



# Limited Double Taxation Avoidance Agreement between Saudi Arabia and Singapore

Entered into force on January 25, 1992

## DEZAN SHIRA & ASSOCIATES

Corporate Establishment, Tax, Accounting & Payroll Throughout Asia

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**AGREEMENT BETWEEN  
THE REPUBLIC OF SINGAPORE AND  
THE KINGDOM OF SAUDI ARABIA  
FOR RECIPROCAL EXEMPTION  
WITH RESPECT TO TAXES ON INCOME  
OF AIR TRANSPORT ENTERPRISES OF THE TWO COUNTRIES**

Date of Conclusion: 6 August 1991.

Entry into Force: 25 January 1992.

Effective Date: 1 January 1979.

The Government of the Republic of Singapore and the Government of the Kingdom of Saudi Arabia, desiring to conclude an Agreement for reciprocal exemption with respect to taxes on income of air transport enterprises of the two countries, have agreed as follows:

**ARTICLE 1 - TAXES COVERED**

1. This Agreement 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 property.
3. The existing taxes to which the Agreement shall apply are in particular:
  - (a) In the case of the Republic of Singapore, the income tax on companies (hereinafter referred to as "Singapore Tax");
  - (b) In the case of the Kingdom of Saudi Arabia, the income tax on companies (hereinafter referred to as "Saudi Tax").
4. This Agreement shall also apply to any identical or substantially similar taxes as are subsequently imposed in addition to, or in place of the existing taxes.

**ARTICLE 2 - DEFINITIONS**

In this Agreement, unless the context otherwise requires:

- (a) the terms "a Contracting State" and "the other Contracting State" mean the Republic of Singapore or the Kingdom of Saudi Arabia as the context requires;

- (b) the terms "air transport enterprise of a Contracting State" and the "air transport 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 namely Singapore Airlines Limited and Saudi Arabian Airlines Corporation as the context requires;
- (c) the term "exercise of air transport" means the operational activity of transportation by air of persons, livestock, goods and mail conducted by an air transport enterprise of a Contracting State including sale of tickets and similar airline documents used for the purpose of transportation;
- (d) the term "international traffic" means any transport by aircraft operated by an air transport enterprise of a Contracting State, except when such transport is made solely between places in the other Contracting State;
- (e) the term "competent authority" means:
  - (i) in the case of the Republic of Singapore, the Minister for Finance or his authorised representative;
  - (ii) in the case of the Kingdom of Saudi Arabia, the Ministry of Finance and National Economy;
- (f) the term "resident of a Contracting State" means any person, who under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of control and management or any other criterion of a similar nature;
- (g) the term "person" includes an individual, a corporation, a company or any other body of persons.

### **ARTICLE 3 - AIR TRANSPORT**

1. Income and profits derived by an air transport enterprise of a Contracting State from the exercise of air transport in international traffic shall be exempted from tax in the other Contracting State.
2. The provisions of paragraph 1 shall also apply to income and profits derived by an air transport enterprise of a Contracting State from its participation in a pool or a joint business.
3. For the purpose of this Article, profits derived by an enterprise of a Contracting State, from the exercise of air transport in international traffic also include income derived from training schemes, management and other services rendered by an air transport enterprise of a Contracting State to the air transport enterprise of the other Contracting State.

### **ARTICLE 4 - MUTUAL AGREEMENT PROCEDURE**

Consultation may be requested at any time by either Contracting State for the purpose of amendment to the present Agreement or for its application or its interpretation. Such consultation shall begin within 60 days from the date of receipt of any such request and decisions shall be by mutual consent.

## **ARTICLE 5 - ENTRY INTO FORCE**

1. This Agreement shall be ratified and the instruments of ratification exchanged immediately after the completion of the internal legal procedures in both Contracting States.
2. The Agreement shall enter into force upon the exchange of instruments of ratification and its provisions shall have effect on income arising on or after January 1st, 1979.

## **ARTICLE 6 - TERMINATION**

This Agreement shall remain in force indefinitely but either of the Contracting States may, on or before the thirtieth day of June in any calendar year beginning after the expiration of a period of 5 years from the date of its entry into force, give to the other Contracting State, through the diplomatic channel, written notice of termination. In such event this Agreement shall cease to have effect for income derived on the first day of January in the year next following the year in which the notice of termination is given and thereafter.

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

DONE in duplicate at Riyadh this 6th day of August, 1991 corresponding to 26th of Muharram 1412 in the Arabic and English languages, the two texts being equally authentic. In the event divergence exists between the texts, the English text shall prevail.

For the Government of the  
Republic of Singapore

MUSHAHID ALI,  
*Charge D'Affaires.*

For the Government of the  
Kingdom of Saudi Arabia

MOHAMMED ABALKHAIL,  
*Minister of Finance and  
National Economy.*