



Limited Double Taxation Avoidance Agreement between the United Arab Emirates and Singapore

Entered into force on July 26, 1991

DEZAN SHIRA & ASSOCIATES

Corporate Establishment, Tax, Accounting & Payroll Throughout Asia

This document was downloaded from ASEAN Briefing (www.aseanbriefing.com) and was compiled by the tax experts at Dezan Shira & Associates (www.dezshira.com).

Dezan Shira & Associates is a specialist foreign direct investment practice, providing corporate establishment, business advisory, tax advisory and compliance, accounting, payroll, due diligence and financial review services to multinationals investing in emerging Asia.

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND
THE GOVERNMENT OF THE UNITED ARAB EMIRATES
FOR RECIPROCAL EXEMPTION WITH RESPECT TO TAXES ON INCOME
ARISING FROM THE BUSINESS OF INTERNATIONAL AIR TRANSPORT**

Date of Conclusion: 27 October 1989.

Entry into Force: 26 July 1991.

Effective Date: 1 January 1971.

The Government of the Republic of Singapore and the Government of the United Arab Emirates, desiring to conclude an Agreement for reciprocal exemption with respect to taxes on income arising from the business of international air transport have agreed on the following:

ARTICLE 1 - TAXES COVERED

1. The taxes which are the subject of this Agreement are:
 - (a) in the United Arab Emirates:

the income tax as imposed by the Federal Government of the United Arab Emirates

(hereinafter referred to as "United Arab Emirates Tax");
 - (b) in Singapore:

the income tax

(hereinafter referred to as "Singapore tax").

2. This Agreement shall also apply to -
 - (a) any identical or substantially similar taxes;
 - (b) any tax on capital gains;

which are imposed at Federal or State level by either Contracting State after the date of signature of this Agreement in addition to or in place of the taxes referred to in paragraph 1 of this Article.

ARTICLE 2 - DEFINITIONS

1. In this Agreement, unless the context otherwise requires:
 - (a) The term "Singapore" means the Republic of Singapore;
 - (b) The terms "a Contracting State" and "the other Contracting State" mean the United Arab Emirates or Singapore as the context requires;
 - (c) The term "tax" means United Arab Emirates tax or Singapore tax as the context requires;
 - (d) The term "operation of aircraft" means transportation by air of passengers, luggage, livestock, goods or mail, carried on by air transport enterprises or characters of aircraft, including the sale of tickets or similar documents for such transportation such as airway bill, documents of advertising nature and gifts;
 - (e) The term "air transport enterprise of the United Arab Emirates" means Gulf Air and Emirates Airlines or any other air transport enterprise managed and controlled in the United Arab Emirates and carried on either by an individual resident in the United Arab Emirates and not resident in Singapore, or by a partnership or corporation created and organised under the laws of the United Arab Emirates;
 - (f) The term "air transport enterprise of Singapore" means Singapore Airlines Limited or any other air transport enterprise managed and controlled in Singapore and carried on either by an individual resident in Singapore and not resident in the United Arab Emirates, or by a partnership or corporation created and organised under the laws of Singapore;
 - (g) The term "competent authority" means in the case of the United Arab Emirates, the Minister of Finance and Industry or his authorised representative and in the case of Singapore, the Minister for Finance or his authorised representative.

2. In the application of the provisions of this Agreement 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 in relation to the taxes which are the subject of this Agreement.

ARTICLE 3 - EXEMPTIONS

1. Income and profits from the operation of aircraft in international traffic or from movable property used in the operation of such aircraft derived by an air transport enterprise of the United Arab Emirates or Singapore, as the case may be, shall be exempt from tax in the other Contracting State, irrespective of the manner in which it is levied.

2. Gains derived by an air transport enterprise of a Contracting State from the alienation of aircraft, spares, equipment and other movable property used by the enterprise in the operation of aircraft in international traffic shall be exempt from tax in the other Contracting State, irrespective of the manner in which it is levied.

3. An air transport enterprise of a Contracting State shall be exempt from tax in the other Contracting State on:

- (a) interest derived from deposits with banks where the deposits are from funds directly connected with the operation of aircraft in international traffic;
- (b) income and profits derived from training schemes, management and other services rendered to an air transport enterprise of the other Contracting State.

4. Salaries, wages and other remuneration in respect of an employment exercised aboard an aircraft operated in international traffic shall be taxable only in the Contracting State where the air transport enterprise is managed and controlled.

5. The exemption provided for in paragraphs 1, 2, 3 and 4 shall also apply to any participation in a pool, a joint business or an international operating agency.

6. For the purposes of this Article, the term "international traffic" means transportation by air of passengers, luggage, livestock, goods or mail, carried on by an air transport enterprise or character of aircraft for one or more journeys, including the sale of tickets or similar documents for such transportation on its own behalf or on behalf of other air transport enterprises, and the incidental lease of aircraft on a charter basis directly connected with such transportation.

ARTICLE 4 - REFUND

In case any tax which would have been exempted under this Agreement has been collected by either of the Contracting States, the tax shall be refunded upon application submitted by the competent authority of either Contracting State on behalf of its air transport enterprise within 6 months from the date of such application.

ARTICLE 5 - 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 6 - ENTRY INTO FORCE

This Agreement shall become effective on the day of exchange of diplomatic notes indicating the completion of constitutional procedures necessary in each Contracting State for the ratification of this Agreement, and its provisions shall have effect for the year of income commencing on the first day of January 1971 and subsequent years of income.

ARTICLE 7 - TERMINATION

This Agreement shall continue in effect indefinitely but either of the Contracting States may terminate it by giving notice of termination through diplomatic channels at least six months before the end of any calendar year after the year 1994. In such event this Agreement shall cease to be effective for the year of income beginning on the calendar year following that in which the notice of termination is given and subsequent years of income.

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

DONE in duplicate at Singapore this 27th day of October 1989 A.D., corresponding to 27th of Rabei Al-Awal 1410 A.H. in the English and Arabic Languages, both texts being equally authentic.

For the Government of the
Republic of Singapore

BG(RES) GEORGE
YONG-BOON YEO

For the Government of the
United Arab Emirates

HE AHMED HUMAID AL TAYER

PROTOCOL 1 (1989)

At the signing of the Agreement between the Government of the Republic of Singapore and the Government of the United Arab Emirates for reciprocal exemption with respect to taxes on income arising from the business of international air transport, both sides have agreed upon the following provision which shall be an integral part of the Agreement:

"Any item used by an air transport enterprise of a Contracting State for operational or promotional purposes such as crockeries, stationery, diaries, calendars, giveaways, tour brochures, and catering (excluding liquor and tobacco), uniforms, office equipment, computers, X-ray machines, explosive detectors, and vehicles for use within airport limits, shall be exempt from customs duty or any other similar imposition in the other Contracting State".

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

DONE in duplicate at Singapore this 27th day of October 1989 A.D., corresponding to 27th of Rabei Al-Awal 1410 A.H. in the English and Arabic Languages, both texts being equally authentic.

For the Government of the
Republic of Singapore

BG(RES) GEORGE
YONG-BOON YEO

For the Government of the
United Arab Emirates

HE AHMED HUMAID AL TAYER

PROTOCOL 2 (1989)

At the signing of the Agreement between the Government of the Republic of Singapore and the Government of the United Arab Emirates for reciprocal exemption with respect to taxes on income arising from the business of international air transport, both sides have agreed upon the following provision which shall be an integral part of the Agreement:

"As regards Gulf Air the exemption from Singapore tax shall have effect when all the shareholding states of Gulf Air entered into agreements with Singapore for reciprocal exemption with respect to taxes on income arising from the operation of aircraft in international traffic. The government of the United Arab Emirates shall coordinate to procure the conclusion of similar agreements with the other three co-owners of Gulf Air, i.e. the State of Bahrain, the Sultanate of Oman and the State of Qatar".

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

DONE in duplicate at Singapore this 27th day of October 1989 A.D., corresponding to 27th of Rabei Al-Awal 1410 A.H. in the English and Arabic Languages, both texts being equally authentic.

For the Government of the
Republic of Singapore

BG(RES) GEORGE
YONG-BOON YEO

For the Government of the
United Arab Emirates

HE AHMED HUMAID AL TAYER