

No. 13183

**BELGIUM
and
SINGAPORE**

Convention for the avoidance of double taxation with respect to taxes on income (with protocol). Signed at Singapore on 8 February 1972

Authentic text: English.

Registered by Belgium on 25 March 1974.

**BELGIQUE
et
SINGAPOUR**

Convention tendant à éviter la double imposition en matière d'impôts sur le revenu (avec protocole). Signée à Singapour le 8 février 1972

Texte authentique : anglais.

Enregistrée par la Belgique le 25 mars 1974.

CONVENTION¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME

The Government of the Kingdom of Belgium and the Government of the Republic of Singapore,

Desiring to conclude a convention for the avoidance of double taxation with respect to taxes on income,

Have agreed as follows:

Article 1. PERSONAL SCOPE

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

Article 2. TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of each Contracting State irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Convention shall apply are, in particular:

(a) in the case of Belgium:

- (i) the individual income tax (*l'impôt des personnes physiques*);
- (ii) the corporate income tax (*l'impôt des sociétés*);
- (iii) the income tax on legal entities (*l'impôt des personnes morales*);
- (iv) the income tax on non-residents (*l'impôt des non-résidents*);
- (v) the prepayments and additional prepayments (*les précomptes et compléments de précomptes*); and
- (vi) the surcharges (*décimes et centimes additionnels*) on any of the taxes referred to in (i) to (v) above, including the communal supplement to the individual income tax (*taxe communale additionnelle à l'impôt des personnes physiques*);

(hereinafter referred to as "Belgian tax");

(b) in the case of Singapore:

—The income tax (hereinafter referred to as "Singapore tax");

¹ Came into force on 3 October 1973, i.e. the fifteenth day after the date (18 September 1973) of the exchange of notes indicating its approval by Belgium and Singapore under their respective legal procedures, in accordance with article 28(1).

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

5. If by reason of changes made in the taxation law of either Contracting State, it seems desirable to amend any article of this Convention without affecting the general principles thereof the necessary amendments may be made by mutual consent by means of an exchange of diplomatic notes or in any other manner in accordance with their constitutional procedures.

Article 3. GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:

(a) The term “Belgium” means the Kingdom of Belgium; it includes any area outside the Belgian national sovereignty which has been or may hereafter be designated, under the Belgian laws concerning the continental shelf and in accordance with international law, as an area within which the rights of Belgium 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 terms “a Contracting State” and “the other Contracting State” mean Belgium or Singapore, as the context requires;

(d) The term “tax” means Belgian tax or Singapore tax, as the context requires;

(e) The term “person” includes an individual, a company and any other body of persons which is treated as an entity for tax purposes;

(f) The term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes in the Contracting State of which it is a resident;

(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 “competent authorities” means, in the case of Belgium, the competent authority according to Belgian legislation, and in the case of Singapore, the Minister for Finance or his authorised representative.

2. As regards the application of the Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

Article 4. FISCAL DOMICILE

1. For the purposes of this Convention, the term “resident of a Contracting State” means any person who is resident in a Contracting State for tax purposes of that Contracting State.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then this case 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 can not be determined, or if he has not 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, 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.

Article 5. PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term “permanent establishment” means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term “permanent establishment” shall include especially:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a mine, quarry or other place of exploitation of natural resources;
- (g) a farm or plantation;
- (h) a building site or construction or assembly project which exists for more than six months.

3. The term “permanent establishment” shall not 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 for collecting information, for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

4. An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it carries on supervisory activities in that other Contracting State or more than six months in connection with a building site, construction, installation or assembly project which is being undertaken in that other Contracting State.

5. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State, other than an agent of an independent status to whom paragraph 6 applies, shall be deemed to be a permanent establishment in the first-mentioned Contracting State if

- (a) He has, and habitually exercises in that first-mentioned Contracting State, any authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise; or
- (b) He maintains in the first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise.

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

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 Contracting 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 from immovable property may be taxed in the Contracting State in which such property is situated.

2. The term "immovable property" shall be defined in accordance with the laws 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 immovable 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 and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 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 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional services.

Article 7. BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that Contracting 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 Contracting State but only so much of them as is attributable to that permanent establishment.

2. 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 all expenses, 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 (including transportation) by that permanent establishment of goods or merchandise for the enterprise.

5. Where profits include items of income which are dealt with separately in other articles of this Convention, then the provisions of those articles shall not be affected by the provisions of this article.

Article 8. SHIPPING AND AIR TRANSPORT

1. Notwithstanding the provisions of article 7, profits 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. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.

3. Paragraph 1 shall likewise apply to the share in respect of participations in pools of any kind by such enterprise engaged in the operation of ships or aircraft.

4. The term "international traffic" includes traffic between places in one Contracting State in the course of a voyage which extends over more than one country.

Article 9. ASSOCIATED ENTERPRISES

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 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 Contracting State.

2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but the tax so charged shall not exceed 15 per cent of the gross amount of the dividends.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. Notwithstanding the provisions of paragraph 2, as long as Singapore does not impose a tax on dividends in addition to the tax chargeable on the profits or income of a company, dividends paid by a company which is a resident of Singapore to a resident of Belgium shall be exempt from any tax in Singapore which may be chargeable on dividends in addition to the tax chargeable on the profits or income of the company.

Provided that nothing in this paragraph shall affect the provisions of Singapore law under which the tax in respect of a dividend paid by a company which is a resident of Singapore from which Singapore tax has been, or has been deemed to be, deducted may be adjusted by reference to the rate of tax appropriate to the Singapore year of assessment immediately following that in which the dividend was paid.

4. The term "dividends" as used in this article means income from shares, *jouissance* shares or *jouissance* rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights treated in the same way as income from shares by the

taxation law of the Contracting State of which the company making the distribution is a resident. This term means also income, even when paid in the form of interest, which is taxable under the head of income on capital invested by the members of a company other than a company with share capital, which is a resident of Belgium.

5. The provisions of paragraphs 1, 2 and 3 shall not apply if the recipient of the dividends, being a resident of a Contracting State, has in the other Contracting State, of which the company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the dividends may be taxed according to the law of that other Contracting State.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting State may not impose any tax on the dividends paid by the company outside that other Contracting State to persons who are not residents of that other Contracting State, or subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in that other Contracting State.

7. For the purposes of this Convention, dividends paid by a Malaysian company out of profits derived from sources in Singapore to a resident of Belgium shall be treated as dividends paid by a company which is a resident of Singapore.

The term "Malaysian company" means a company which, for the purposes of income tax in Malaysia, is a resident in Malaysia.

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 Contracting State.

2. However, such interest may be taxed in the Contracting State in which it arises, and according to the law of that Contracting State, but the tax so charged shall not exceed 15 per cent of the gross amount of the interest.

3. The term "interest" as used in this article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, debt-claims and deposits of every kind as well as premiums on lottery bonds and all other income treated in the same way as income from money lent or deposited by the taxation law of the Contracting State in which the income arises; however, the term does not include interest assimilated to dividends by article 10, paragraph 4, second sentence.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the interest, being a resident of a Contracting State, has in the other Contracting State in which the interest arises a permanent establishment with which the debt-claim or deposit from which the interest arises is effectively connected. In such a case, the interest may be taxed according to the law of that other Contracting State.

5. Interest shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a political subdivision, a local authority, a statutory body or a resident of that Contracting 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 in connection with which the indebtedness on which the interest is paid was incurred, and such interest is directly borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or depositor or between both of them and some other person, the amount of the interest paid, having regard to the debt-claim or deposit for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient or depositor in the absence of such relationship, the provisions of this article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of the Contracting State in which the interest arises.

Article 12. ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in both Contracting States.

2. The term "royalties" as used in this article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, 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, or for the performance of technical or commercial assistance services which are incidental to the use of such goods or rights, to the extent that the services are performed in the Contracting State in which the royalties arise.

3. Notwithstanding the provision of paragraph 1, royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State, if they are paid as consideration for

(a) the use of, or the right to use, any

(i) copyright of scientific work, patent, design or model, plan, secret formula or process or trade mark;

(ii) industrial, commercial or scientific equipment;

(b) the supply of scientific, technical or industrial knowledge, information or assistance.

4. The provision of paragraph 3 shall not apply if the recipient of the royalties being a resident of a Contracting State has in the other Contracting State in which the royalties arise a permanent establishment to pay the royalties was incurred, and such with which the right or property giving rise to the royalties is effectively connected. In such a case, the royalties may be taxed according to the law of that other Contracting State.

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 in connection with which the liability to pay the royalties was incurred, and such royalties are directly borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, 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 recipient in the absence of such relationship, the provision of paragraph 3 shall apply only to the last-mentioned amount.

Article 13. CAPITAL GAINS

1. Gains from the alienation of immovable property, as defined in paragraph 2 of article 6, may be taxed in the Contracting State in which such property is situated.

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, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise), may be taxed in that other Contracting State. However, gains from the alienation of ships and aircraft operated in international traffic and of movable property pertaining to the operation of such ships and aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

3. Gains from the alienation of any property other than those mentioned in paragraphs 1 and 2 may be taxed in both Contracting States.

Article 14. PERSONAL SERVICES

1. Subject to the provisions of articles 15, 17, 18, 19 and 20, salaries, wages and other similar remuneration or income for personal (including professional) services derived by a resident of a Contracting State, shall be taxable only in that Contracting State, unless the services are performed in the other Contracting State. If the services are so performed, such remuneration or income as is derived therefrom may be taxed in that other Contracting State.

2. Notwithstanding the provisions of paragraph 1, remuneration or income derived by a resident of a Contracting State for personal (including professional) services performed in the other Contracting State shall be taxable only in the first-mentioned Contracting State if

- (a) the recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned; and
- (b) the remuneration or income is paid by, or on behalf of, a person who is a resident of the first-mentioned Contracting State; and

(c) the remuneration or income is not borne directly by a permanent establishment which that person has in the other Contracting State.

3. Notwithstanding the preceding provisions of this article, remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft in international traffic shall be taxable only in that Contracting State.

Article 15. DIRECTORS' FEES

1. Directors' fees and 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 Contracting State.

2. The remuneration which a person to whom paragraph 1 applies derives from the company in respect of the discharge of day-to-day functions of a managerial or technical nature may be taxed in accordance with the provisions of article 14.

Article 16. ARTISTES AND ATHLETES

1. Notwithstanding the provisions of article 14, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are performed.

2. The provisions of paragraph 1 shall not apply to remuneration or profits, salaries, wages and similar income derived from activities performed in a Contracting State by public entertainers if the visit to that Contracting State is substantially supported by public funds of the other Contracting State, including any political subdivision, local authority or statutory body thereof.

3. Notwithstanding the provisions of article 7, where the activities mentioned in paragraph 1 are provided in a Contracting State by an enterprise of the other Contracting State the profits derived from providing these activities by such an enterprise may be taxed in the first-mentioned Contracting State unless the enterprise is substantially supported from the public funds of the other Contracting State, including any political subdivision, local authority or statutory body thereof, in connection with the provision of such activities.

Article 17. PENSIONS AND ANNUITIES

1. Subject to the provisions of paragraphs 1 and 2 of article 18, pensions or annuities derived by a resident of a Contracting State shall be taxable only in that Contracting State.

2. The term "pensions" means periodic payments made in consideration of past employment or by way of compensation for injuries received.

3. The term "annuities" means a stated sum payable periodically at stated times, during 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 18. GOVERNMENTAL FUNCTIONS

1. Remuneration, including pensions, paid by, or out of funds created by, Belgium or a political subdivision or a local authority thereof to any individual in respect of services rendered to Belgium or a political subdivision or local authority thereof in the discharge of functions of a governmental nature shall be taxable only in Belgium, unless the individual is a citizen or a permanent resident of Singapore without being also a national of Belgium.

2. Remuneration, including pensions, paid by, or out of funds created by, Singapore or a statutory body thereof to any individual in respect of services rendered to Singapore or a statutory body thereof in the discharge of functions of a governmental nature shall be taxable only in Singapore, unless the individual is a national or a permanent resident of Belgium without being also a citizen of Singapore.

3. For the purposes of paragraphs 1 and 2, an individual shall be deemed to be a permanent resident of a Contracting State if he is a resident of that Contracting State before entering upon his governmental functions.

4. The provisions of this article shall not apply to remuneration, including pensions, in respect of services rendered in connection with any trade or business carried on by a Contracting State or a political subdivision, local authority or statutory body thereof.

Article 19. PROFESSORS OR TEACHERS

1. An individual who is a resident of Belgium immediately before making a visit to Singapore, and who, at the invitation of any university, college, school or other similar educational institution, which is recognised by the competent authority in Singapore, visits Singapore for a period not exceeding two years solely for the purpose of teaching or research or both at such educational institution shall be taxable only in Belgium on his remuneration for such teaching or research.

2. An individual who is a resident of Singapore immediately before making a visit to Belgium, and who, at the invitation of any university, recognised college, school or other similar educational institution, visits Belgium for a period not exceeding two years solely for the purpose of teaching or research or both at such educational institution shall be taxable only in Singapore on his remuneration for such teaching or research.

3. This article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

Article 20. STUDENTS AND TRAINEES

1. An individual who immediately before visiting a Contracting State is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State solely as a student at a recognised university, college or school in that first-mentioned Contracting State, or as a business apprentice therein, shall be exempt from tax in the first-mentioned Contracting State in respect of

- (a) all remittances from the other Contracting State for the purposes of his maintenance, education or training; and
- (b) any remuneration for personal services rendered in the first-mentioned Contracting State with a view to supplementing the resources available to him for such purposes, if such remuneration does not exceed 100,000 Belgian francs or its equivalent in Singapore currency for any calendar year.

2. An individual who immediately before visiting a Contracting State is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for a period not exceeding three years for the purpose of study, research or training solely as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organisation or under a technical assistance programme entered into by one of the Contracting States shall be exempt from tax in the first-mentioned Contracting State on

- (a) the amount of such grant, allowance or award; and
- (b) any remuneration for personal services rendered in the first-mentioned Contracting State which does not exceed 150 000 Belgian francs or its equivalent in Singapore currency for any calendar year, provided such services are in connection with his study, research or training or are incidental thereto.

3. An individual who immediately before visiting a Contracting State is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for a period not exceeding twelve months solely as an employee of, or under contract with, the second-mentioned Contracting State or an enterprise thereof for the purpose of acquiring technical, professional or business experience shall be exempt from tax in the first-mentioned Contracting State on

- (a) all remittances from the second-mentioned Contracting State for the purposes of his maintenance, education or training, and
- (b) any remuneration for personal services rendered in the first-mentioned Contracting State which does not exceed 200 000 Belgian francs or its equivalent in Singapore currency for any calendar year, provided such services are in connection with his studies or training or are incidental thereto.

4. For the purposes of this article the term "Contracting State" shall include any political subdivision, local authority or statutory body thereof.

Article 21. INCOME NOT EXPRESSLY MENTIONED

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing articles of this Convention may be taxed in both Contracting States.

Article 22. LIMITATION OF RELIEF

Where this Convention 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 Convention in the first-mentioned Contracting State shall apply to so much of the income as is remitted to or received in that other Contracting 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 Convention. 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. (a) In the case of a resident of Singapore, subject to the provisions of the laws of Singapore regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, Belgian tax payable, whether directly or by deduction in respect of income from sources within Belgium, shall be allowed as a credit against Singapore tax payable in respect of that income.

(b) Where such income is a dividend paid by a company which is a resident of Belgium to a company which is a resident of Singapore and which owns directly or indirectly not less than 25 per cent of the share capital in the first-mentioned company, the credit shall take into account, in addition to any Belgian tax on dividends, the Belgian corporate income tax payable in respect of its profits by the company paying the dividends.

3. In the case of income derived from sources in Singapore which is liable to tax in Belgium according to Belgian law:

(a) (i) Where a company which is a resident of Belgium owns shares in a company which is a resident of Singapore the dividends paid thereon to the former company which have not been dealt with in accordance with paragraph 5 of article 10 shall be exempt in Belgium from the tax referred to in paragraph 3 (a) (ii) of article 2 to the extent that exemption would have been accorded if the two companies had been residents of Belgium.

(ii) A company which is a resident of Belgium and which owns directly shares in a company which is a resident of Singapore during the whole of the accounting period of the latter company shall likewise be exempted or granted relief from the prepayment on income from movable property (*précompte mobilier*) chargeable in accordance with Belgian law on the net amount of the dividends referred to above which are paid to it by the said company which is a resident of Singapore and is liable to the tax referred to in paragraph 3 (b) of article 2, provided that it so requests in writing not later than the time limited for the submission of its annual return, on the understanding that, on redistribution to its own shareholders of income not charged to the said prepayment, the income then distributed and chargeable to the said prepayment shall not be reduced by the amount of such dividends, notwithstanding Belgian law. This exemption shall not apply when the first-mentioned company has elected that its profits be charged to the individual income tax.

However, the application of the provision of this sub-paragraph (a) (ii) shall be limited to dividends paid by a company which is a resident of Singapore to a company which is a resident of Belgium which controls directly or indirectly not less than 25 per cent of the voting power in the former company, in cases where, in regard to the exemption of the tax referred to in paragraph 3 (a) (ii) of article 2, a similar limitation would be imposed by Belgian legislation in respect of dividends paid by companies not residents of Belgium.

(iii) In cases not covered by sub-paragraph (a) (i), Belgium shall allow a credit against Belgian tax charged on income derived by a resident of Belgium, if such income is

—dividends dealt with in paragraph 2 of article 10;

—interest dealt with in paragraphs 2 and 6 of article 11 which is subject to Singapore tax according to the taxation law of Singapore, including such interest on which no Singapore tax is levied by virtue of the special measures provided for in the Economic Expansion Incentives (Relief from Income Tax) Act (chapter 135, 1970 edition) of the Republic of Singapore, or any other provision which may subsequently be made granting relief which is agreed by the competent authorities of both Contracting States to be of a substantially similar character;

—royalties dealt with in paragraphs 1, 3 and 6 of article 12.

This credit shall be an amount equal to 15 per cent of the gross amount of such dividends, interest or royalties which is included in the taxable basis of the said resident.

(b) (i) Where a resident of Belgium receives income other than that mentioned in sub-paragraph (a) above which is chargeable to tax in Singapore in accordance with the provisions of this Convention, Belgium shall exempt such income from tax, but may in calculating the amount of the tax on the remaining income of that resident apply the rate of tax which would have been applicable if the income in question had not been exempted.

(ii) Income chargeable as business profits in accordance with Belgian law in the hands of members of companies and bodies of persons shall be treated as through it were profits arising from a business carried on by the members themselves on their own account.

(iii) Notwithstanding sub-paragraph (b) (i) above, Belgian tax may be charged on income chargeable in Singapore to the extent that this income has not been charged in Singapore because of the set-off of losses also deducted, in respect of any accounting period, from income taxable in Belgium.

Article 24. NON-DISCRIMINATION

1. Nationals or citizens 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 or citizens of that other Contracting State in the same circumstances are or may be subjected. This provision shall not be construed as obliging Singapore to grant to nationals of Belgium not resident in Singapore those personal allowances, reliefs and reductions for tax purposes which are by

law available on the date of signature of this Convention only to citizens of Singapore or to such other persons as may be specified therein who are not resident in Singapore.

2. The term "nationals or citizens" means:

- (a) all individuals possessing the nationality or citizenship of a Contracting State; and
- (b) all legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State.

3. 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 Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities.

This provision shall not be construed as preventing Belgium from taxing the total amount of the profits attributable to a permanent establishment in Belgium of a company being a resident of Singapore or of an association having its place of effective management in Singapore at the rate of tax provided by the Belgian law, but this rate may not, before the surcharges referred to in paragraph 3 (a) (vi) of article 2, exceed the maximum rate applicable to the whole or a portion of the profits of companies which are residents of Belgium.

4. 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 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 Contracting State are or may be subjected.

5. In this article the term "taxation" means taxes which are the subject of this Convention.

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 a taxation not in accordance with this Convention, he may, without prejudice to the remedies provided by the national laws of these States, address to the competent authority of the Contracting State of which he is a resident an application in writing stating the grounds for claiming a revision of that taxation.

The said application must be presented within a period of two years from the date of the notification, or the collection at source, of the charge to tax which the resident considers not in accordance with this Convention.

2. The competent authority referred to in paragraph 1 shall endeavour, if the objection appears to it to be justified and if it is not 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 Convention.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the application of this Convention.

4. The competent authorities of the Contracting States shall agree on the subject of the necessary administrative measures to carry out the provisions of this Convention and particularly in the matter of the proofs to be furnished by the residents of either Contracting State in order to benefit in the other Contracting State from the exemptions from or reductions in tax provided in this Convention.

Article 26. EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is in accordance with this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed apart from the taxpayer or his agent, to any persons or authorities other than those concerned with the assessment or collection of the taxes to which this Convention applies or with appeals relating 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. MISCELLANEOUS

1. As regards a company which is a resident of Belgium, the provisions of this Convention shall not limit its taxation in accordance with the Belgian law in the event of the repurchase of its own shares or in the event of the distribution of its assets.

2. Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

3. The Convention shall not apply to international organisations, to organs or officials thereof and to persons who are members of a diplomatic or consular mission of a third State, being present in a Contracting State and not being taxed in either Contracting State as residents in respect of taxes on income.

4. The competent authorities of the Contracting States shall communicate directly with each other for the application of this Convention.

Article 28. ENTRY INTO FORCE

1. This Convention shall be approved by Belgium and Singapore in accordance with their respective legal procedures, and shall enter into force on the fifteenth day after the date of exchange of notes indicating such approval.

2. This Convention shall have effect:

In Belgium:

- (a) as respects all tax due at source on income credited or payable on or after the first day of January in the calendar year in which this Convention enters into force;
- (b) as respects all tax other than tax due at source, on income of any accounting period ending on or after the 31st day of December in the calendar year in which this Convention enters into force.

In Singapore:

as respects all tax for the year of assessment beginning on the first day of January in the calendar year following that in which this Convention enters into force, and subsequent years of assessment.

Article 29. TERMINATION

This Convention shall remain in force indefinitely but either of the Contracting States may terminate the Convention, through diplomatic channels, by giving to the other Contracting State written notice of termination not later than the 30th June of any calendar year from the fifth year following that in which the Convention entered into force. In such event the Convention shall have effect for the last time:

In Belgium:

- (a) as respects all tax due at source on income credited or payable at last on the 31st day of December in the calendar year in which the notice of termination is given;
- (b) as respects all tax other than tax due at source on income of any accounting period ending at last on the 30th day of December of the calendar year following that in which the notice of termination is given.

In Singapore:

as respects all tax for the year of assessment beginning on the first day of January in the calendar year following that in which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed this Convention.

DONE in duplicate at Singapore this 8th day of February of the year one thousand nine hundred and seventy-two in the English language.

For the Government of the Kingdom of Belgium:
JACQUES I. D'HONDT

For the Government of the Republic of Singapore:
HON SIU SEN

PROTOCOL

At the signing of the Convention between the Government of the Kingdom of Belgium and the Government of the Republic of Singapore for the avoidance of double taxation with respect to taxes on income, the undersigned have agreed on the following provisions which shall be an integral part of the Convention.

1. With reference to paragraph 2 of article 10 and paragraph 2 of article 11, a Contracting State, as defined in paragraph 3 of this Protocol, shall be exempt from tax of the other Contracting State with respect to dividends, interests and any gains from the alienation of shares, securities or other rights giving rise to dividends and interest derived from sources within that other Contracting State.

However, the exemption shall be limited to shares or other rights referred to in paragraph 4 of article 10, or securities or other rights referred to in paragraph 3 of article 11, which are held for purposes of public interest only and not for any other purposes.

2. With reference to article 22, the limitation imposed by the said article shall not apply to income derived by a Contracting State from sources in the other Contracting State.

3. The term "a Contracting State" as used in paragraphs 1 and 2 of this Protocol means

(a) in the case of Belgium, the Kingdom of Belgium and shall include

- (i) any political subdivision or local authority of Belgium;
- (ii) the National Bank of Belgium (Banque nationale de Belgique); and
- (iii) such institutions of Belgium as may be agreed from time to time between the competent authorities referred to in paragraph (1) (h) of article 3 of the Convention;

(b) in the case of Singapore, the Republic of Singapore and shall include

- (i) the Board of Commissioners of Currency;
- (ii) the "Monetary Authority of Singapore", and
- (iii) such institutions of Singapore as may be agreed from time to time between the competent authorities referred to in paragraph (1) (h) of article 3 of the Convention.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed this Protocol.

DONE in duplicate at Singapore this 8th day of February of the year one thousand nine hundred and seventy-two in the English language.

For the Government of the Kingdom of Belgium:
JACQUES I. D'HONDT

For the Government of the Republic of Singapore:
HON SUI SEN