

**UK/Singapore Double Taxation Agreement**

**Signed 12 February 1997**

**Entered into force 19 December 1997**

**Effective in UK from 1 April 1998 for Corporation Tax and from 6 April 1998 for  
Income Tax and Capital Gains Tax**

**Effective in Singapore from 1 January 1999**

**The agreement was amended by a Protocol signed on 24 August 2009 which  
entered into force on 8 January 2011 (the 2009 Protocol)**

**The exchange of information provisions in Article 27, as inserted by the 2009  
Protocol, are effective in the UK and Singapore from 8 January 2011**

**The agreement was further amended by a second Protocol signed on 13  
February 2012 which entered into force on 27 December 2012 (the 2012  
Protocol)**

**The 2012 Protocol is effective in the UK from 1 April 2013 for Corporation Tax  
and from 6 April 2013 for income and Capital Gains Tax**

**It is effective in Singapore in respect of any year of assessment beginning on  
or after 1 January 2014**

## Table of contents

Article 1 Personal scope .....	3
Article 2 Taxes covered.....	3
Article 3 General definitions.....	4
Article 4 Residence .....	5
Article 5 Permanent establishment.....	6
Article 6 Income from immovable property.....	8
Article 7 Business profits.....	8
Article 8 Shipping and air transport .....	9
Article 9 Associated enterprises.....	10
Article 10 Dividends .....	10
Article 11 Interest .....	12
Article 12 Royalties .....	14
Article 13 Capital gains.....	15
Article 14 Independent personal services .....	16
Article 15 Dependent personal services .....	17
Article 16 Directors' fees .....	17
Article 17 Artistes and sportsmen.....	17
Article 18 Pensions .....	18
Article 19 Government service .....	18
Article 20 Students and trainees.....	19
Article 21 Teachers .....	19
Article 22 Other income.....	19
Article 23 Elimination of double taxation.....	20
Article 24 Limitation of relief .....	21
Article 25 Non-discrimination.....	21
Article 26 Mutual agreement procedure.....	22
Article 27 Exchange of information.....	23
Article 28 Members of diplomatic or permanent missions and consular posts.....	24
Article 29 Entry into force .....	24
Article 30 Termination.....	25

**Agreement between the government of the UK 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**

The government of the UK of Great Britain and Northern Ireland and the government of the Republic of Singapore

Desiring to conclude a new agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains

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 UK:

- (i) the Income Tax
- (ii) the Corporation Tax and
- (iii) the Capital Gains Tax

(hereinafter referred to as 'UK 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 'UK' means Great Britain and Northern Ireland, including any area outside the territorial sea of the UK which in accordance with international law has been or may hereafter be designated, under the laws of the UK concerning the continental shelf, as an area within which the rights of the UK 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 UK, 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 UK; and any legal person, partnership, association or other entity deriving its status as such from the law in force in the UK

(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 UK 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 UK, the Commissioners for HM 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 UK or Singapore tax as the context requires

(k) the term 'fiscal year' means:

(i) in the case of the UK:

- 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 6 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 6 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 5 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 2 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) 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 2 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.

## **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 UK may also be taxed, according to its laws, in the UK. However, if the beneficial owner of the dividends is a resident of Singapore, the tax so charged shall not exceed 15% 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 UK, the tax so charged shall not exceed 15% 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 UK, 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 provisions 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) 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) 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.

## **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% 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 UK, means the government of the UK and shall include:

- (i) the Bank of England
- (ii) the UK 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 UK 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) 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.

(10) 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.

## **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% 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) 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) 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.

### **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 12-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 UK, 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 UK 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 UK regarding the allowance as a credit against UK tax of tax payable in a territory outside the UK or, as the case may be, regarding the exemption from UK tax of a dividend arising in a territory outside the UK (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 UK 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 UK shall be exempted from UK tax, when the conditions for exemption under the law of the UK 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 UK are not met) which is paid by a company which is a resident of Singapore to a company which is a resident of the UK 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 UK which, in accordance with the provisions of this agreement, may be taxed in the UK, 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 UK 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 UK 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 UK 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 UK, 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.

(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.

(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.

(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.

## **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.

## **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 UK:

(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 UK 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 UK:

(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 UK of Great Britain and Northern Ireland:**

Malcolm Rifkind

**For the government of the Republic of Singapore**

Richard Hu

**Exchange of notes**

I.

Singapore  
12 February 1997

Your Excellency,

I have the honour to refer to the agreement between the government of the UK 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 UK 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.

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

II.

Singapore  
12 February 1997

Your Excellency

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 UK 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 UK 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 2 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