

SYNTHESISED TEXT OF THE MLI AND THE CONVENTION BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS, SIGNED AT BRUSSELS ON 1 JUNE 1987, AS AMENDED BY THE PROTOCOL SIGNED AT PARIS ON 24 JUNE 2009.

This document was prepared in consultation with the competent authority of the United Kingdom and represents our shared understanding of the modifications made to the Convention by the MLI.

General disclaimer on the Synthesised text document

This document presents the synthesised text for the application of the Convention between Government of the Kingdom of Belgium and the Government of the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains signed on 1 June 1987 and the Protocol signed on 24 June 2009 (together the “Convention”), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by Belgium and the United Kingdom on 7 June 2017 (the “MLI”).

The document was prepared on the basis of the MLI position of Belgium submitted to the Depository upon ratification on 26 June 2019 and of the MLI position of the United Kingdom submitted to the Depository upon ratification on 29 June 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 this Convention.

The authentic legal texts of the Convention 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 Convention are included in boxes throughout the text of this document in the context of the relevant provisions of the Convention. The boxes containing the provisions of the MLI have generally been inserted in accordance with the ordering of the provisions of the 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 Convention (such as “Covered Tax Agreement” and “Convention”, “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 Convention: 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 Convention or to the Convention must be understood as referring to the Convention as modified by the provisions of the MLI, provided such provisions of the MLI have taken effect.

References

The authentic legal texts of the MLI and the Convention 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 Belgium:

<http://www.dekamer.be/digidoc/DPS/K2047/K20474151/K20474151.pdf>

http://www.ejustice.just.fgov.be/mopdf/2012/12/28_3.pdf#Page5

In the United Kingdom:

http://www.legislation.gov.uk/uksi/1987/2053/pdfs/uksi_19872053_en.pdf

http://www.legislation.gov.uk/uksi/2010/2979/pdfs/uksi_20102979_en.pdf

The MLI position of Belgium submitted to the Depository upon ratification on 26 June 2019 and of the MLI position of the United Kingdom submitted to the Depository upon ratification on 29 June 2018 can be found [on the MLI Depository \(OECD\) webpage](#).

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

Entry into Effect of the MLI Provisions:

The provisions of the MLI applicable to this Convention do not take effect on the same dates as the original provisions of the Convention. 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 Belgium and the United Kingdom in their MLI positions.

Dates of the deposit of instruments of ratification, acceptance or approval: 26 June 2019 for Belgium and 29 June 2018 for the United Kingdom.

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

This document provides specific information on the dates on or after which each of the provisions of the MLI has effect with respect to the Convention throughout this document.

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

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2020;
- with respect to all other taxes levied by Belgium, for taxes levied with respect to taxable periods beginning on or after 1 April 2020; and
- with respect to the United Kingdom, from 1 April 2020 for Corporation tax and from 6 April 2020 for income tax and capital gains tax.

**CONVENTION BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND
THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME
AND CAPITAL GAINS, SIGNED AT BRUSSELS ON 1 JUNE 1987, AS AMENDED BY THE
PROTOCOL SIGNED AT PARIS ON 24 JUNE 2009.**

The Government of the Kingdom of Belgium and the Government of the United Kingdom of Great Britain and Northern Ireland;

[REPLACED by paragraphs 1 and 3 of Article 6 of the MLI] [Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and 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 Convention:

ARTICLE 6 OF THE MLI - PURPOSE OF A COVERED TAX AGREEMENT

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

Intending to eliminate double taxation with respect to the taxes covered by [*this Convention*] 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 Convention*] for the indirect benefit of residents of third jurisdictions),

Have agreed as follows:

ARTICLE 1 – PERSONAL SCOPE

This Convention shall apply to persons who are residents of one or both of the Contracting States.

The following paragraph 1 of Article 3 of the MLI applies and supersedes the provisions of this Convention:

ARTICLE 3 OF THE MLI – TRANSPARENT ENTITIES

For the purposes of [*the Convention*], income derived by or through an entity or arrangement that is treated as wholly or partly fiscally transparent under the tax law of either [*Contracting State*] shall be considered to be income of a resident of a [*Contracting State*] but only to the extent that the income is treated, for purposes of taxation by that [*Contracting State*], as the income of a resident of that [*Contracting State*].

The following paragraph 1 of Article 11 of the MLI replaces paragraph 5 of Article 28 of this Convention:

ARTICLE 11 OF THE MLI – APPLICATION OF TAX AGREEMENTS TO RESTRICT A PARTY’S RIGHT TO TAX ITS OWN RESIDENTS

[*The Convention*] shall not affect the taxation by a [*Contracting State*] of its residents, except with respect to the benefits granted [*under paragraph 2 of Article 9, Articles 18, 19 and 20, paragraph 5 a) of Article 21, Articles 23, 24, 25, and 27 of this Convention*].

ARTICLE 2 – TAXES COVERED

1. This Convention shall apply to taxes on income and on capital gains imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income 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, as well as taxes on capital appreciation.
3. The existing taxes to which the Convention shall apply are in particular:
 - (a) in the United Kingdom :
 - (i) the income tax;
 - (ii) the corporation tax;
 - (iii) the capital gains tax;
 - (iv) the petroleum revenue tax;

(hereinafter referred to as "United Kingdom tax");
 - (b) in Belgium:
 - (i) the individual income tax (l'impôt des personnes physiques - de personenbelasting);
 - (ii) the corporate income tax (l'impôt des sociétés - de vennootschapsbelasting);
 - (iii) the income tax on legal entities (l'impôt des personnes morales - de rechtspersonenbelasting);
 - (iv) the income tax on non-residents (l'impôt des non-résidents - de belasting van niet-inwoners);

including the prepayments and the surcharges on these taxes and prepayments;

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

ARTICLE 3 – GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:
 - (a) the term "United Kingdom", when used in a geographical sense, 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 "Belgium", when used in a geographical sense, means the national territory, the territorial sea and any area adjacent to the territorial sea of Belgium within which in accordance with international law the sovereign rights of the Kingdom of Belgium with respect to the seabed and subsoil and their natural resources may be exercised;
 - (c) the terms "a Contracting State" and "the other Contracting State" mean the United Kingdom or Belgium, as the context requires;
 - (d) the term "tax" means United Kingdom tax or Belgian tax, as the context requires;
 - (e) the term "person" includes an individual, a company and any other body of persons;
 - (f) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - (g) the terms "enterprise of a contracting State" and "enterprise of the other contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - (h) the term "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 Belgium, any individual possessing the nationality of Belgium and any legal person, partnership or association deriving its status as such from the law in force in Belgium;
 - (i) the term "international traffic" means any transport by a ship, an aircraft or a road or railway vehicle operated by an enterprise of a Contracting State, except when the ship, aircraft or road or railway vehicle is operated solely between places in the other Contracting State;
 - (j) the term "competent authority" means:
 - (i) in Belgium, the minister of Finance or his authorised representative; And
 - (ii) in the United Kingdom, the Commissioners for her Majesty's Revenue and Customs or their authorised representative;
 - (k) the term "political subdivision", in relation to the United Kingdom, includes

Northern Ireland.

- (1) the term "pension scheme" means any plan, scheme, fund, trust or other arrangement established in a Contracting State:
 - (i) to the extent that it is operated to administer or provide pension or retirement benefits or to earn income for the benefit of one or more such arrangements, and
 - (ii) provided that it is either :
 - A) in the case of Belgium, an entity, including pension funds, or a pension scheme arranged through an insurance company, that is organised under Belgian law and is regulated by the Banking, Finance and Insurance Commission or registered with the Belgian tax administration; or
 - B) in the case of the United Kingdom, a pension scheme (other than a social security scheme) registered under Part 4 of the Finance Act 2004, including pension funds or pension schemes arranged through insurance companies and unit trusts where the unit holders are exclusively pension schemes.

The competent authorities may agree to include in the above, pension schemes of identical or substantially similar economic or legal nature.

2. As regards the application of the Convention by a Contracting State any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the law of that State concerning the taxes to which the Convention applies.

ARTICLE 4 – RESIDENT

1. For the purposes of this Convention, 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. However, this term does not include any person who is liable to tax in a Contracting State in respect only of income from sources in that State.
2. Where by reason of the provisions of paragraph (1) of this Article an individual is a resident of both Contracting States, then this status shall be determined as follows:
 - a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
 - b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
 - c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;
 - d) if he is a national of both 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 of the State in which its place of effective management is situated.
4. Notwithstanding the provisions of this Article, the Government of a Contracting State, a political subdivision or a local authority thereof, the Central Bank of a Contracting State or any agency (other than an agency with share capital) wholly owned by a Contracting State, a political subdivision or local authority thereof shall be deemed to be a resident of that Contracting State, whether or not it is liable to tax therein. The competent authorities of the Contracting States may determine by mutual agreement any other governmental institution to which this paragraph shall apply.
5. The term “resident of a Contracting State” includes:
 - (a) a pension scheme established in that State; and
 - (b) a non-profit organisation that is established and is operated exclusively for religious, charitable, scientific, cultural or educational purposes (or for more than one of those purposes) which is a resident of that State according to its laws, notwithstanding that all or part of its income or gains may be exempt from tax under the domestic law of that State.

ARTICLE 5 – PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, 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;
 - e) a factory;
 - f) a workshop, and
 - g) a mine, an oil or gas well, a quarry or any other place of extraction or exploitation of natural resources.
3. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than twelve months.
4. 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 sub-paragraphs (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.

The following paragraph 4 of Article 13 of the MLI applies to paragraph 4 of Article 5 of this Convention:

ARTICLE 13 OF THE MLI – ARTIFICIAL AVOIDANCE OF PERMANENT ESTABLISHMENT STATUS THROUGH SPECIFIC ACTIVITY EXEMPTIONS

[Paragraph 4 of Article 5 of the Convention] shall not apply to a fixed place of business that is used or maintained by an enterprise if the same enterprise or a closely related enterprise carries on business activities at the same place or at another place in the same *[Contracting State]* and:

- (a) that place or other place constitutes a permanent establishment for the enterprise or the closely related enterprise under the provisions of *[Article 5 of the Convention]*; or
- (b) the overall activity resulting from the combination of the activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, is not of a preparatory or auxiliary character,

provided that the business activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, constitute complementary functions that are part of a cohesive business operation.

5. 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 (6) 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 in the name 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 a person are limited to those mentioned in paragraph (4) of this Article which, if exercised through a fixed place of business, would not make that fixed place of business a permanent establishment under the provisions of that paragraph.
6. 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.
7. Nothing in this Article shall prevent an insurance enterprise of a Contracting State from being deemed to have a permanent establishment in the other Contracting State when it collects premiums there or insures risks situated there through an intermediary or agent established there - but not including any such agent as is mentioned in paragraph (6) of this Article unless he has, and habitually exercises, an authority to conclude contracts in the name of the enterprise.
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.

The following paragraph 1 of Article 15 of the MLI applies to provisions of this Convention:

ARTICLE 15 OF THE MLI – DEFINITION OF A PERSON CLOSELY RELATED TO AN ENTERPRISE

For the purposes of the provisions of [*Article 5 of the Convention*], a person is closely related to an enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons or enterprises. In any case, a person shall be considered to be closely related to an enterprise if one possesses directly or indirectly more than 50 per cent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise.

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, boats 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 or enjoyment, 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 acting wholly independently.
3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the 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 of this Article, 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 which are dealt with separately in other Articles of this Convention, 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. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

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 income, deductions, receipts or outgoings which would, but for those conditions, have been attributed to one of the enterprises, but, by reason of those conditions, have not been so attributed, may be included in the profits or losses 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 items so included comprise income, deductions, receipts or outgoings which would have been attributed 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 the competent authorities of the Contracting States may consult together with a view to reaching an agreement on the adjustment of profits or losses in both Contracting States.]

The following paragraph 1 of Article 17 of the MLI replaces paragraph 2 of Article 9 of this Convention:

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 Convention*] and the competent authorities of the [*Contracting States*] shall if necessary consult each other.

ARTICLE 10 – DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.
3. Notwithstanding the provisions of paragraph 2 of this Article, dividends shall not be taxed in the Contracting State of which the company paying the dividends is a resident if the beneficial owner of the dividends is:
 - a) a company which is a resident of the other Contracting State and which holds, for an uninterrupted period of at least twelve months, shares representing directly at least 10 per cent of the capital of the company paying the dividends;
 - b) a pension scheme which is a resident of the other Contracting State, provided that such dividends are not derived from the carrying on of a business by the pension scheme or through an associated enterprise.

4. Notwithstanding the provisions of paragraphs 2 and 3, (a) of this Article, dividends paid out of income (including gains) derived directly or indirectly from immovable property within the meaning of Article 6 of this Convention by an investment vehicle resident of a Contracting State whose income from such immovable property is exempt from tax and which distributes most of that income annually may also be taxed in that State and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends.

The provisions of paragraphs 2, 3 and 4 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

5. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as any other item which is subjected to the same taxation treatment as income from shares by the laws of the State of which the paying company is a resident.
6. The provisions of paragraphs 1, 2, 3 and 4 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 Convention, as the case may be, shall apply.
7. Where a company is a resident of a Contracting State, the other Contracting State may not impose any tax on the dividends paid by the company to a resident of the first-mentioned State, or 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 such other State. The provisions of this paragraph shall not prevent that other State from taxing dividends related to a holding which is effectively connected with a permanent establishment or a fixed base operated in that other State by a resident of the first-mentioned State.

8. **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI¹]** [No relief shall be available under this Article 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].

¹ Refer to the box following Article 28 of the Convention

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 beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest shall be exempted from tax in the Contracting State in which it arises if it is:
 - a) interest paid in respect of a loan of any nature granted or a credit extended by an enterprise to another enterprise;
 - b) interest paid to a pension scheme, provided that such interest is not derived from the carrying on of a business by the pension scheme or through an associated enterprise;
 - c) interest paid to the other Contracting State, to one of its political subdivisions or local authorities or to a public entity.
4. 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, including premiums and prizes attaching to such securities, bonds or debentures, but does not include penalty charges for late payment or income dealt with in Article 10 of this Convention.
5. 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 Convention, as the case may be, shall apply.
6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or 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.
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 interest 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 that 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 Convention.

8. **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI²]** [No relief shall be available under this Article 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].

² Refer to the box following Article 28 of the Convention

ARTICLE 12 – ROYALTIES

1. Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.
2. 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 concerning industrial, commercial or scientific experience.
3. The provisions of paragraph (1) of this Article shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties 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 is effectively connected with such permanent establishment or fixed base. In that case the provisions of Article 7 or Article 14 of this Convention, as the case may be, shall apply.
4. 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 that 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 Convention.
5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or 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 a fixed base in connection with which the liability 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 State in which the permanent establishment or fixed base is situated.
6. **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI³]** [No relief shall be available under this Article 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].

³ Refer to the box following Article 28 of the Convention

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 Convention and situated in the other Contracting State may be taxed in that other State.
2. 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 permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.
3. Gains derived by an enterprise of a Contracting State from the alienation of ships or aircraft operated in international traffic, or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Contracting State.
4. Gains from the alienation of any property other than that referred to in paragraphs (1), (2) and (3) of this Article shall be taxable only in the Contracting State of which the alienator is a resident.

ARTICLE 14 – INDEPENDENT PERSONAL SERVICES

1. Income derived by 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 unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base.
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 – INCOME FROM EMPLOYMENT

1. Subject to the provisions of 16, 18 and 19 of this Convention, 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 within any period of 12 months; and
 - b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State; and
 - c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship, an aircraft or a road or railway vehicle operated in international traffic, shall be taxable only in that State.
4. An employment is exercised in a Contracting State when the activity in respect of which the salaries, wages and other similar remuneration are paid, is effectively carried on in that State. The activity is effectively carried on in a Contracting State when the employee is physically present in that State for carrying on the activity, irrespective of the place in which the contract of employment was made, the residence of the employer or of the person paying the remuneration, the place or time of payment of the remuneration, or the place where the results of the employee's work are exploited. If an activity is effectively carried on in a Contracting State, only that part of the remuneration that is attributable to such activity may be taxed in that State.

ARTICLE 16 – COMPANY MANAGERS

1. 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 or a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State. This paragraph shall also apply to payments derived in respect of the discharge of functions which, under the laws of the Contracting State of which the company is a resident, are regarded as functions of a similar nature to those exercised by a member of the board of directors or a similar organ of a company.

2. Remuneration derived by a person referred to in paragraph 1 of this Article from a company which is a resident of a Contracting State in respect of the discharge of day-to-day functions of a managerial or technical nature and remuneration received by a resident of a Contracting State in respect of his personal activity as a partner in a company, other than a company with share capital, which is a resident of Belgium, shall be taxable in accordance with the provisions of Article 15 of this Convention, as if such remuneration were remuneration derived by an employee in respect of an employment and as if references to the "employer" were references to the company.

ARTICLE 17 – ARTISTS AND ATHLETES

1. Notwithstanding the provisions of Articles 14 and 15 of this Convention, 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 an athlete, 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 personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15 of this Convention, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.
3. The provisions of paragraphs 1 and 2 of this Article shall not apply to income derived from activities performed in a Contracting State by entertainers if the visit to that State is substantially supported by public funds of the other Contracting State or a political subdivision or a local authority thereof.

ARTICLE 18 – PENSIONS

Subject to the provisions of Article 19,

- (a) pensions and other similar remuneration arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in the first-mentioned State;
- (b) however, where pensions and other similar remuneration under a pension scheme were first credited or paid before 1 January in the calendar year next following that in which the first Protocol to this Convention entered into force, all payments under that scheme shall be taxable only in the other State.

ARTICLE 19 – GOVERNMENT SERVICE

1. *a)* Salaries, wages and other similar remuneration paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

b) However, 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 is a national of that State.
2. *a)* Notwithstanding the provisions of paragraph 1, pensions and other similar remuneration paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

b) However, such pensions and other similar remuneration 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, 17, and 18 shall apply to salaries, wages, pensions, and other similar remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

ARTICLE 20 –STUDENTS

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 – OFFSHORE ACTIVITIES

1. The provisions of this Article shall apply notwithstanding any other provision of this Convention where activities are carried on offshore in a Contracting State in connection with the exploration or exploitation of the sea-bed and subsoil and natural resources situated in that State (in this Article referred to as "offshore activities").
2. An enterprise of a Contracting State which carries on offshore activities in the other Contracting State shall, subject to paragraph (3) of this Article, be deemed to be carrying on business in that other State through a permanent establishment situated therein.
3. Profits derived by an enterprise of a Contracting State from the transportation of supplies or personnel by a ship or aircraft to a location where offshore activities are being carried on, or from the operation of tugboats or anchor handling vessels in connection with such activities, shall be taxable only in that Contracting State.
4. A resident of a Contracting State who carries on offshore activities in the other Contracting State, which consist of professional services or other activities of an independent character, shall be deemed to be performing those activities from a fixed base in that other State.
5. (a) Subject to sub-paragraphs (b) and (c) of this paragraph, salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment connected with offshore activities in the other Contracting State shall, to the extent that the duties are performed offshore in that other State, be taxable only in that other State.

(b) Subject to sub-paragraph (c) of this paragraph, salaries, wages and similar remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft engaged in the transportation of supplies or personnel to a location where offshore activities are being carried on, or in respect of an employment exercised aboard a tugboat or anchor handling vessel in connection with such activities, shall be taxable only in that Contracting State.

(c) Sub-paragraphs (a) and (b) of this paragraph shall apply only where documentary evidence is produced which is satisfactory to the competent authority of the other Contracting State that tax has been paid in the Contracting State which has the sole right to tax the remuneration referred to in sub-paragraphs (a) and (b). Otherwise the domestic laws of the Contracting States relating to the taxation of such remuneration shall apply and double taxation, if any, shall be relieved in accordance with Article 23 of this Convention.

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 Convention, other than income paid out of trusts, 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 Convention, 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 that case, the provisions of Article 7 or Article 14 of this Convention, as the case may be, shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, items of income of a resident of a Contracting State, other than income paid out of trusts, not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other State if these items are not effectively taxed in the first-mentioned State. An item of income is effectively taxed when it is included in the gross taxable base by reference to which the tax is computed.
4. Where, by reason of a special relationship between the resident referred to in paragraph 1 and some other person, or between both of them and some third person, the amount of the income referred to in that paragraph exceeds the amount (if any) which would have been agreed upon between them in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that 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 applicable provisions of this Convention.
5. **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI⁴]** [No relief shall be available under this Article 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 income is paid to take advantage of this Article by means of that creation or assignment].

⁴ Refer to the box following Article 28 of the Convention

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 (as it may be amended from time to time without changing the general principle hereof):
 - a) Belgian tax payable under the laws of Belgium and in accordance with the provisions of this Convention, whether directly or by deduction, on profits, income or chargeable gains from sources within Belgium (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 Belgian tax is computed;
 - b) in the case of income (other than loan interest) derived from a Belgian company (other than a company with share capital) by a member of that company the credit shall take into account the Belgian tax charged in respect of that income, whether charged on the company or on the member if:
 - (i) the member's liability as a member of that company is unlimited, or
 - (ii) the member is a company which is a resident of the United Kingdom and which owns not less than 10 % of the capital (other than loan capital) of the Belgian company;
 - c) in the case of a dividend paid by a company which is a resident of Belgium 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 Belgian company, the credit shall take into account (in addition to any Belgian tax creditable under sub-paragraph (a) of this paragraph) the Belgian tax payable by the company in respect of the profits out of which such dividend is paid.

Notwithstanding the provisions of paragraph 1 of Article 23 of the Convention, from the entry into force of its law providing for the exemption from tax of certain overseas dividends the United Kingdom shall eliminate double taxation on those dividends in accordance with that law.⁵

2. In the case of Belgium, double taxation shall be avoided as follows:
 - a) Where a resident of Belgium derives income, not being dividends, interest or royalties, which is taxed in the United Kingdom in accordance with the provisions of this Convention, Belgium shall exempt such income from tax but may, in calculating the amount of tax on the remaining income of that resident, apply the rate of tax which would have been applicable if such income had not been exempted.
 - b) The exemption provided for in subparagraph (a) of this paragraph shall also be granted with respect to income regarded as dividends under Belgian law, which is derived by a resident of Belgium from a participation in an entity that has its place of effective management in the United Kingdom, and has not been taxed as such in the United Kingdom, provided that the resident of Belgium has been taxed in the United Kingdom, proportionally to his

⁵ Cf. Article XV, paragraph 2 of the Protocol signed on 24 June 2009 amending the Convention between Government of the Kingdom of Belgium and the Government of the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains signed on 1 June 1987.

participation in such entity, on the income out of which the income regarded as dividends under Belgian law is paid. The exempted income is the income received after deduction of the costs incurred in Belgium or elsewhere in relation to the management of the participation in the entity.

- c) The term "taxed" used in subparagraphs (a) and (b) means that the item of income is subjected to the tax regime that is normally applicable to such item according to the United Kingdom tax law.
 - d) Notwithstanding the provisions of sub-paragraphs (a) and (b) of this paragraph and any other provision of the Convention, Belgium shall, for the determination of the additional taxes established by Belgian municipalities and conurbations, take into account the earned income (*revenus professionnels / beroepsinkomsten*) that is exempted from tax in Belgium in accordance with sub-paragraphs (a) and (b). These additional taxes shall be calculated on the tax which would be payable in Belgium if the earned income in question had been derived from Belgian sources.
 - e) Subject to the provisions of Belgian law regarding the deduction from Belgian tax of taxes paid abroad, where a resident of Belgium derives items of his aggregate income for Belgian tax purposes which are interest or royalties, the United Kingdom tax levied on that income shall be allowed as a credit against Belgian tax relating to such income.
 - f) Dividends derived by a company which is a resident of Belgium from a company which is a resident of the United Kingdom shall be exempted from the corporate income tax in Belgium under the conditions and within the limits provided for in Belgian law.
 - g) Where a company which is a resident of Belgium derives from a company which is a resident of the United Kingdom dividends which are included in its aggregate income for Belgian tax purposes and which are not exempted from the corporate income tax according to sub-paragraph (f) of this paragraph, Belgium shall deduct from the Belgian tax relating to such dividends the United Kingdom tax levied on such dividends in accordance with Article 10 of this Convention and the United Kingdom tax levied on the profits out of which such dividends are paid. This deduction shall not exceed that part of the Belgian tax which is proportionally relating to such dividends.
 - h) Where in accordance with Belgian law, losses of a Belgian enterprise attributable to a permanent establishment situated in the United Kingdom have been effectively deducted from the profits of that enterprise for its taxation in Belgium, the exemption provided for in sub-paragraph (a) of this paragraph shall not apply in Belgium to the profits of other chargeable periods attributable to that permanent establishment to the extent that those profits have also been relieved from tax in the United Kingdom by reason of compensation for the said losses.
3. For the purposes of paragraph 1 of this Article, profits, income and capital gains owned by a resident of the United Kingdom which may be taxed in Belgium in accordance with the provisions of this Convention shall be deemed to arise from sources in Belgium.
4. **[REPLACED by paragraph 1 and paragraph 4 of Article 7 of the MLI⁶]** [No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with a scheme or arrangement in connection with which relief is claimed to take advantage of this Article by means of that scheme or arrangement].

⁶ Refer to the box following Article 28 of the Convention

ARTICLE 24 – 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 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. Nothing in this Article shall be construed as preventing Belgium:
 - a) from taxing the total amount of the profits attributable to a permanent establishment in Belgium of a company being a resident of the United Kingdom or of an association having its place of effective management in the United Kingdom at the rate of tax provided by the Belgian law, but this rate may not exceed the maximum rate applicable to the whole or a portion of the profits of companies which are residents of Belgium;
 - b) from imposing the movable property prepayment on dividends derived from a holding which is effectively connected with a permanent establishment or a fixed base maintained in Belgium by a company which is a resident of the United Kingdom or by an association which has its place of effective management in the United Kingdom and is taxable as a body corporate in Belgium.
4. Nothing contained in this Article shall be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes, on account of civil status or family responsibilities or any other personal circumstances, which it grants to its own residents.
5. Except where the provisions of paragraph 1 of Article 9, paragraphs 7 or 8 of Article 11, paragraphs 4 or 6 of Article 12, or paragraphs 4 or 5 of Article 22 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.
6. 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.
7. The provisions of this Article shall apply to taxes of every kind and description.

ARTICLE 25 – MUTUAL AGREEMENT PROCEDURE

1. **[The first sentence of paragraph 1 of Article 25 of this Convention is REPLACED by the first sentence of paragraph 1 of Article 16 of the MLI]** [Where a person 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 Convention, 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.] 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 Convention.

The following first sentence of paragraph 1 of Article 16 of the MLI replaces the first sentence of paragraph 1 of Article 25 of this Convention⁷:

ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

Where a person considers that the actions of one or both of the [*Contracting States*] result or will result for that person in taxation not in accordance with the provisions of [*this Convention*], that person may, irrespective of the remedies provided by the domestic law of those [*Contracting States*], present the case to the competent authority of either [*Contracting State*].

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 which is not in accordance with the Convention. 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 Convention. They may also consult together to consider measures to counteract improper use of the provisions of the Convention.

The following second sentence of paragraph 3 of Article 16 of the MLI applies to this Convention⁸:

ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

They may also consult together for the elimination of double taxation in cases not provided for in [*the Convention*].

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs and for the purpose of giving effect to the provisions of the Convention.

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

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

5. Where,
- a) under paragraph 1 of this Article, 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 Convention, and
 - b) the competent authorities are unable to reach an agreement to resolve that case pursuant to paragraph 2 within two years from the presentation of the case to the competent authority of the other Contracting State,

any unresolved issues arising from the case shall be submitted to arbitration if the person so requests within two years from the first day from which arbitration may be requested. These unresolved issues shall not, however, be submitted to arbitration if a decision on these issues has already been rendered by a court or administrative tribunal of either Contracting State. Unless a person directly affected by the case informs the competent authority of a Contracting State within three months from the communication of the mutual agreement that implements the arbitration decision, that he does not accept that mutual agreement, the arbitration decision shall be binding on both Contracting States and shall be implemented notwithstanding any time limits in the domestic laws of these States. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this paragraph.

ARTICLE 26 – 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 Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed by or on behalf of the Contracting States, insofar as the taxation thereunder is not contrary to the Convention. 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. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.
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 (*ordre public*).
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 of this Article be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, trust, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person. In order to obtain such information the tax administration of the requested Contracting State shall have the power to ask for the disclosure of information and to conduct investigations and hearings notwithstanding any contrary provisions in its domestic tax laws.

***ARTICLE 27 – MEMBERS OF DIPLOMATIC OR PERMANENT MISSIONS
AND CONSULAR POSTS***

1. Nothing in this Convention shall affect any fiscal privileges accorded to members of diplomatic or permanent missions or consular posts under the general rules of international law or under the provisions of special agreements.
2. The Convention shall not apply to international organisations, to organs or officials thereof or to members of diplomatic or permanent missions or consular posts of a third State, being present in a Contracting State and not subjected in that State to the same obligations in respect of taxes on income as are residents of that State.

ARTICLE 28 – MISCELLANEOUS RULES

1. Notwithstanding any other provision of this Convention, relief from tax provided for in the Convention shall not be granted to an individual by a Contracting State in respect of income from sources within that Contracting State if the individual is subject to tax in the other Contracting State by reference only to the amount of his income which is remitted to or received in that other Contracting State and not by reference to the full amount of his worldwide income. However, where the income of such individual that is not remitted to or received in that other State is less than £ 2,000 (or the equivalent in euro) in a tax year, the first-mentioned State shall grant the relief from tax provided for in the Convention with regard to income that is remitted to or received in the other Contracting State.
2. Subject to the provisions of paragraph (4) of this Article, individuals who are residents of Belgium shall be entitled to the same personal allowances, reliefs and reductions for the purposes of United Kingdom taxation as British subjects not resident in the United Kingdom.
3. Subject to the provisions of paragraph 4 of this Article, individuals who are residents of the United Kingdom shall be entitled to the same personal allowances, reliefs and reductions for the purposes of Belgian taxation as Belgian nationals not resident in Belgium.
4. Nothing in the Convention shall entitle an individual who is a resident of a Contracting State and whose income from the other Contracting State consists solely of dividends, interest or royalties (or solely of any combination thereof) to the personal allowances, reliefs and reductions of the kind referred to in paragraphs 2 and 3 of this Article for the purpose of taxation in that other State.
5. **[REPLACED by paragraph 1 of Article 11 of the MLI⁹]** [The provisions of the Convention shall not limit the taxation in accordance with Belgian law of a company which is a resident of Belgium, in the event of the purchase of its own shares or in the event of the distribution of its assets.]
6. The provisions of the Convention shall not be construed so as to restrict in any manner any exemption, relief, deduction, credit or other allowance now or hereafter accorded by the laws of either Contracting State in determining the tax in that State.
7. The competent authorities of the Contracting States may settle by mutual agreement the conditions under which a collective investment vehicle which is established in a Contracting State and is not liable to tax as such in that State and which receives dividends or interest arising in the other Contracting State shall be treated for purposes of applying the Convention to such income as an individual resident of the Contracting State in which it is established and as the beneficial owner of the income it receives.

⁹ Refer to the box following Article 1 of the Convention

The following paragraph 1 of Article 7 of the MLI replaces paragraph 8 of Article 10, paragraph 8 of Article 11, paragraph 6 of Article 12, paragraph 5 of Article 22 and paragraph 4 of Article 23:

ARTICLE 7 OF THE MLI – PREVENTION OF TREATY ABUSE
(*Principal purposes test provision*)

Notwithstanding any provisions of [*the Convention*], a benefit under [*the Convention*] 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 [*the Convention*].

The following paragraph 4 of Article 7 of the MLI applies to paragraph 1 of Article 7 of the MLI:

Where a benefit under [*the Convention*] is denied to a person under [*paragraph 1 of Article 7 of the MLI*], 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 referred to in [*paragraph 1 of Article 7 of the MLI*]. 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 the other Contracting State of the completion of the procedures required by its law for the bringing into force of this Convention. The Convention shall enter into force on the fifteenth day after the date of the later of these notifications and shall 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;
 - (ii) in respect of corporation tax, for any financial year beginning on or after 1 April; and
 - (iii) in respect of petroleum revenue tax, for any chargeable period beginning on or after 1 January; in the calendar year next following that in which the Convention enters into force;
 - b) in Belgium:
 - (i) in respect of all tax due at source on income credited or payable on or after 1 January; and
 - (ii) in respect of all tax other than tax due at source on income of any chargeable period ending on or after 31 December; in the calendar year next following that in which the Convention enters into force.
2. The Convention between Her Britannic Majesty in respect of the United Kingdom of Great Britain and Northern Ireland and His Majesty The King of the Belgians for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed at London on 29 August 1967 shall terminate and cease to be effective in relation to any tax for any period for which this Convention has effect in accordance with paragraph (1) of this Article as respects that tax.

ARTICLE 29 – TERMINATION

1. This Convention shall remain in force until denounced by a Contracting State. Either Contracting State may denounce the Convention, through the diplomatic channel, by giving notice of termination at least six months before the end of any calendar year after the expiration of 5 years from the date of its entry into force. In such event, the Convention 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;
 - (ii) in respect of corporation tax, for any financial year beginning on or after 1 April; and
 - (iii) in respect of petroleum revenue tax, for any chargeable period beginning on or after 1 January; in the calendar year next following that in which the notice is given.
 - b) in Belgium:
 - (i) in respect of all tax due at source on income credited or payable on or after 1 January; and
 - (ii) in respect of all tax other than tax due at source on income of any chargeable period ending on or after 31 December; in the calendar year next following that in which the notice is given.
2. The termination of this Convention shall not have the effect of reviving any treaty or arrangement abrogated by this Convention or by treaties previously concluded between the Contracting States.