property.

(3) The existing taxes to which this Agreement shall apply are in particular:

(a) in the case of the United Kingdom:

- (i) the income tax
- (ii) the corporation tax and
- (iii) the capital gains tax

(hereinafter referred to as 'United Kingdom 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 by either Contracting State after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any substantial 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 ‘United Kingdom’ means Great Britain and Northern Ireland, including any area outside the territorial sea of the United Kingdom which in accordance with international law has been or may hereafter be 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 subsoil and their natural resources may be exercised
  - (b) the term ‘Singapore’ means the Republic of Singapore
  - (c) the term ‘national’ means:
    - (i) in relation to the United Kingdom, any British citizen, or any British subject not possessing the citizenship of any other Commonwealth country or territory, provided he has the right of abode in the United Kingdom; and any legal person, partnership, association or other entity deriving its status as such from the law in force in the United Kingdom
    - (ii) in relation to Singapore, any individual possessing the nationality of Singapore; and any legal person, partnership or association deriving its status as such from the laws in force in Singapore
  - (d) the terms ‘a Contracting State’ and ‘the other Contracting State’ mean the United Kingdom or Singapore, 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 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 ‘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 ‘competent authority’ means:
  - (i) in the case of the United Kingdom, the Commissioners for Her Majesty’s Revenue and Customs or their authorised representative
  - (ii) in the case of Singapore, the Minister for Finance or his authorised representative
- (j) the term ‘tax’ means United Kingdom or Singapore tax as the context requires
- (k) the term ‘fiscal year’ means:
  - (i) in the case of the United Kingdom:
    - for the purposes of the Income Tax, a year of assessment beginning on 6 April in one year and ending on 5 April in the following year
    - for the purposes of the Corporation Tax, a year of assessment beginning on 1 April in one year and ending on 31 March in the following year; and
  - (ii) in the case of Singapore, a calendar year

(2) For the purposes of Articles 10, 11 and 12 of this Agreement, a trustee subject to tax in a Contracting State in respect of dividends, interest or royalties shall be deemed to be the beneficial owner of that interest or those dividends or royalties.

(3) As regards the application of this 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 Contracting State concerning the taxes to which this Agreement applies.

## ARTICLE 4

### **Residence**

(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 management, place of incorporation or any other criterion of a similar nature, and also includes that State and any political subdivision, local authority or statutory body thereof.

(2) Where by reason of the provisions of paragraph (1) of this Article an individual is a resident of both Contracting States, then his status 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 does not have 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, he shall be deemed to be a resident of the Contracting State of which he is a national
- (d) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement

(3) Where by reason of the provisions of paragraph 1 of this Article a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated. In cases of doubt, the competent authorities of the Contracting States shall endeavour to determine by mutual agreement the State in which the person’s place of effective management is situated taking into consideration all relevant factors. In the absence of a mutual agreement by the competent authorities of the Contracting States, the person shall not be considered a resident of either Contracting State for the purposes of claiming any benefits provided by the Agreement, except those provided by Articles 23, 25 and 26.

## 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
- (d) a factory
- (e) a workshop
- (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources

(3) A building site or construction, assembly or installation project constitutes a permanent establishment only if it lasts more than six months.

(4) An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if:

- (a) it carries on supervisory activities in that other Contracting State for more than six months in connection with a building site or construction, assembly or installation project which is being undertaken in that other Contracting State
- (b) it furnishes services, including consultancy services, through employees or other personnel engaged by the enterprise for such purpose, but only where activities of that nature continue (for the same or a connected project) within the other Contracting State for a period or periods aggregating more than 183 days in the fiscal year concerned;

provided that the provisions of subparagraph (b) shall cease to have effect for any fiscal year beginning after five years from the date on which the Second Protocol first had effect.

(5) Notwithstanding the preceding provisions of this Article, the term ‘permanent establishment’ shall be deemed not to include:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e) of this paragraph, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

(6) Notwithstanding the provisions of paragraphs (1) and (2) of this Article, where a person (other than an agent of an independent status to whom paragraph (7) of this Article applies) is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts on behalf of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph (5) of this Article which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

(7) An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

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

## ARTICLE 6

### **Income from immovable property**

(1) Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

(2) The term 'immovable property' shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

(3) The provisions of paragraph (1) of this Article shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

(4) The provisions of paragraphs (1) and (3) of this Article shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

## ARTICLE 7

### **Business profits**

(1) The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

(2) Subject to the provisions of paragraph (3) of this Article, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

(3) In determining the profits of a permanent establishment, there shall be allowed as deductions all expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses, which would be deductible if the permanent establishment were an independent enterprise in so far as they are reasonably allocable to the permanent establishment, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.

(4) No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

(5) For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

(6) Where profits include items of income or capital gains which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

## ARTICLE 8

### **Shipping and air transport**

- (1) Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.
- (2) For the purposes of this Article, profits from the operation of ships or aircraft in international traffic include:
  - (a) profits from the rental on a bareboat basis of ships or aircraft; and
  - (b) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise where such rental or such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic
- (3) Interest on funds connected with the operation of ships or aircraft in international traffic shall be regarded as profits derived from the operation of such ships or aircraft, and the provisions of Article 11 of this Agreement shall not apply to such interest.
- (4) The provisions of paragraphs (1) and (2) of this Article shall also apply to profits from the participation in a pool, a joint business or an international operating agency, but only to so much of the profits so derived as is attributable to the participant in proportion to its share in the joint operation.

## ARTICLE 9

**Associated enterprises**

(1) Where:

- (a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State; or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included by a Contracting State in the profits of that enterprise and taxed accordingly

(2) **[REPLACED by paragraph 1 of Article 17 of the MLI]** [ Where a Contracting State includes in the profits of an enterprise of that State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. The competent authorities of the Contracting States shall consult each other in determining such adjustment with due regard being had to the other provisions of this Agreement].

*The following paragraph 1 of Article 17 of the MLI replaces paragraph (2) of Article 9 of this Agreement:*

ARTICLE 17 OF THE MLI – CORRESPONDING ADJUSTMENTS

Where a *[Contracting State]* includes in the profits of an enterprise of that *[Contracting State]* — and taxes accordingly — profits on which an enterprise of the other *[Contracting State]* has been charged to tax in that other *[Contracting State]* and the profits so included are profits which would have accrued to the enterprise of the first-mentioned *[Contracting State]* if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other *[Contracting State]* shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be

had to the other provisions of *[the Agreement]* and the competent authorities of the *[Contracting States]* shall if necessary consult each other.

## ARTICLE 10

### **Dividends**

- (1) Subject to the provisions of paragraph 2 of this Article, dividends paid by a company which is a resident of a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other Contracting State.
- (2) However
- (a) dividends paid by a real estate investment trust which is a resident of the United Kingdom may also be taxed, according to its laws, in the United Kingdom. However, if the beneficial owner of the dividends is a resident of Singapore, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends
- (b) distributions paid by a real estate investment trust which is organised in Singapore may also be taxed, according to its laws, in Singapore - however, if the beneficial owner of the distributions is a resident of the United Kingdom, the tax so charged shall not exceed 15 per cent of the gross amount of the distributions. This paragraph and paragraph 1 shall not affect the taxation of the company or the real estate investment trust in respect of the profits out of which the dividends or distributions are paid.
- (3) For the purposes of paragraph 2 of this Article, a real estate investment trust means:
- (a) in the case of the United Kingdom, a real estate investment trust within the meaning of Part 12 of Corporation Tax Act 2010 and a property authorised investment fund within the meaning of Part 4A of the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964)
- (b) in the case of Singapore, a trust that is constituted as a collective investment scheme authorised under section 286 of the Securities and Futures Act (Chapter 289) and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets
- (4) The term ‘dividends’ as used in this Article means income from shares, or other rights, not being debt claims, participating in profits, as well as income from other corporate rights assimilated to income from shares by the taxation laws of the State of which the company making the distribution is a resident and also includes any other item which, under the laws of the Contracting State of which the company paying the dividends is a resident, is treated as a dividend or distribution of a

company. For the purposes of paragraphs 5, 6 and 7 of this Article, the term ‘dividends’ also includes distributions within the meaning of subparagraph b) of paragraph 2 of this Article and reference to a company shall be read as including reference to a real estate investment trust as appropriate.

(5) The provision of paragraphs (1) and (2) of this Article shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 of this Agreement, as the case may be, shall apply.

(6) Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in that other State.

(7) **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI<sup>1</sup>]** [The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the shares or other rights in respect of which the dividend is paid to take advantage of this Article by means of that creation or assignment].

(8) **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI<sup>2</sup>]** [In the event that a resident of a Contracting State is denied relief from taxation in the other Contracting State by reason of the provisions of paragraph (7) of this Article, the competent authority of the other Contracting State shall notify the competent authority of the first-mentioned Contracting State].

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<sup>1</sup> Refer to the box following Article 28 of the Agreement

<sup>2</sup> Refer to the box following Article 28 of the Agreement

## ARTICLE 11

### Interest

(1) Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

(2) However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 5 per cent of the gross amount of interest.

(3) Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if the recipient is the beneficial owner of that interest and:

- (a) is the Government of the other Contracting State
  - (b) is a bank or similar financial institution; or
  - (c) the interest is paid by a bank or similar financial institution
- (4) For the purposes of paragraph 3 of this Article, the term Government:
- (a) in the case of Singapore, means the Government of Singapore and shall include:
    - (i) the Monetary Authority of Singapore;
    - (ii) the Government of Singapore Investment Corporation Pte Ltd;
    - (iii) a statutory body; and
    - (iv) any institution wholly or mainly owned by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting States;
  - (b) in the case of United Kingdom, means the Government of the United Kingdom and shall include:
    - (i) the Bank of England;
    - (ii) the United Kingdom Export Credits Guarantee Department;
    - (iii) CDC Group plc;

- (iv) a statutory body; and
- (v) any institution wholly or mainly owned by the Government of the United Kingdom as may be agreed from time to time between the competent authorities of the Contracting States.

(5) The term 'interest' as used in this Article means income from debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures. The term interest shall not include any item which is treated as a distribution under the provisions of Article 10 of this Agreement.

(6) The provisions of paragraphs (1), (2) and (3) of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 of this Agreement, as the case may be, shall apply.

(7) Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

(8) Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest paid exceeds, for whatever reason, the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount of interest. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

(9) **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI<sup>3</sup>]** [The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment].

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<sup>3</sup> Refer to the box following Article 28 of the Agreement

(10) **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI<sup>4</sup>]** [In the event that a resident of a Contracting State is denied relief from taxation in the other Contracting State by reason of the provisions of paragraph (9) of this Article, the competent authority of that other Contracting State shall notify the competent authority of the first-mentioned Contracting State].

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<sup>4</sup> Refer to the box following Article 28 of the Agreement

## ARTICLE 12

### **Royalties**

(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed 8 per cent of the gross amount of the royalties.

(3) The term 'royalties' as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work (including cinematograph films, and films or tapes for radio or television broadcasting), any patent, trade mark, design or model, plan, secret formula or process, or for information (know-how) concerning industrial, commercial or scientific experience.

(4) (deleted)

(5) The provisions of paragraphs (1) and (2) of this Article shall not apply if the beneficial owner of the royalties or of the sums derived, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties or the sums arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid or the sums are derived is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 of this Agreement, as the case may be, shall apply.

(6) Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or fixed base in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

(7) Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid exceeds, for whatever reason, the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of

each Contracting State, due regard being had to the other provisions of this Agreement.

(8) **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI<sup>5</sup>]** [The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment].

(9) **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI<sup>6</sup>]** [In the event that a resident of a Contracting State is denied relief from taxation in the other Contracting State by reason of the provisions of paragraph (8) of this Article, the competent authority of the other Contracting State shall notify the competent authority of the first-mentioned Contracting State].

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<sup>5</sup> Refer to the box following Article 28 of the Agreement

<sup>6</sup> Refer to the box following Article 28 of the Agreement

## ARTICLE 13

### Capital gains

(1) Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 of this Agreement and situated in the other Contracting State may be taxed in that other State.

(2) Gains derived by a resident of a Contracting State from the alienation of:

(a) shares, other than shares traded on a recognised Stock Exchange, deriving at least three quarters of their value directly or indirectly from immovable property situated in the other Contracting State, or

(b) an interest in a partnership or trust the assets of which derive at least three quarters of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State. For the purposes of subparagraph (b) of this paragraph, assets consisting of shares referred to in subparagraph (a) of this paragraph shall be regarded as immovable property.

(3) Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.

(4) Gains derived by a resident of a Contracting State from the alienation of ships or aircraft operated in international traffic by an enterprise of that Contracting State or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Contracting State.

(5) Gains from the alienation of any property other than that referred to in paragraphs (1), (2), (3) and (4) of this Article shall be taxable only in the Contracting State of which the alienator is a resident.

(6) The provisions of paragraph (5) of this Article shall not affect the right of a Contracting State to levy according to its law a tax on capital gains from the alienation of any property derived by an individual who is a national of that Contracting State and who is a resident of the other Contracting State and has been a resident of the first-mentioned Contracting State at any time during the 5 years immediately preceding the alienation of the property.

## ARTICLE 14

**Independent personal services**

(1) Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State except in the following circumstances when such income may also be taxed in the other Contracting State:

- (a) if he has a fixed base regularly available to him in the other State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or
- (b) if his stay in the other State is for a period or periods exceeding in the aggregate 183 days in the fiscal year concerned; in that case, only so much of the income as is derived from his activities performed in that other State may be taxed in that other State provided that the provisions of subparagraph (b) shall cease to have effect for any fiscal year beginning after 5 years from the date on which the Second Protocol first had effect.

(2) The term 'professional services' includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

## ARTICLE 15

**Dependent personal services**

(1) Subject to the provisions of Articles 16, 18 and 19 of this Agreement, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

(2) Notwithstanding the provisions of paragraph (1) of this Article, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

- (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; and
- (b) the services are performed for or on behalf of a person who is a resident of the first-mentioned Contracting State; and
- (c) the remuneration is subject to tax in the first-mentioned Contracting State; and
- (d) the remuneration is not directly deductible from the profits for tax purposes of a permanent establishment or a fixed base in the other Contracting State

(3) Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State may be taxed in that State.

## ARTICLE 16

### **Directors' fees**

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

## ARTICLE 17

### **Artistes and sportsmen**

(1) Notwithstanding the provisions of Article 14 and Article 15 of this Agreement, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

(2) Where income in respect of or in connection with personal activities exercised by an entertainer or a sportsman accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15 of this Agreement, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this Article, income derived from activities as defined in paragraph (1) performed in a Contracting State by entertainers or sportsmen shall be exempt from tax in the Contracting State in which those activities are exercised if the visit to that Contracting State is wholly or substantially supported by public funds of the Government, a political subdivision, a local authority or a statutory body of the other Contracting State.

## ARTICLE 18

**Pensions**

- (1) Subject to the provisions of paragraph (2) of Article 19 of this Agreement:
- (a) pensions and other similar remuneration paid in consideration of past employment or self-employment
  - (b) any payments made under the social security legislation of either Contracting State, and
  - (c) any annuity paid

to an individual who is a resident of a Contracting State, and is subject to tax in respect thereof in that State, shall be taxable only in that State.

(2) The term 'annuity' means a stated sum payable to an individual periodically at stated times during his life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

## ARTICLE 19

**Government service**

- (1)
  - (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority or a statutory body thereof to an individual in respect of services rendered to that State, subdivision, authority or body shall be taxable only in that State.
  - (b) Notwithstanding the provisions of subparagraph (a) of this paragraph, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
    - (i) is a national of that State; or
    - (ii) did not become a resident of that State solely for the purpose of rendering the services
- (2)
  - (a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority or a statutory body thereof to an individual in respect of services rendered to that State, subdivision, authority or body shall be taxable only in that State.
  - (b) Notwithstanding the provisions of subparagraph (a) of this paragraph, such pension shall be taxable only in the other Contracting State if the individual is a resident of and a national of that State.
- (3) The provisions of Articles 15, 16 and 18 of this Agreement shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority or a statutory body thereof.

## ARTICLE 20

### **Students and trainees**

Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

ARTICLE 21

**Teachers**

(deleted)

## ARTICLE 22

### **Other income**

(1) Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement, shall be taxable only in that State.

(2) The provisions of paragraph (1) of this Article shall not apply to income, other than income from immovable property as defined in paragraph (2) of Article 6 of this Agreement, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 of this Agreement, as the case may be, shall apply.

(3) Notwithstanding the provisions of paragraph 1 of this Article, where an amount of income is paid to a resident of Singapore out of income received by trustees or personal representatives who are residents of the United Kingdom, that amount shall be treated as arising from the same sources, and in the same proportions, as the income received by the trustees or personal representatives out of which that amount is paid. Any tax paid by the trustees or personal representatives in respect of the income paid to the beneficiary shall be treated as if it had been paid by the beneficiary.

(4) Notwithstanding the provisions of paragraph 1 of this Article, withdrawals made by a resident of the United Kingdom from his Supplementary Retirement Scheme account under section 10L of the Singapore Income Tax Act (Chapter 134)(revised edition 2008) may be taxed in Singapore.

## ARTICLE 23

**Elimination of double taxation**

(1) Subject to the provisions of the law of the United Kingdom regarding the allowance as a credit against United Kingdom tax of tax payable in a territory outside the United Kingdom or, as the case may be, regarding the exemption from United Kingdom tax of a dividend arising in a territory outside the United Kingdom (which shall not affect the general principle hereof):

- (a) Singapore tax payable under the laws of Singapore and in accordance with this Agreement, whether directly or by deduction, on profits, income or chargeable gains from sources within Singapore (excluding in the case of a dividend tax payable in respect of the profits out of which the dividend is paid) shall be allowed as a credit against any United Kingdom tax computed by reference to the same profits, income or chargeable gains by reference to which the Singapore tax is computed
  - (b) a dividend which is paid by a company which is a resident of Singapore to a company which is a resident of the United Kingdom shall be exempted from United Kingdom tax, when the conditions for exemption under the law of the United Kingdom are met
  - (c) in the case of a dividend not exempted from tax under subparagraph (b) above (because the conditions for exemption under the law of the United Kingdom are not met) which is paid by a company which is a resident of Singapore to a company which is a resident of the United Kingdom and which controls directly or indirectly at least 10% of the voting power in the company paying the dividend, the credit mentioned in subparagraph (a) above shall also take into account the Singapore tax payable by the company in respect of its profits out of which such dividend is paid
- (2) In Singapore, double taxation shall be avoided as follows:
- (a) Where a resident of Singapore derives income from the United Kingdom which, in accordance with the provisions of this Agreement, may be taxed in the United Kingdom, Singapore shall, subject to its laws regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, allow the United Kingdom tax paid, whether directly or by deduction, as a credit against the Singapore tax payable on the income of that resident. Where such income is a dividend paid by a company which is a resident of the United Kingdom to a resident of Singapore which is a company owning directly or indirectly not less than 10% of the share capital of the first-mentioned company, the credit shall take into account the United Kingdom tax paid

by that company on the portion of its profits out of which the dividend is paid.

- (b) Where a resident of Singapore derives income from the United Kingdom, Singapore shall, subject to the conditions for exemption of income received from outside Singapore provided for in the Singapore Income Tax Act being satisfied, exempt such income from tax in Singapore.

(3) For the purposes of paragraphs (1) and (2) of this Article, profits, income and capital gains owned by a resident of a Contracting State which may be taxed in the other Contracting State in accordance with this Agreement shall be deemed to arise from sources in that other Contracting State.

ARTICLE 24

**Limitation of relief**

(deleted)

## ARTICLE 25

**Non-discrimination**

(1) Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected.

(2) The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

(3) Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

(4) Nothing in this Article shall be construed as obliging a Contracting State to grant to:

- (a) individual residents of the other Contracting State any personal allowances, reliefs and reductions for tax purposes on account of civil status or family responsibilities which it grants to its own residents; or
- (b) nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own nationals who are not resident in that Contracting State or to such other persons as may be specified in the taxation laws of that Contracting State

(5) Where a Contracting State grants tax incentives exclusively to its nationals designed to promote economic or social development in accordance with its national policy and criteria that limitation shall not be construed as discrimination under this Article.

(6) The provisions of this Article shall apply to the taxes which are the subject of this Agreement.

## ARTICLE 26

**Mutual agreement procedure**

(1) Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph (1) of Article 25 of this Agreement, to that of the Contracting State of which he is a national.

*The following second sentence of paragraph 1 of Article 16 of the MLI applies and supersedes the provisions of this Agreement:*<sup>7</sup>

## ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of [*the Agreement*].

(2) The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Agreement.

*The following second sentence of paragraph 2 of Article 16 of the MLI applies to this Agreement:*<sup>8</sup>

## ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of [*the Contracting States*].

(3) The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

<sup>7</sup> In accordance with paragraph 4 of Article 35 of the MLI, Article 16 of the MLI has effect with respect to this Agreement for a case presented to the competent authority of a *Contracting State* on or after 1 April 2019, except for cases that were not eligible to be presented as of that date under this Agreement prior to its modification by the MLI, without regard to the taxable period to which the case relates

<sup>8</sup> In accordance with paragraph 4 of Article 35 of the MLI, Article 16 of the MLI has effect with respect to this Agreement for a case presented to the competent authority of a *Contracting State* on or after 1 April 2019, except for cases that were not eligible to be presented as of that date under this Agreement prior to its modification by the MLI, without regard to the taxable period to which the case relates.

(4) The competent authorities of the Contracting State may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

*The following Part VI of the MLI applies to this Agreement:<sup>9</sup>*

## PART VI OF THE MLI (ARBITRATION)

*[Article 19 (Mandatory Binding Arbitration) of the MLI]*

1. Where:

- a) under *[paragraph (1) of Article 26 of this Agreement]*, a person has presented a case to the competent authority of a *[Contracting State]* on the basis that the actions of one or both of the *[Contracting States]* have resulted for that person in taxation not in accordance with the provisions of *[the Agreement]*; and
- b) the competent authorities are unable to reach an agreement to resolve that case pursuant to *[paragraph (2) of Article 26 of the Agreement]*, within a period of two years beginning on the start date referred to in paragraph 8 or 9 *[of Article 19 of the MLI]*, as the case may be (unless, prior to the expiration of that period the competent authorities of the *[Contracting States]* have agreed to a different time period with respect to that case and have notified the person who presented the case of such agreement),

any unresolved issues arising from the case shall, if the person so requests in writing, be submitted to arbitration in the manner described in *[Part VI of the MLI]*, according to any rules or procedures agreed upon by the competent authorities of the *[Contracting States]* pursuant to the provisions of *[paragraph 10 of Article 19 of the MLI]*.

2. Where a competent authority has suspended the mutual agreement procedure referred to in paragraph 1 *[of Article 19 of the MLI]* because a case with respect to one or more of the same issues is pending before court or administrative tribunal, the period provided in subparagraph b) of paragraph 1 *[of Article 19 of the MLI]* will stop running until either a final decision has been rendered by the court or administrative tribunal or the case has been suspended or withdrawn. In addition, where a person who presented a case and a competent authority have agreed to

<sup>9</sup> In accordance with paragraph 1 of Article 36 of the MLI, the provisions of Part VI (Arbitration) of the MLI have effect with respect to this Agreement with respect to cases presented to the competent authority of a *Contracting State* on or after 1 April 2019.

In accordance with paragraph 2 of Article 36 of the MLI, the provisions of Part VI (Arbitration) of the MLI apply to a case presented to the competent authority of a *Contracting State* prior to 1 April 2019 only to the extent that the competent authorities of both *Contracting States* agree that it will apply to that specific case.

suspend the mutual agreement procedure, the period provided in subparagraph b) of paragraph 1 [of Article 19 of the MLI] will stop running until the suspension has been lifted.

3. Where both competent authorities agree that a person directly affected by the case has failed to provide in a timely manner any additional material information requested by either competent authority after the start of the period provided in subparagraph b) of paragraph 1 [of Article 19 of the MLI], the period provided in subparagraph b) of paragraph 1 [of Article 19 of the MLI] shall be extended for an amount of time equal to the period beginning on the date by which the information was requested and ending on the date on which that information was provided.

4. a) The arbitration decision with respect to the issues submitted to arbitration shall be implemented through the mutual agreement concerning the case referred to in paragraph 1 [of Article 19 of the MLI]. The arbitration decision shall be final.
- b) The arbitration decision shall be binding on both [Contracting States] except in the following cases:
- i) if a person directly affected by the case does not accept the mutual agreement that implements the arbitration decision. In such a case, the case shall not be eligible for any further consideration by the competent authorities. The mutual agreement that implements the arbitration decision on the case shall be considered not to be accepted by a person directly affected by the case if any person directly affected by the case does not, within 60 days after the date on which notification of the mutual agreement is sent to the person, withdraw all issues resolved in the mutual agreement implementing the arbitration decision from consideration by any court or administrative tribunal or otherwise terminate any pending court or administrative proceedings with respect to such issues in a manner consistent with that mutual agreement.
  - ii) if a final decision of the courts of one of the [Contracting States] holds that the arbitration decision is invalid. In such a case, the request for arbitration under paragraph 1 [of Article 19 of the MLI] shall be considered not to have been made, and the arbitration process shall be considered not to have taken place (except for the purposes of Articles 21 (Confidentiality of Arbitration Proceedings) and 25 (Costs of Arbitration Proceedings) [of the MLI]). In such a case, a new request for arbitration may be made unless the competent authorities agree that such a new request should not be permitted.

- iii) if a person directly affected by the case pursues litigation on the issues which were resolved in the mutual agreement implementing the arbitration decision in any court or administrative tribunal.

5. The competent authority that received the initial request for a mutual agreement procedure as described in subparagraph a) of paragraph 1 [*of Article 19 of the MLI*] shall, within two calendar months of receiving the request:

- a) send a notification to the person who presented the case that it has received and request; and

- b) send a notification of that request, along with the copy of the request, to the competent authority of the other [Contracting State]

6. Within three calendar months after a competent authority receives the request for a mutual agreement procedure (or a copy thereof from the competent authority of the other [*Contracting State*]) it shall either:

- a) notify the person who has presented the case and the other competent authority that it has received the information necessary to undertake substantive consideration of the case; or

- b) request additional information from that person for that purpose.

7. Where pursuant to subparagraph b) of paragraph 6 [*of Article 19 of the MLI*], one or both of the competent authorities have requested from the person who presented the case additional information necessary to undertake substantive consideration of the case, the competent authority that requested the additional information shall, within three calendar months of receiving the additional information from that person, notify that person and the other competent authority either:

- a) that it has received the requested information; or

- b) that some of the requested information is still missing.

8. Where neither competent authority has requested additional information pursuant to subparagraph b) of paragraph 6 [*of Article 19 of the MLI*], the start date referred to in paragraph 1 [*of Article 19 of the MLI*] shall be the earlier of:

- a) the date on which both competent authorities have notified the person who presented the case pursuant to subparagraph a) of paragraph 6 [*of Article 19 of the MLI*]; and

- b) the date that is three calendar months after the notification to the competent authority of the other [*Contracting State*] pursuant to subparagraph b) of paragraph 5 [*of Article 19 of the MLI*].

9. Where additional information has been requested pursuant to subparagraph b) of paragraph 6 [*of Article 19 of the MLI*], the start date referred to in paragraph 1 [*of Article 19 of the MLI*] shall be the earlier of:

- a) the latest date on which the competent authorities that requested additional information have notified the person who presented the case and the other competent authority pursuant to subparagraph a) of paragraph 7 [*of Article 19 of the MLI*]; and
- b) the date that is three calendar months after both competent authorities have received all information requested by either competent authority from the person who presented the case.

If, however, one or both of the competent authorities send the notification referred to in subparagraph b) of paragraph 7 [*of Article 19 of the MLI*], such notification shall be treated as a request for additional information under subparagraph b) of paragraph 6 [*of Article 19 of the MLI*].

10. The competent authorities of the [*Contracting States*] shall by mutual agreement pursuant to [*Article 26 of the Agreement*] settle the mode of application of the provisions contained in [*Part VI of the MLI*], including the minimum information necessary for each competent authority to undertake substantive consideration of the case. Such an agreement shall be concluded before the date on which unresolved issues in a case are first eligible to be submitted to arbitration and may be modified from time to time thereafter.

12.

- a) any unresolved issue arising from a mutual agreement procedure case otherwise within the scope of the arbitration process provided for [*by the MLI*] shall not be submitted to arbitration, if a decision on this issue has already been rendered by a court or administrative tribunal of either [*Contracting State*];
- b) if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision to the competent authorities of the [*Contracting States*], a decision concerning the issue is rendered by a court or administrative tribunal of one of the [*Contracting States*], the arbitration process shall terminate.

*Article 20 (Appointment of Arbitrators) of the MLI*

1. Except to the extent that the competent authorities of the [*Contracting States*] mutually agree on different rules, paragraphs 2 through 4 [*of Article 20 of the MLI*] shall apply for the purposes of [*Part VI of the MLI*].
2. The following rules shall govern the appointment of the members of an arbitration panel:
  - a) The arbitration panel shall consist of three individual members with expertise or experience in international tax matters.
  - b) Each competent authority shall appoint one panel member within 60 days of the date of the request for arbitration under paragraph 1 [*of Article 19 of the MLI*]. The two panel members so appointed shall, within 60 days of the latter of their appointments, appoint a third member who shall serve as Chair of the arbitration panel. The Chair shall not be a national or resident of either [*Contracting State*].
  - c) Each member appointed to the arbitration panel must be impartial and independent of the competent authorities, tax administrations, and ministries of finance of the [*Contracting States*] and of all persons directly affected by the case (as well as their advisors) at the time of accepting an appointment, maintain his or her impartiality and independence throughout the proceedings, and avoid any conduct for a reasonable period of time thereafter which may damage the appearance of impartiality and independence of the arbitrators with respect to the proceedings.
3. In the event that the competent authority of a [*Contracting State*] fails to appoint a member of the arbitration panel in the manner and within the time periods specified in paragraph 2 [*of Article 20 of the MLI*] or agreed to by the competent authorities of the [*Contracting States*], a member shall be appointed on behalf of that competent authority by the highest ranking official of the Centre for Tax Policy and Administration of the Organisation for Economic Co-operation and Development that is not a national of either [*Contracting State*].
4. If the two initial members of the arbitration panel fail to appoint the Chair in the manner and within the time periods specified in paragraph 2 [*of Article 20 of the MLI*] or agreed to by the competent authorities of the [*Contracting States*], the Chair shall be appointed by the highest ranking official of the Centre for Tax Policy and Administration of the Organisation for Economic Co-operation and Development that is not a national of either [*Contracting State*].

*Article 21 (Confidentiality of Arbitration Proceedings) of the MLI*

1. Solely for the purposes of the application of the provisions of [*Part VI of the MLI*] and of the provisions of [*the Agreement*] and of the domestic laws of the [*Contracting States*] related to the exchange of information, confidentiality, and administrative assistance, members of the arbitration panel and a maximum of three staff per member (and prospective arbitrators solely to the extent necessary to verify their ability to fulfil the requirements of arbitrators) shall be considered to be persons or authorities to whom information may be disclosed. Information received by the arbitration panel or prospective arbitrators and information that the competent authorities receive from the arbitration panel shall be considered information that is exchanged under the provisions of [*the Agreement*] related to the exchange of information and administrative assistance.

2. The competent authorities of the [*Contracting States*] shall ensure that members of the arbitration panel and their staff agree in writing, prior to their acting in an arbitration proceeding, to treat any information relating to the arbitration proceeding consistently with the confidentiality and nondisclosure obligations described in the provisions of [*the Agreement*] related to exchange of information and administrative assistance and under the applicable laws of the [*Contracting States*].

*Article 22 (Resolution of a Case Prior to the Conclusion of the Arbitration) of the MLI*

For the purposes of [*Part VI of the MLI*] and the provisions of [*this Agreement*] that provide for resolution of cases through mutual agreement, the mutual agreement procedure, as well as the arbitration proceeding, with respect to a case shall terminate if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision to the competent authorities of the [*Contracting States*]:

- a) the competent authorities of the Contracting Jurisdictions reach a mutual agreement to resolve the case; or
- b) the person who presented the case withdraws the request for arbitration or the request for a mutual agreement procedure.

*Article 23 (Type of Arbitration Process) of the MLI*

[*Final offer*]

1. Except to the extent that the competent authorities of the [*Contracting States*] mutually agree on different rules, the following rules shall apply with respect to an arbitration proceeding pursuant to this Part:

- a) After a case is submitted to arbitration, the competent authority of each [*Contracting State*] shall submit to the arbitration panel, by a date set by agreement, a proposed resolution which addresses all unresolved issue(s) in the case (taking into account all agreements previously reached in that case between the competent authorities of the [*Contracting States*]). The proposed resolution shall be limited to a disposition of specific monetary amounts (for example, of income or expense) or, where specified, the maximum rate of tax charged pursuant to [*this Agreement*], for each adjustment or similar issue in the case. In a case in which the competent authorities of the [*Contracting States*] have been unable to reach agreement on an issue regarding the conditions for application of a provision of [*this Agreement*] (hereinafter referred to as a “threshold question”), such as whether an individual is a resident or whether a permanent establishment exists, the competent authorities may submit alternative proposed resolutions with respect to issues the determination of which is contingent on resolution of such threshold questions.
- b) The competent authority of each [*Contracting State*] may also submit a supporting position paper for consideration by the arbitration panel. Each competent authority that submits a proposed resolution or supporting position paper shall provide a copy to the other competent authority by the date on which the proposed resolution and supporting position paper were due. Each competent authority may also submit to the arbitration panel, by a date set by agreement, a reply submission with respect to the proposed resolution and supporting position paper submitted by the other competent authority. A copy of any reply submission shall be provided to the other competent authority by the date on which the reply submission was due.
- c) The arbitration panel shall select as its decision one of the proposed resolutions for the case submitted by the competent authorities with respect to each issue and any threshold questions, and shall not include a rationale or any other explanation of the decision. The arbitration decision will be adopted by a simple majority of the panel members. The arbitration panel shall deliver its decision in writing to the competent authorities of the [*Contracting States*]. The arbitration decision shall have no precedential value.

5. Prior to the beginning of arbitration proceedings, the competent authorities of the [*Contracting States*] shall ensure that each person that presented the case and their advisors agree in writing not to disclose to any other person any information received during the course of the arbitration proceedings from either competent authority or the arbitration panel. The mutual agreement procedure under [*this Agreement*], as well as the arbitration proceeding under [*Part VI of the MLI*] with respect to the case shall terminate if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision to the

competent authorities of the [Contracting States], a person that presented the case or one of that person's advisors materially breaches that agreement.

*Article 24 (Agreement on a Different Resolution) of the MLI*

2. Notwithstanding paragraph 4 of Article 19 [of the MLI], an arbitration decision pursuant to [Part VI of the MLI] shall not be binding on the [Contracting States] and shall not be implemented if the competent authorities of the [Contracting States] agree on a different resolution of all unresolved issues within three calendar months after the arbitration decision has been delivered to them.

*Article 25 (Costs of Arbitration Proceedings of the MLI)*

In an arbitration proceeding under [Part VI of the MLI], the fees and expenses of the members of the arbitration panel, as well as any costs incurred in connection with the arbitration proceedings by the [Contracting States], shall be borne by the [Contracting States] in a manner to be settled by mutual agreement between the competent authorities of the [Contracting States]. In the absence of such agreement, each [Contracting State] shall bear its own expenses and those of its appointed panel member. The cost of the chair of the arbitration panel and other expenses associated with the conduct of the arbitration proceedings shall be borne by the [Contracting States] in equal shares.

*Article 26 (Compatibility) of the MLI*

2. Any unresolved issue arising from a mutual agreement procedure case otherwise within the scope of the arbitration process provided for in [Part VI of the MLI] shall not be submitted to arbitration if the issue falls within the scope of a case with respect to which an arbitration panel or similar body has previously been set up in accordance with a bilateral or multilateral agreement that provides for mandatory binding arbitration of unresolved issues arising from a mutual agreement procedure case.

3. [Nothing] in [Part VI of the MLI] shall affect the fulfilment of wider obligations with respect to the arbitration of unresolved issues arising in the context of a mutual agreement procedure resulting from other agreements to which the [Contracting States] are or will become parties.

*Subparagraph a) of paragraph 2 of Article 28 of the MLI*

*Pursuant to subparagraph a) of paragraph 2 of Article 28 of the MLI, the Republic of Singapore formulates the following reservations with respect to the scope of cases that shall be eligible for arbitration under the provisions of Part VI of the MLI:*

a) The Republic of Singapore reserves the right to exclude from the scope of [Part VI of the MLI] (Arbitration) cases involving the application of its domestic general anti-avoidance rules contained in Section 33 of the Income Tax Act, case law or juridical doctrines. Any subsequent provisions replacing, amending or updating these anti-avoidance rules would also be comprehended. The Republic of Singapore shall notify the Depositary of any such subsequent provisions.

b) [*not applicable*]

## ARTICLE 27

**Exchange of information**

(1) The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

(2) Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

(3) In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

- (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State
- (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State
- (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy

(4) If information is requested by a Contracting State in accordance with the provisions of this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 of this Article but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

(5) In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is

held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

## ARTICLE 28

### **Members of diplomatic or permanent missions and consular posts**

(1) Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic or permanent missions or consular posts under the general rules of international law or under the provisions of special agreements.

(2) Notwithstanding the provisions of paragraph (1) of Article 4 of this Agreement, an individual who is a member of a diplomatic or permanent mission or consular post of a Contracting State or of any third state which is situated in the other Contracting State or who is an official of an international organisation, and any member of the family of such an individual, shall not be deemed to be a resident of the other State for the purposes of this Agreement if he is subject to tax on income or capital gains in that other State only if he derives income or capital gains from sources therein.

*The following paragraph 1 of Article 7 of the MLI replaces paragraph (7) and paragraph (8) of Article 10 of this Agreement, paragraph (9) and paragraph (10) of Article 11 of this Agreement and paragraph (8) and paragraph (9) of Article 12 of this Agreement:*

#### ARTICLE 7 OF THE MLI – PREVENTION OF TREATY ABUSE

##### *(Principal purposes test provision)*

Notwithstanding any provisions of [*this Agreement*], a benefit under [*this Agreement*] shall not be granted in respect of an item of income or capital if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of [*this Agreement*].

*The following paragraph 4 of Article 7 of the MLI replaces paragraph (7) and paragraph (8) of Article 10 of this Agreement, paragraph (9) and paragraph (10) of Article 11 of this Agreement and paragraph (8) and paragraph (9) of Article 12 of this Agreement:*

#### ARTICLE 7 OF THE MLI – PREVENTION OF TREATY ABUSE

Where a benefit under [*this Agreement*] is denied to a person under provisions of [*paragraph 1 of Article 7 of the MLI*] that deny all or part of the benefits that would otherwise be provided under [*this Agreement*] where the principal purpose or one of the principal purposes of any arrangement or transaction, or of any person concerned with an arrangement or transaction, was to obtain those benefits, the competent authority of the [*Contracting State*] that would otherwise have granted this benefit shall nevertheless treat that person as being entitled to this benefit, or to different benefits with respect to a specific item of income or capital, if such competent authority, upon request from that person and after consideration of the relevant facts and circumstances, determines that such benefits would have been granted to that person in the absence of the transaction or arrangement. The competent authority of the [*Contracting State*] to which a request has been made under this paragraph by a resident of the other [*Contracting State*] shall consult with the competent authority of that other [*Contracting State*] before rejecting the request.

## ARTICLE 29

**Entry into force**

(1) Each of the Contracting States shall notify to the other the completion of the procedures required by its law for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect:

(a) in the United Kingdom:

- (i) in respect of Income Tax and Capital Gains Tax, for any year of assessment beginning on or after 6 April in the calendar year next following that in which the Agreement enters into force;
- (ii) in respect of Corporation Tax, for any financial year beginning on or after 1 April in the calendar year next following that in which the Agreement enters into force;

(b) in Singapore:

in respect of Singapore tax for any year of assessment beginning on or after 1 January in the second calendar year following that in which the Agreement enters into force.

(2) The 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 of Taxes on Income signed at Singapore on 1 December 1966 as amended by the Protocol signed at London on 21 July 1975 (hereinafter referred to as the 1966 Agreement) shall terminate and cease to be effective from the date upon which this Agreement has effect in respect of the taxes to which this Agreement applies in accordance with the provisions of paragraph (1) of this Article.

## ARTICLE 30

**Termination**

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving notice of termination at least 6 months before the end of any calendar year beginning after the expiry of five years from the date of entry into force of the Agreement. In such event, the Agreement shall cease to have effect:

- (a) in the United Kingdom:
  - (i) in respect of Income Tax and Capital Gains Tax, for any year of assessment beginning on or after 6 April in the calendar year next following that in which the notice is given;
  - (ii) in respect of Corporation Tax, for any financial year beginning on or after 1 April in the calendar year next following that in which the notice is given;
- (b) in Singapore:
  - in respect of Singapore tax for any year of assessment beginning on or after 1 January in the second calendar year following that in which the notice is given.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Singapore this 12 day of February 1997.

**For the Government of the United Kingdom of Great Britain and Northern Ireland:**

Malcolm Rifkind

**For the Government of the Republic of Singapore**

Richard Hu

**Exchange of notes I.**

Your Excellency,

Singapore

12<sup>th</sup> February 1997

I have the honour to refer to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income and capital gains which has been signed today and to propose on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland that:

(1) for the purposes of the Agreement a charity or pension fund created, established and recognised for tax purposes in a Contracting State shall be treated as a resident of that State

(2) *in relation to paragraph (3) of Article 8:*

this provision shall not apply to interest which arises from the lending of funds between associated enterprises.

(3) *in relation to paragraph (1) of Article 17:*

income referred to in this paragraph shall include income derived from any personal activities exercised by a resident of one Contracting state in the other Contracting State relating to his reputation as an entertainer or sportsman

(4) *in relation to Article 18:*

the term 'annuity' refers to an annuity paid in recognition of past employment services

If the foregoing proposals are acceptable to the Government of the Republic of Singapore, I have the honour to suggest that the present note and Your Excellency's reply to that effect should be regarded as constituting an agreement between the two Governments in this matter, which shall enter into force at the same time as the entry into force of the Agreement.

Malcolm Rifkind  
Secretary of State  
for Foreign and Commonwealth Affairs  
of the United Kingdom of  
Great Britain and Northern Ireland

## Exchange of notes II.

Your Excellency

Singapore

12 February 1997

I have the honour to acknowledge the receipt of your note of today's date which reads as follows:

'I have the honour to refer to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income and capital gains which has been signed today and to propose on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland that:

(1) for the purposes of the Agreement a charity or pension fund created, established and recognised for tax purposes in a Contracting State shall be treated as a resident of that State

(2) *in relation to paragraph (3) of Article 8:*

this provision shall not apply to interest which arises from the lending of funds between associated enterprises.

(3) *in relation to paragraph (1) of Article 17:*

income referred to in this paragraph shall include income derived from any personal activities exercised by a resident of one Contracting State in the other Contracting State relating to his reputation as an entertainer or sportsman

(4) *in relation to Article 18:*

the term 'annuity' refers to an annuity paid in recognition of past employment services

If the foregoing proposals are acceptable to the Government of the Republic of Singapore, I have the honour to suggest that the present note and Your Excellency's reply to that effect should be regarded as constituting an agreement between the 2 Governments in this matter, which shall enter into force at the same time as the entry into force of the Agreement.'

I have further the honour to confirm that the Government of the Republic of Singapore accepts the proposals contained in your note and agrees that the same and the present reply shall be regarded as constituting an agreement between the two Governments in

this matter, which shall enter into force at the same time as the entry into force of the Agreement.

Richard Hu

Minister for Finance  
of the Republic of Singapore