

# **SYNTHESISED TEXT OF THE MLI AND THE AGREEMENT BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE REPUBLIC OF SINGAPORE FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

## **General disclaimer on the Synthesised text document**

**This comprehensive document (the "Document") of the companion text of the Multilateral Convention promulgated by Presidential Decree No. 446 of 2020 and the Agreement on Avoidance of Double Taxation and Prevention of Tax Evasion with regard to Income Taxes between the Governments of the Arab Republic of Egypt and the Republic of Singapore and published in the Official Gazette 10 on 4/3/2004 ("Agreement"), is only a guiding text, bearing in mind that that English version of the Agreement is the most likely and the first to be applied on the part of the authentic in case of difference between the versions of different languages themselves- without any responsibility on the authority that issued those texts**

This document presents the synthesised text for the application of the Agreement between **the Arab Republic of Egypt** and **the Republic of Singapore** with respect to Taxes on Income signed on **22 May 1996** ("the Agreement"), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by **Egypt** on **7 June 2017** and by **Singapore** on **7 June 2017** ("the MLI").

The document was prepared on the basis of the MLI position of **Egypt** submitted to the Depository upon ratification on **30 September 2020** and the MLI position of **Singapore** submitted to the Depository upon ratification on **21 December 2018**. These MLI positions are subject to modifications as provided in the MLI. Modifications made to MLI positions could modify the effects of the MLI on the Agreement.

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

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

Changes to the text of the provisions of the MLI have been made to conform the terminology used in the MLI to the terminology used in the Agreement (such as "Covered Tax Agreement" and "Convention/Agreement", "Contracting Jurisdictions" and "Contracting States"), to ease the comprehension of the provisions of the MLI. The changes in terminology are intended to increase the readability of the document and are not intended to change the substance of the

provisions of the MLI. Similarly, changes have been made to parts of provisions of the MLI that describe existing provisions of the Agreement: descriptive language has been replaced by legal references of the existing provisions to ease the readability.

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

### **References**

The authentic legal texts of the MLI and the Convention can be found [[www.eta.gov.eg](http://www.eta.gov.eg)]

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

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

Dates of the deposit of instruments of ratification, acceptance or approval: **30 September 2020** for **Egypt** and **21 December 2018** for **Singapore**.

Entry into force of the MLI: **1 January 2021** for **Egypt** and **1 April 2019** for **Singapore**, and has effect as follows:

(a) The provisions of the MLI shall have effect in each Contracting State with respect to the Agreement:

(i) 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 2021; and

(ii) With respect to all other taxes levied by that Contracting State, for taxes levied with respect to taxable periods beginning on or after 1 July 2021.

(b) Notwithstanding (a), Article 16 (Mutual Agreement Procedure) of the MLI shall have effect with respect to the Agreement for a case presented to the competent authority of a Contracting State on or after 1 January 2021, except for cases that were not eligible to be presented as of that date under the Agreement prior to its modification by the MLI, without regard to the taxable period to which the case relates.

**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT  
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**

**PREAMBLE**

[MODIFIED by paragraph 3.6.2. of Article 6 (3) of the MLI]

The Government of the Republic of Singapore and the Government of the Arab Republic of Egypt,

~~[DESIRING to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,]~~

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

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

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

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 imposed on behalf of each Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property [and] taxes on the total amount of wages or salaries paid by enterprises.
3. The existing taxes to which this Agreement shall apply are in particular:
  - (a) in the case of the Arab Republic of Egypt:
    - (i) tax on income derived from immovable property (including the land tax and the building tax);
    - (ii) the unified tax on income of individuals levied by the law No. 157 for the year 1981 and amended by the law No. 187 for the year 1993;
    - (iii) corporation profits tax;
    - (iv) the development duty imposed by the law No. 147 for the year 1984 and its amendments;
    - (v) supplementary taxes imposed as percentage of taxes mentioned above  
  
(hereinafter referred to as "Egyptian tax");
  - (b) in the case of the Republic of Singapore:  
  
the income tax  
  
(hereinafter referred to as "Singapore tax").

4. The Agreement shall apply also to any identical or substantially similar taxes which are imposed 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 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)
    - (i) the term "Singapore" means the Republic of Singapore;
    - (ii) the term "Egypt" means the Arab Republic of Egypt;
  - (b) the terms "a Contracting State" and "the other Contracting State" mean Egypt or Singapore as the case may be;
  - (c) the term "person" includes an individual, a company and any other body of persons;
  - (d) the term "company" means anybody corporate or any entity which is treated as a body corporate for tax purposes;
  - (e) 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 State and an enterprise carried on by a resident of the other State;
  - (f) the term "tax" means Singapore tax or Egyptian tax as the context requires;
  - (g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State except when the ship or aircraft is operated solely between places in the other Contracting State;
  - (h) the term "competent authority" means:
    - (i) in the case of Egypt, the Minister of Finance or his authorized representative.
    - (ii) in the case of Singapore, the Minister for Finance or his authorized representative.
  - (i) the term "national" means:
    - (i) any individual possessing the nationality of a Contracting State.
    - (ii) any legal person, partnership and association deriving its status as such from the law in force in a Contracting State;
  - (j) the terms "resident of a Contracting State" and "resident of the other Contracting State" mean a person who is a resident of Egypt or a person who is a resident of Singapore as the context requires.
2. As regards the application of the 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 State concerning the taxes to which this Agreement applies.

## **ARTICLE 4**

### **RESIDENT**

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who is a resident of a Contracting State in accordance with the taxation laws of that State.
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:
  - (a) he shall be deemed to be a resident 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 (center of vital interests);
  - (b) if the State in which he has his center 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 a habitual abode;
  - (c) if he has a habitual abode in both Contracting States or in 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 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated. In case of doubts the competent authorities of the Contracting States shall settle the question by mutual agreement.
4. Where by reason of the provisions of paragraph 1 a person other than an individual or a company is a resident of both Contracting States, the competent authorities of the Contracting State shall by mutual agreement endeavor to settle the question and to determine the mode of application of the Agreement to such person.

## **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 natural resources; and
  - (g) a farm or plantation.
3. The term "permanent establishment" likewise encompasses:
  - (a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities lasts more than six months;
  - (b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel in the other Contracting State, provided that such activities continue for the same project or a connected project for a period or periods aggregating more than six months within any twelve-month period.
4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed 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), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.
5. Notwithstanding the provisions of paragraphs 1 and 2, where a person -- other than an agent of an independent status to whom paragraph 6 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 person are limited to those mentioned in paragraph 4 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.

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. However, when the activities of such an agent are devoted wholly on behalf of that enterprise, he will not be considered an agent of an independent status within the meaning of this paragraph.
7. 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.
8. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall -- except in regard to reinsurance -- be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or ensures risks situated therein through a person other than an agent of an independent status to whom paragraph 6 applies.

## **ARTICLE 6**

### **INCOME FROM IMMOVABLE PROPERTY**

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture) 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, 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 rights 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 shall also 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 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, 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 the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the business 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. In so far as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of an apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.
6. 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.
7. Where profits include items of income 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. Income from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
2. The provisions of paragraph 1 shall likewise apply in respect of income derived [from the] participation in pools of any kind by enterprises engaged in shipping or air transport.
3. Income derived by an enterprise of a Contracting state from the operation of ships or aircraft shall include:
  - (a) income from rental of ships or aircraft used in international transport on the full (time or voyage) or bareboat basis; and
  - (b) income from rental of containers and related equipment used in international transport which is incidental to income from the operation of ships or aircraft in international traffic.

## **ARTICLE 9**

### **ASSOCIATED ENTERPRISES**

1. Were
  - (a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
  - (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

## **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 but at present both Contracting States do not impose a tax on dividends in addition to the tax chargeable on the profits or income of a company.
3. Where either or both Contracting States should, subsequent to the date of signature of this Agreement, impose a tax on dividends in addition to the tax chargeable on the profits or income of a company, the tax so charged in the Contracting State of which the company paying the dividends is a resident shall, if the recipient is the beneficial owner of the dividends, not exceed 15 per cent of the gross amount of the dividends. This paragraph shall not affect the taxation of company in respect of the profits out of which the dividends are paid.
4. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" mining shares, founder shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.
5. The provisions of paragraphs 1, 2 and 3 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. In such case the provisions of Article 7 or Article 14, 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 in so far as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the [company's] undistributed profits even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other 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 15 per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.
4. For the purpose of paragraph 3, the term "Government":
  - (a) in the case of Egypt means the Government of the Arab Republic of Egypt and shall include the Central Bank of Egypt;
  - (b) in the case of Singapore, means the Government of Singapore, and shall include:
    - (i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
    - (ii) the Government of Singapore Investment Corporation Pte Ltd; and
    - (iii) a statutory body or 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.
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, including premiums and prizes attaching to such securities, bonds or debentures.
6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the 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 cases the provisions of Article 7 or Article 14, as the case may be, shall apply.
7. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority, a statutory body 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.

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, having regard to the debt-claim for which it is paid, exceeds 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.

## **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 15 per cent of the gross amount of the royalties.
3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, or films or tapes [used] for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial, or scientific experience.
4. The provisions of paragraphs 1 and 2 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 such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority, a statutory body 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. 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, having regard to the use, right or information for which they are paid, exceeds 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.

## **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 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 a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.
3. Gains from the alienation of ships, boats or aircraft operated in international traffic or movable property pertaining to the operation of such ships, boats or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 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 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 Contracting State; or
  - (b) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in the calendar year concerned; in that case, only as so much of the income as is derived from his activities performed in that other State may be taxed in that other State.
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, 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, 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 the calendar year concerned; 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 in respect of an employment exercised aboard a ship or aircraft operated in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

## **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**

### **INCOME EARNED BY ENTERTAINERS AND ATHLETES**

1. Notwithstanding the provisions of Articles 14 and 15, 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, 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 shall not apply to income derived from activities performed in a Contracting State by entertainers or athletes if the visit to that Contracting State is wholly or substantially supported by public funds of the other Contracting State, including any local authority or statutory body thereof.

## **ARTICLE 18**

### **PENSIONS**

Pensions and other similar remuneration other than pensions referred to in Article 19, derived from a Contracting State in consideration of past employment may be taxed in both the Contracting States.

## **ARTICLE 19**

### **GOVERNMENT SERVICE**

1. 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 or subdivision or authority or body shall be taxable only in that State.
2. However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that other State, and the individual is a resident of that other 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.
3. The provisions of Articles 15, 16 and 18 shall apply to remuneration and 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**

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and is present in that other Contracting State for a period not exceeding four years solely:

- (i) as a student at a recognized university, college or school in that other Contracting State;
- (ii) as a business or technical apprentice; or
- (iii) as a recipient of grant, allowance or award for the primary purpose of study or research from a governmental, religious, charitable, scientific, literary or educational organization,

shall be exempt from tax in the other Contracting State in respect of remittances received from abroad for the purpose of his maintenance, education or training.

## **ARTICLE 21**

### **PROFESSORS, TEACHERS AND RESEARCHERS**

1. An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any university, college, school or other similar educational institution or scientific research institution which is approved by the competent authority in that Contracting State visits that other Contracting State for a period not exceeding two years solely for the purpose of teaching or research or both at such educational or research institution shall be exempt from tax in that other State on his remuneration derived from such teaching or research.
2. This Article shall not apply to income from research if such research is undertaken primarily for the private benefit of a specific person or persons.

## **ARTICLE 22**

### **OTHER INCOME**

1. Subject to the provisions of paragraph 2 of this Article, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Agreement shall be taxable only in that Contracting State.
2. However, if such income is derived by a resident of a Contracting State from sources in the other Contracting State, such income may also be taxed in the State in which it arises, and according to the law of that State.

## **ARTICLE 23**

### **ELIMINATION OF DOUBLE TAXATION**

1. The laws in force in either of the Contracting States shall continue to govern the taxation of income in the respective Contracting States except where express provision to the contrary is made in this Agreement. Where income is subject to tax in both Contracting States, relief from double taxation shall be given in accordance with the following paragraphs of this Article.

2. In the case of Egypt, Singapore tax payable in respect of income derived from Singapore shall be allowed as a credit against Egyptian tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Singapore to a company which is a resident of Egypt and which owns directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall take into account the Singapore tax payable by that company on the portion of its profits out of which the dividend is paid. The credit shall not, however, exceed that part of the Egyptian tax, as computed before the credit is given, which is appropriate to such item of income.
3. In the case of Singapore, subject to the laws of Singapore regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, Egyptian tax payable in respect of income derived from Egypt shall be allowed as a credit against Singapore tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Egypt to a company which is a resident of Singapore and which owns directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall take into account the Egyptian tax payable by that company on the portion of its profits out of which the dividend is paid. The credit shall not, however, exceed that part of the Singapore tax, as computed before the credit is given, which is appropriate to such item of income.
4. For the purpose of paragraph 3, the term "Egyptian tax payable" shall be deemed to include the amount of Egyptian tax which would have been payable in accordance with Egyptian tax laws but for the exemption or reduction of Egyptian tax in accordance with the laws relating to incentives for the promotion of economic development in Egypt which were in force on the date of signature of this Agreement or any other provisions which may be subsequently introduced in Egypt in modification of, or in addition to, those laws so far as they are agreed by the competent authorities of the Contracting States to be of a substantially similar character:

Provided that the amount of the tax referred in this paragraph shall not, however, exceed:

- (a) in the case of dividends, an amount of 10 per cent of the gross amount of such dividends;
  - (b) in the case of interest, an amount of 10 per cent of the gross amount of such interest; and
  - (c) in the case of royalties, an amount of 10 per cent of the gross amount of such royalties.
5. The provisions of paragraph 4 shall apply for the first 10 years for which the Agreement is effective but the competent authorities of the Contracting States may consult each other to determine whether this period shall be extended.

## **ARTICLE 24**

### **NON-DISCRIMINATION**

1. The 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 and under the same conditions 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 favorably levied in the other State than the taxation levied on enterprises of that other State carrying on the same activities in the same circumstances and under the same conditions.
3. Enterprises of a Contracting State, the capital of which is wholly or partly controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting 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 that first-mentioned State are or may be subjected in the same circumstances and under the same conditions.
4. Nothing contained in paragraphs 1, 2 and 3 of this Article shall be construed as:
  - (a) obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reduction which it grants to its own residents;
  - (b) obliging a Contracting State to grant to nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own citizens 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. Nothing in this Article shall be construed as to prevent either Contracting State from limiting enjoyment of tax incentives designed to promote social or economic development in that State to its nationals only.
6. In this Article, the term "taxation" means taxes which are the subject of this Agreement.

## **ARTICLE 25**

### **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 this Agreement, he may, notwithstanding the remedies provided by the national laws of those States, present the 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 date of assessment or of the withholding of tax at source, whichever is later.
2. The competent authority shall endeavor, if the objection appears to it to be justified and it is not itself able to arrive at an appropriate 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 this Agreement.

*The following second sentence of paragraph 2 of Article 16 of the MLI applies to this Agreement:*

#### **ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE**

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

3. The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulty or doubt arising as to the interpretation or application of this Agreement. They may also consult together for the elimination of double taxation in cases not provided for in this Agreement.
4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of applying the provisions of this Agreement.

## **ARTICLE 26**

### **EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those concerned with the assessment or collection of the taxes which are the subject of this Agreement, or the determination of appeals or the prosecution of offences in relation thereto.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:
- (a) to carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;
  - (b) to supply particulars which are 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.

## **ARTICLE 27**

### **DIPLOMATIC AND CONSULAR OFFICERS**

Nothing in this Agreement shall affect the fiscal privileges of diplomatic or consular officers under the general rules of international laws or under the provisions of special agreements.

## **ARTICLE**

### **PREVENTION OF TREATY ABUSE**

*The following paragraph 1 of Article 7 of the MLI applies and supersedes the provisions of this Agreement:*

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

Notwithstanding any provisions of [*the Agreement*], a benefit under [*the Agreement*] shall not be granted in respect of an item of income 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 Agreement*].

## **ARTICLE 28**

### **MISCELLANEOUS RULES**

1. The provisions of this Agreement shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowances now or hereafter accorded:
  - (a) by the laws of a Contracting State in the determination of the tax imposed by that State; or
  - (b) by any other agreement entered into by a Contracting State.
2. Where this Agreement provides (with or without other conditions) that income from sources in a Contracting State shall be exempt from tax, or taxed at a reduced rate in that Contracting State, and under the laws in force in the other Contracting State the said income is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State and not by reference to the full amount thereof, then the exemption or reduction of tax to be allowed under this Agreement in the first-mentioned Contracting State shall apply only to so much of the income as is remitted to or received in that other Contracting State. However, this limitation does not apply to income derived by the Government of a Contracting State or any person approved by the competent authority of a Contracting State for the purpose of this paragraph.

## **ARTICLE 29**

### **ENTRY INTO FORCE**

1. This Agreement shall be ratified and the instruments of ratification shall be exchanged at Singapore.
2. The Agreement shall enter into force upon the exchange of the instruments of ratification and its provisions shall have effect:
  - (a) in the case of Egypt:
    - (i) in respect of taxes withheld at source, on amounts paid or credited on or after the first day of January in the calendar year following that in which the Agreement enters into force; and
    - (ii) in respect of taxes other than taxes withheld at source, for taxation years beginning on or after the first day of January in the calendar year following that in which the Agreement enters into force;

(b) in the case of Singapore:

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

## **ARTICLE 30**

### **TERMINATION**

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may, on or before June 30 in any calendar year after the period of five years from the date the Agreement enters into force, terminate the Agreement by giving to the other Contracting State a notice of termination in writing through diplomatic channels. In such event, the Agreement shall cease to have effect:

(a) in the case of Egypt:

- (i) in respect of taxes withheld at source, on amounts paid or credited on or after the first day of January in the calendar year following that in which the notice is given; and
- (ii) in respect of taxes other than taxes withheld at source, for taxation years beginning on or after the first day of January in the calendar year following that in which the notice is given;

(b) in the case of Singapore:

in respect of tax for any year of assessment beginning on or after the first day of January in the second calendar year following that in which the notice is given.

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

Done in duplicate at Cairo this 22nd day of May 1996, in the Arabic and English languages, both texts being equally authentic. In case of divergence between the texts, the English text shall be the operative one.

FOR THE GOVERNMENT OF PUBLIC  
OF SINGAPOUR

PROF.S JAYAKUMAR

FOR THE GOVERNMENT  
OF ARAB REPUBLIC OF EGYPT

DR. MOHI ELDIN ELGHAREEB

## **PROTOCOL (1996)**

At the moment of signing the Agreement between the Government of the Arab Republic of Egypt 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, the undersigned have agreed that the following provision shall form an integral part of the Agreement.

For the purpose of paragraph 2 of Article 25 (Mutual agreement procedure), where a case is resolved by mutual agreement, despite there being time limits in the domestic laws of the Contracting States, the person presenting the case is assured that there are sufficient remedies such as extension of time within such domestic laws to enable what is agreed by the competent authorities of both Contracting States to be implemented within such time limits.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed this Protocol.

Done in duplicate at Cairo this 22nd day of May 1996, in the Arabic and English languages, both texts being equally authentic. In case of divergence between the texts, the English text shall be the operative one.

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FOR THE GOVERNMENT OF PUBLIC  
OF SINGAPOUR

PROF.S JAYAKUMAR

FOR THE GOVERNMENT  
OF ARAB REPUBLIC OF EGYPT

DR. MOHI ELDIN ELGHAREEB