

**No. 14399**

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**FRANCE  
and  
SINGAPORE**

**Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Paris on 9 September 1974**

*Authentic texts: French and English.*

*Registered by France on 31 October 1975.*

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SINGAPOUR**

**Convention tendant à éviter les doubles impositions et à prévenir l'évasion fiscale en matière d'impôts sur les revenus. Signée à Paris le 9 septembre 1974**

*Textes authentiques : français et anglais.*

*Enregistrée par la France le 31 octobre 1975.*

CONVENTION<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE FRENCH REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

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The Government of the Republic of Singapore and the Government of the French Republic,

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion 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. The existing taxes which are the subject of this Convention are—

(a) in Singapore:

— the income tax (hereinafter referred to as “Singapore tax”);

(b) in France:

(i) the income tax; and

(ii) the corporation tax;

including any withholding tax, prepayment (*précompte*) or advance payment with respect to the aforesaid taxes (hereinafter referred to as “French tax”).

3. This 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 to each other any important changes which have been made in their respective taxation laws.

4. 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:

(a) the term “Singapore” means the Republic of Singapore;

(b) the term “France” means the European and overseas departments (Guadeloupe, Guyane, Martinique and Réunion) of the French Republic, including any area

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<sup>1</sup> Came into force on 31 July 1975, the date of the last of the notifications (24 July 1975 for France and 31 July 1975 for Singapore) indicating that the Convention had been approved by both Contracting States pursuant to their respective laws, in accordance with the provisions of article 30.

outside the territorial sea of France which is, in accordance with international law, an area within which France may exercise rights with respect to the sea bed and sub-soil and their natural resources;

(c) the terms “a Contracting State” and “the other Contracting State” mean Singapore or France, as the context requires;

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

(e) the term “person” comprises an individual, a company and any association with or without juridical personality;

(f) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;

(g) the terms “Singapore enterprise” and “French enterprise” mean, respectively, an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of Singapore and an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of France;

(h) the terms “enterprise of a Contracting State” and “enterprise of the other Contracting State” mean a Singapore enterprise or a French enterprise, as the context requires;

(i) the term “competent authority” means, in the case of Singapore, the Minister for Finance or his authorised representative; in the case of France the Minister of Economy and Finance or his authorised representative; and in the case of any territory to which this Convention is extended under Article 29, the competent authority for the administration in such territory of the taxes to which this Convention applies.

2. As regards the application of this 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 this Convention.

#### *Article 4. FISCAL DOMICILE*

1. For the purposes of this Convention, the term “resident of a Contracting State” means any person who is a resident of 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 his 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 cannot 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 farm or plantation;
- (g) a mine, oil well, quarry or other place of extraction of natural resources;
- (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, notwithstanding it has no fixed place of business in the other Contracting State, shall be deemed to have a permanent establishment in that other Contracting State if it carries on supervisory activities therein for more than six months in connection with a 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 independent status to whom paragraph 6 applies), notwithstanding he has no fixed place of business in the former Contracting State, shall be deemed to be a permanent establishment therein if—

- (a) he has, and habitually exercises in the former Contracting State an 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 former 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 person is acting in the ordinary course of his 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 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 law of the Contracting State in which the property in question is situated. The term shall in any case include rights to variable or fixed payments as consideration for the working of, or the right to work, mines, oil wells, quarries or other places of extraction of natural resources.

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.

5. Income from agricultural or forestry undertakings situated in a Contracting State may be taxed in that Contracting State.

#### *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. Where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions all expenses, 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 that permanent establishment merely purchasing 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. Profits which an enterprise of a Contracting State derives from operation of ships or aircraft in international traffic shall be taxable only in that State.

2. The provisions of paragraph 1 of this Article shall likewise apply in respect of participations in pools, in a joint business or in an international operation agency of any kind by enterprises engaged in the operation of ships or aircraft in international traffic.

*Article 9. ASSOCIATED ENTERPRISES*

Where—

- (a) an enterprise of a Contracting State participates directly or indirectly in the management, control of 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. Dividends paid by a company which is a resident of France to a resident of Singapore may be also taxed in France, and according to the law of France, but the tax so charged shall not exceed:

- (a) 10 per cent of the gross amount of the dividends if the recipient is a company which owns directly or indirectly at least 10 per cent of the share capital of the company paying the dividends;
- (b) in all other cases, 15 per cent of the gross amount of the dividends.

3. (a) A resident of Singapore who receives from a company which is a resident of France dividends which, if received by a resident of France, would entitle such resident to a fiscal credit (*avoir fiscal*), shall be entitled from the French Treasury to a payment equal to such fiscal credit (*avoir fiscal*) subject to the deduction of tax as provided for under paragraph 2 of this Article.

(b) The provisions of sub-paragraph (a) of this paragraph shall apply only to a resident of Singapore who is—

- (i) an individual;
- (ii) a company which owns directly or indirectly less than 10 per cent of the share capital of the French company paying the dividends.

(c) The provisions of sub-paragraph (a) of this paragraph shall not apply if the recipient of the payment from the French Treasury as provided thereunder is not subject to Singapore tax in respect of the payment.

(d) Payments from the French Treasury provided for under sub-paragraph (a) of this paragraph shall be deemed to be dividends for the purposes of this Convention.

4. Dividends paid by a company which is a resident of Singapore to a resident of France shall be exempt from any tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company —

- (a) 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;
- (b) provided, further, that if Singapore, subsequent to the signing of this Convention imposes a tax chargeable specifically on dividends other than the tax chargeable in respect of the profits or income of a company which is a resident of Singapore, such tax may be charged but shall not exceed:
  - (i) 10 per cent of the gross amount of the dividends if the recipient is a company which owns directly or indirectly at least 10 per cent of the share capital of the company paying the dividends;
  - (ii) in all other cases, 15 per cent of the gross amount of the dividends.

5. The term “dividends” as used in this Article means income from shares, *jouissance* shares or *jouissance* rights, mining shares, founders’ shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights assimilated to income from shares by the taxation law of the Contracting State of which the company making the distribution is a resident.

6. The provisions of paragraphs 1, 3 and 4 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 provisions of Article 7 shall apply.

7. When the prepayment (*précompte*) is levied in respect of dividends paid by a company which is a resident of France to a resident of Singapore who is not entitled to the payment from the French Treasury referred to in paragraph 3 of this Article with respect to such dividends, such resident shall be entitled to the refund of that prepayment, subject to the deduction of the withholding tax with respect to the refunded amount in accordance with paragraph 2 of this Article.

8. Dividends distributed to a resident of France by a company which is a resident of France and which owns at least 10 per cent of the capital of a company which is a resident of Singapore and paid out of dividends received from the company which is a resident of Singapore, shall entitle the resident of France to a fiscal credit (*avoir fiscal*) in accordance with the French law.

9. For the purposes of this Convention, dividends paid to a resident of France by a company which is a resident of Malaysia out of profits derived from Singapore and declared as Singapore dividends are regarded as dividends paid by a company which is a resident of Singapore.

#### Article 11. PROFITS OF PERMANENT ESTABLISHMENT

Where a company which is a resident of a Contracting State has a permanent establishment in the other Contracting State, it may be subjected therein to any withholding tax provided by the laws of that other Contracting State but such tax shall not exceed 15 per cent of one-third of the profits of the permanent establishment after payment of the corporation tax on such profits.

*Article 12. 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 be taxed in the Contracting State in which it arises, and according to the laws of that State, but the tax so charged shall not exceed 10 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State shall be exempt from tax in that State if it is paid:

(a) in the case of Singapore to—

- (i) the Government of Singapore;
- (ii) the Board of Commissioners of Currency;
- (iii) the Monetary Authority of Singapore; and
- (iv) such institutions, the capital of which is wholly owned by the Government of Singapore, as may be agreed from time to time between the Governments of the two Contracting States;

(b) in the case of France to—

- (i) the French State;
- (ii) the “Banque de France”;
- (iii) the “Banque Française pour le Commerce Extérieur” acting as public financing agency; and
- (iv) such institutions, the capital of which is wholly owned by the French State, as may be agreed from time to time between the Governments of the two Contracting States.

4. Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State and paid to a resident of the other Contracting State on debentures issued by, or on loans (including loans in the form of deferred payments) made to, an enterprise of the first-mentioned Contracting State engaged in an industrial undertaking shall be exempt from tax of that first-mentioned State.

5. For the purposes of paragraph 4 of this Article, the term “industrial undertaking” means an undertaking which is approved by the competent authority of the Contracting State in which the undertaking is situated, and falls under any of the classes mentioned below:

- (a) manufacturing, assembling and processing;
- (b) construction and civil engineering;
- (c) ship-building, ship-breaking and ship-docking;
- (d) electricity, hydraulic power, gas and water supply;
- (e) mining, including the working of a quarry or any other source of mineral deposits;
- (f) plantation, agriculture, forestry and fishery; and
- (g) any other undertaking which may be declared to be an “industrial undertaking” for the purposes of this Article.

6. 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, and debt-claims of every kind as well as other income assimilated to income from money lent according to the taxation laws of the Contracting State in which the income arises.



7. The provisions of paragraphs 1, 2 and 4 of this Article 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 from which the interest arises is effectively connected. In such a case, the provisions of Article 7 shall apply.

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

9. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of interest paid, 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 recipient 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 each Contracting State, due regard being had to the other provisions of this Convention.

#### *Article 13. ROYALTIES*

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means payments of any kind received as consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematograph films and tapes for television or 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.

3. Notwithstanding the provisions of paragraph 1 of this Article, royalties received as consideration for the use of, or the right to use, any copyright of literary or artistic work, including cinematograph films and tapes for television or broadcasting or for information concerning commercial experience may be taxed in, and according to the law of, the Contracting State in which they arise.

4. The provisions of paragraphs 1, 2 and 3 of this Article 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 with which the right or property giving rise to the royalties is effectively connected. In such a case, the provisions of Article 7 shall apply.

5. Royalties as defined in paragraph 2 of this Article shall be treated as arising from sources within the Contracting State in which the property referred to in that paragraph is used.

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, property 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 provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain

taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

*Article 14. 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 for the alienation of such a permanent establishment (alone or together with the whole enterprise) may be taxed in the other State. However, gains from the alienation of ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State of which the person carrying on the enterprise is a resident.

3. Gains from the alienation of any property other than those mentioned in paragraphs 1 and 2, shall be taxable only in the Contracting State of which the alienator is a resident.

4. Notwithstanding the provisions of paragraph 3, gains from the alienation by a resident of a Contracting State of any right or property referred to in paragraph 3 of Article 13 which are used in the other Contracting State, may be taxed in that State.

5. Notwithstanding the provisions of paragraph 3 the gains from the sale or exchange of shares or comparable interests in a real property co-operative or of a company the assets of which consist principally of such property may be taxed in the Contracting State where such property is situated according to the law of that Contracting State.

*Article 15. PERSONAL SERVICES*

1. Subject to the provisions of Articles 16, 17, 19, 20 and 21, 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 exempt from tax of that other 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 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 one of the Contracting States in respect of an employment exercised aboard a ship or aircraft in international traffic shall be taxable only in that State.

*Article 16. DIRECTORS' FEES*

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 State.

*Article 17. PUBLIC ENTERTAINERS*

1. Notwithstanding the provisions of Article 15, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal services as such may be taxed in the Contracting State in which these services are performed.

2. The provisions of paragraph 1 shall not apply to remuneration or profits, salaries, wages and similar income derived from services rendered 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.

3. Where the services mentioned in paragraph 1 are provided in a Contracting State by an enterprise of the other Contracting State, the profits derived from providing these services by such an enterprise may be taxed in the first-mentioned State unless the enterprise is substantially supported from the public funds of the other Contracting State in connection with the provision of such services.

4. For the purposes of this Article the term "public funds" shall include the funds of any local authority or statutory body of either Contracting State.

*Article 18. PENSIONS*

Subject to the provisions of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

*Article 19. GOVERNMENTAL FUNCTIONS*

1. Remuneration, including pensions, paid by, or out of funds created by, a Contracting State or a local authority or statutory body thereof to any citizen or national of that State in respect of services rendered to that State or local authority or statutory body thereof in the discharge of functions of a governmental nature may be taxed in that State.

2. The provisions of this Article shall not apply to any remuneration in respect of services rendered in connection with any trade or business carried on for purposes of profit.

*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.

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 and 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 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, 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 local authority or statutory body of either of the Contracting States.

#### *Article 21. TEACHERS*

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, which is recognised by the competent authority in that other 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 institution shall be exempt from tax in that other Contracting State on his remuneration for such teaching or research.

#### *Article 22. 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 shall be taxable only in that State.

#### *Article 23. LIMITATION OF RELIEF*

1. 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 only to so much of the income as is remitted to or received in that other Contracting State.

2. However, this limitation does not apply to income derived by a Contracting State from sources in the other Contracting State. For the purposes of this Article, the term “Contracting State” shall include the statutory bodies referred to in paragraph 3 of Article 12.

*Article 24.* ELIMINATION OF DOUBLE TAXATION

1. Tax shall be determined in the case of a resident of Singapore as follows:

- (a) Subject to the provisions of Singapore laws regarding credit for foreign tax, there shall be allowed as a credit against Singapore tax payable in respect of any item of income derived from France the French tax paid under the laws of France and in accordance with this Convention. 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.
- (b) Where such income is a dividend paid by a company which is a resident of France to a company which is a resident of Singapore and which owns directly or indirectly at least 10 per cent of the capital of the French company, the credit shall take into account (in addition to any French tax on dividends) the French corporation tax payable in respect of its profits by the company paying the dividends.

2. Tax shall be determined in the case of a resident of France as follows:

- (a) Income other than those mentioned in sub-paragraph (b) of this paragraph derived from Singapore shall be exempt from French tax. France, however, retains the right to take into account in the determination of its rate of tax the items of income so excluded. In the case of income from dividends, the foregoing provisions of this sub-paragraph shall apply only to such dividends as are paid to a company being a resident of France by a company being a resident of Singapore if at least 10 per cent of the capital of the Singapore company is owned directly or indirectly by the French company.
- (b) France shall allow credit against French tax for Singapore tax payable on income derived from Singapore in respect of —
  - (aa) dividends to which sub-paragraph (a) of this paragraph does not apply;
  - (bb) interest to which Article 12 applies;
  - (cc) royalties to which paragraph 3 of Article 13 applies;
  - (dd) directors' fees to which Article 16 applies; and
  - (ee) income to which Article 17 applies.

Provided that the credit so allowed shall not exceed that part of the French tax, as computed before the credit is allowed, which is appropriate to such items of income.

- (c) For the purposes of credit referred to in sub-paragraph (b), the term "Singapore tax payable" shall be deemed to include —
  - (aa) 15 per cent of the gross amount of dividends paid out of income exempted from Singapore tax in accordance with the Economic Expansion Incentives (Relief from Income Tax) Act, (Chapter 135, 1970 Edition) of Singapore or any other provisions which may subsequently be enacted granting an exemption from or reduction of tax which are agreed by the competent authorities to be of a substantially similar character;
  - (bb) 10 per cent of the gross amount of interest where Singapore tax has been exempted under paragraph 4 of Article 12.
- (d) For the purposes of royalties to which paragraph 3 of Article 13 does not apply, France shall allow credit against French tax an amount equal to 10 per cent of the gross amount of the royalties which arise from sources within Singapore.

*Article 25. NON-DISCRIMINATION*

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

2. The term "national" means:

- (a) in respect of Singapore all individuals possessing the citizenship of Singapore and all legal persons, partnerships, associations and other entities deriving their status as such from the law in force in Singapore;
- (b) in respect of France all individuals possessing the nationality of France and all legal persons, partnerships, associations and other entities deriving their status as such from the law in force in France.

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.

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 the first-mentioned Contracting State are or may be subjected.

5. This Article shall not be construed as obliging a Contracting State to grant to nationals of the other Contracting State not resident in either of the Contracting States those personal allowances, reliefs and reductions for tax purposes which are by law available to nationals of the first-mentioned Contracting State.

6. In this Article the term "taxation" means taxes which are the subject of this Convention.

*Article 26. MUTUAL AGREEMENT PROCEDURE*

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States have resulted or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws in force in the Contracting States, present his case to the competent authority of the Contracting State of which he is a resident.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at 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 the Convention.

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

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

5. The competent authorities of the Contracting States shall settle the mode of application of this Convention.

*Article 27. EXCHANGE OF INFORMATION*

1. The competent authorities of the Contracting States shall exchange such information (being information which is available under their respective taxation laws in the normal course of administration) as is necessary for carrying out the provisions of this Convention or for the prevention of fraud or underpayment of tax by reasons other than fraud or for the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than persons, including a court, concerned with the assessment and collection of those taxes or the determination of appeals in relation thereto.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States 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 28. DIPLOMATIC AND CONSULAR OFFICIALS*

1. 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.

2. 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 treated in either Contracting State as residents in respect of taxes on income.

*Article 29. FRENCH OVERSEAS TERRITORIES*

1. This Convention may be extended, either in its entirety or with any necessary modifications by agreement between the Contracting States to the overseas territories of the French Republic which impose taxes substantially similar in character to those to which the Convention applies. Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed between the Contracting States in notes to be exchanged through diplomatic channels or in any other manner in accordance with their constitutional procedures.

2. Unless otherwise agreed by both Contracting States, the termination of the Convention by one of them under Article 31 shall terminate, in the manner provided for in that Article, the application of the Convention to any territory to which it has been extended under this Article.

*Article 30. ENTRY INTO FORCE*

This Convention shall be approved by both Contracting States in accordance with their respective laws and shall enter into force on the day of exchange of notes indicating such approval. This Convention shall have effect—

- (a) in Singapore: as respects Singapore tax for years of assessment beginning on or after the first day of January, 1972;
- (b) in France: as respects French tax for assessment years which correspond to years of income beginning on or after the first day of January, 1971.

*Article 31. TERMINATION*

This Convention shall continue in effect indefinitely, but either of the Contracting States may, on or before 30th June in any calendar year, give to the other Contracting State written notice of termination and, in such event, this Convention shall cease to be effective—

- (a) in Singapore: as respects Singapore tax for the years of assessment beginning on or after the first day of January of the calendar year next following that in which such notice is given;
- (b) in France: as respects French tax for assessment years beginning on or after the first day of January of the calendar year following that in which such notice is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Convention.

DONE in duplicate at Paris this ninth day of September of the year 1979 in the English and French languages, both texts being equally authoritative.

For the Government  
of the Republic of Singapore:

[Signed — Signé]<sup>1</sup>

For the Government  
of the French Republic:

[Signed — Signé]<sup>2</sup>

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<sup>1</sup> Signed by Abdul Aziz Bin Mahmood—Signé par Abdul Aziz Bin Mahmood.

<sup>2</sup> Signed by G. de Chambrun—Signé par G. de Chambrun.