

**CONVENTION BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE  
AND THE SWISS CONFEDERATION  
FOR THE AVOIDANCE OF DOUBLE TAXATION  
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL**

Date of Conclusion: 25 November 1975.

Entry into Force: 17 December 1976.

Effective Date: 1 January 1974 (Singapore); 1 January 1975 (Switzerland).

The Government of the Republic of Singapore and the Swiss Federal Council,

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

Have agreed as follows:

**ARTICLE 1**

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

**ARTICLE 2**

1. This Convention shall apply to taxes on income and on capital imposed on behalf of each Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all ordinary and extraordinary taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, as well as taxes on capital appreciation.

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

(a) in the Republic of Singapore:

the income tax

(hereinafter referred to as "Singapore tax");

(b) in Switzerland:

the federal, cantonal and communal taxes

- (i) on income (total income, earned income, income from capital, industrial and commercial profits, capital gains and other items of income); and
- (ii) on capital (total property, movable and immovable property, business assets, paid-up capital and reserves and other items of capital)

(hereinafter referred to as "Swiss tax").

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.

5. The Convention shall not apply to Federal anticipatory tax withheld at the source on prizes in a lottery.

6. If taxes on capital or on capital gains are introduced in Singapore at some future date the Convention shall apply to such taxes.

### **ARTICLE 3**

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

- (a) the term "Singapore" means the Republic of Singapore;
- (b) the term "Switzerland" means the Swiss Confederation;
- (c) the terms "a Contracting State" and "the other Contracting State" mean Singapore or Switzerland, as the context requires;
- (d) the term "tax" means Singapore tax or Swiss tax, as the context requires;
- (e) the term "person" includes an individual, a company and any other body of persons, corporate or not corporate;
- (f) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of a Contracting State and an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of the other Contracting State;
- (h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
- (i) the term "competent authority" means:
  - (i) in the case of Singapore: the Minister for Finance or his authorised representative;

- (ii) in the case of Switzerland: the Director of the Federal Tax Administration 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**

1. For the purposes of this Convention, the terms, "resident of a Contracting State" and "resident of the other Contracting State" mean a resident of Singapore or a resident of Switzerland, as the context requires; and the term "resident of Singapore" means any person who is resident in Singapore for the purposes of Singapore tax; and the term "resident of Switzerland" means any person who is resident in Switzerland for the purposes of Swiss tax.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his residence 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;
- (b) If the Contracting State, with which his personal and economic relations are closer, 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 business is managed and controlled.

#### **ARTICLE 5**

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, quarry or other place of extraction of natural resources,
- (h) a building site or construction or installation 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, displaying 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 State for more than six months in connection with a building site or construction or installation or assembly project which is being undertaken in that other 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 State if: -

- (a) he has, and habitually exercises in that 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 has, and habitually exercises in that State, an authority to fill orders on behalf of the enterprise from a stock of goods or merchandise which he maintains in that State and which belongs to 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 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 State (whether through a permanent establishment or otherwise) shall not of itself constitute either company a permanent establishment of the other.

## **ARTICLE 6**

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 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 places of extraction of 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**

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 the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere. Nothing in this paragraph shall however authorise a deduction for expenses which would not be deductible if the permanent establishment were a separate enterprise.
4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles laid down in this Article.
5. 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.

6. For the purpose of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

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

## **ARTICLE 8**

1. Profits derived by an enterprise of a Contracting State from the operation of aircraft in international traffic in respect of the carriage of passengers, mails, livestock or goods shall be taxable only in that State.

2. Profits derived by an enterprise of a Contracting State from sources within the other Contracting State by the operation of ships in international traffic may be taxed in the other State but the tax so charged shall not exceed half the amount which would be payable in respect of those profits but for this paragraph.

3. The provisions of paragraph 1 and 2 shall also apply to the share of the profits from the operation of ships or aircraft derived by an enterprise of a Contracting State through participation in a pool, in a joint business or in an international operating agency.

4. For the purpose of this Article profits derived from sources within the other Contracting State shall mean profits from the carriage of passengers, mails, livestock or goods shipped in that State. Provided that there shall be excluded the profits accruing from the carriage of passengers, mails, livestock or goods which are brought to that other State solely for transshipment.

## **ARTICLE 9**

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 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**

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may 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 if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

- (a) 10 per cent of the gross amount of the dividends if the recipient is a company (excluding partnership) which holds directly at least 25 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.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3. The provisions of paragraph 2 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

4. As long as according to Singapore tax law Singapore tax chargeable in respect of the profits or income of a company which is a resident of Singapore is, or is deemed to be, deducted from the dividends paid by such company to a resident of Switzerland, such dividends shall be exempt from any tax in Singapore which is chargeable on dividends in addition to the first-mentioned tax.

5. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, 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 State of which the company making the distribution is a resident.

6. The provisions of paragraphs 1, 2 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. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company to persons who are not residents of that other 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 such other State.

8. Dividends paid by a company which is a resident of Singapore shall include dividends paid by a company which is a resident of Malaysia which for the purpose of those dividends has declared itself to be a resident of Singapore, but shall not include dividends paid by a company which is a resident of Singapore which for the purpose of those dividends has declared itself to be a resident of Malaysia.

## **ARTICLE 11**

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 law of that State, but if the recipient is the beneficial owner of the interest

the tax so charged shall not exceed 10 per cent of the gross amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3. Notwithstanding the provisions of paragraph 2, interest arising in Singapore and paid to a resident of Switzerland shall be exempt from Singapore tax if the loan or other indebtedness in respect of which the interest is paid is approved by the competent authority of Singapore.

4. 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 all other income assimilated to income from money lent by the taxation law of the State in which the income arises.

5. The provisions of paragraphs 1, 2 and 3 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.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, 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.

7. 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 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 12**

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

2. However, such royalties may be taxed in the Contracting State in which they arise, and according to the law of that State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.

3. Notwithstanding the provisions of paragraph 2, royalties arising in Singapore and paid to a resident of Switzerland shall be exempt from Singapore tax if the royalties are approved by the competent authority of Singapore.

4. 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 scientific work, 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.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority 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 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. The provisions of paragraphs 1, 2 and 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 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.

7. Where, owing to a special relationship between the payer and the recipient of 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 law of each Contracting State, due regard being had to the other provisions of this Convention.

8. This Convention shall not apply to payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary or artistic work, including cinematograph films and films or tapes for radio or television broadcasting, or to sums from the alienation of any right or property giving rise to such payments.

## **ARTICLE 13**

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 the other State. However, gains from the alienation of movable property of the kind referred to in paragraph 3 of Article 20 shall be taxable only in the Contracting State in which such movable property is taxable according to the said Article.

3. Subject to the provisions of paragraph 8 of Article 12, 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.

## **ARTICLE 14**

1. Subject to the provisions of Articles 15, 17, 18 and 19, salaries, wages and other similar remuneration in respect of an employment as well as income in respect of professional services or other independent activities of a similar character, derived by a resident of a Contracting State, shall be taxable only in that State, unless the employment, services or activities are exercised or performed in the other Contracting State. If the employment, services or activities are so exercised or performed, such remuneration or income as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration or income derived by a resident of a Contracting State in respect of an employment, services or activities exercised or performed in the other Contracting State shall be taxable only in the first-mentioned State if:-

- (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned; and
- (b) the remuneration or income is paid by, or on behalf of, a person who is not a resident of the other State; and
- (c) the remuneration or income is not borne by a permanent establishment which that person has in the other 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 State.

#### **ARTICLE 15**

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 16**

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 or local authority thereof.

3. Where income in respect of personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person that income may, notwithstanding the provisions of Article 7, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised unless the visit to that State is substantially supported from public funds.

#### **ARTICLE 17**

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

Remuneration, including pensions, paid by a Contracting State or a political subdivision or a local authority thereof or by an entity created and organised by a special law of such Contracting State, directly or out of a fund, to any individual who is a citizen of that State in respect of present or past services rendered shall be taxable only in the State where the remuneration originates.

#### **ARTICLE 19**

1. Payments which a student or business apprentice who is or was formerly a resident of a Contracting State and who is present in the other Contracting State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that other State.

2. An individual who is or was formerly a resident of a Contracting State and who is present in the other Contracting State for the purpose of study, research or training or of acquiring technical, professional or business experience, shall be exempt from tax in that other Contracting State for a period or periods not exceeding in the aggregate twelve months on remuneration in respect of an employment in such other State provided that such employment is directly related to his studies, research, training or acquiring of experience and that the remuneration from that employment does not exceed 18 000 Swiss francs or the equivalent thereof in Singapore currency at the official rate of exchange.

#### **ARTICLE 20**

1. Capital represented by immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.

2. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise may be taxed in the Contracting State in which the permanent establishment is situated.

3. Ships and aircraft operated in international traffic by an enterprise of a Contracting State and movable property pertaining to the operation of such ships and aircraft shall be taxable only in that State.

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

#### **ARTICLE 21**

Where under any provision of the Convention income from a source within Switzerland is relieved from Swiss tax and, under the law in force in Singapore a person, in respect of the said income, is subject to tax by reference to the amount thereof which is remitted to or received in Singapore and not by reference to the full amount thereof, then the

relief to be allowed under the Convention in Switzerland shall apply only to so much of the income as is remitted to or received in Singapore.

## **ARTICLE 22**

1. 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, Swiss tax payable under the laws of Switzerland and in accordance with this Convention, whether directly or by deduction, in respect of income from sources within Switzerland shall be allowed as a credit against any Singapore tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Switzerland to a company which holds, directly or indirectly not less than 25 per cent of the share capital of the former company, the credit shall take into account (in addition to any Swiss tax appropriate to the dividend) the Swiss tax payable by the former company in respect of its profits.

2. Where a resident of Switzerland derives income or owns capital which, in accordance with the provisions of the Convention, may be taxed in Singapore, Switzerland shall, subject to the provisions of paragraphs 3, 4 and 5 exempt such income or capital from tax but may, in calculating tax on the remaining income or capital of that person, apply the rate of tax which would have been applicable if the exempted income or capital had not been so exempted. Provided, however, that where profits derived by a resident of Switzerland from sources within Singapore which in accordance with paragraph 2 of Article 8 are subject to tax in Singapore, the Swiss tax charged on those profits shall be reduced by one half.

3. Where a resident of Switzerland derives dividends, interest or royalties which, in accordance with the provisions of Articles 10, 11 and 12, may be taxed in Singapore, Switzerland shall allow, upon request, a relief to such person which may consist of:-

- (a) a deduction from the tax on the income of that person of an amount equal to the tax levied in Singapore in accordance with the provisions of Articles 10, 11 and 12; such deduction shall not, however, exceed that part of the Swiss income tax, as computed before the deduction is given, which is appropriate to the dividends, interest or royalties, or
- (b) a lump sum reduction of the Swiss tax, or
- (c) a partial exemption of such dividends, interest or royalties from Swiss tax, in any case consisting at least of the deduction of the tax levied in Singapore from the gross amount of the dividends, interest or royalties.

Switzerland shall determine the applicable relief and regulate the procedure in accordance with the Swiss provisions relating to the carrying out of international conventions of the Swiss Confederation for the avoidance of double taxation.

4. Switzerland shall take into account for the relief provided for in paragraph 3 an amount equal to 10 per cent of the net amount of dividends, as long as paragraph 4 of Article 10 applies. However, such relief shall not apply to dividends paid by a company which is a resident of Singapore when such company has for the purpose of these dividends declared itself to be a resident in Malaysia.

5. Where a resident of Switzerland derives interest dealt with in paragraph 3 of Article 11 or royalties dealt with in paragraph 3 of Article 12 from Singapore, Switzerland shall allow, upon request, a relief to such resident of an amount equal to 10 per cent of the gross

amount of the interest or royalties. The provisions of paragraph 3 of this Article shall apply accordingly.

6. A company which is a resident of Switzerland and which derives dividends from a company which is a resident of Singapore shall be entitled, for the purposes of Swiss tax with respect to such dividends, to the same relief which would be granted to the company if the company paying the dividends were a resident of Switzerland.

## **ARTICLE 23**

1. 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 citizens of that other State in the same circumstances are or may be subjected. This provision shall not be construed as obliging Singapore to grant to nationals of Switzerland 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 "citizens" means:

- (a) all individuals possessing the citizenship of a Contracting State;
- (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 State than the taxation levied on enterprises of that other State carrying on the same activities.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

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 State are or may be subjected.

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

## **ARTICLE 24**

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those 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 or doubts arising as to the interpretation or 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.

## **ARTICLE 25**

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. In so far as, on account of fiscal privileges granted to diplomatic or consular officials under the general rules of international law or under the provisions of special international treaties, income or capital is not subject to tax in the receiving State, the right to tax shall be reserved to the sending State.

3. For the purposes of the Convention, persons who are members of a diplomatic or consular mission of a Contracting State in the other Contracting State or in a third State and who are nationals of the sending State shall be deemed to be residents of the sending State if they are submitted therein to the same obligations in respect of taxes on income and capital as are residents of that State.

4. 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 and capital.

## **ARTICLE 26**

1. This Convention shall come into force on the date when the last of all such things have been done in Singapore and Switzerland as are necessary to give the Convention the force of law in Singapore and Switzerland respectively, and shall thereupon have effect:-

(a) in Singapore:

for any year of assessment beginning on or after the 1st January, 1975;

(b) in Switzerland:

for any fiscal year beginning on or after the 1st January, 1975.

2. The Contracting States shall notify each other on the completion of the requirements mentioned in paragraph 1.

## ARTICLE 27

This Convention shall remain in force indefinitely, but either of the Contracting States may, on or before the 30th day of June in any calendar year, give to the other Contracting State, through diplomatic channels, written notice of termination and, in such event, this Convention shall cease to have effect:-

(a) in Singapore:

for any year of assessment beginning on or after the 1st January in the calendar year next following that in which such notice is given;

(b) in Switzerland:

for any fiscal year beginning on or after the 1st January in the calendar year next following that in which such notice is given.

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

DONE in duplicate this 25th day of November of the year one thousand nine hundred and seventy-five at Berne in the English and German languages, both texts being equally authentic.

*For the Government of  
The Republic of Singapore:*

TAN KENG JIN

*For the Swiss Federal Council:*

KURT LOCHER

## **PROTOCOL (1975)**

The Government of the Republic of Singapore and the Swiss Federal Council have agreed at the signing at Berne on 25th November, 1975, of the Convention between the two States for the avoidance of double taxation with respect to taxes on income and on capital upon the following provisions which should form an integral part of the said Convention.

### **(i) With respect to subparagraph (h) of paragraph 1 of Article 3**

It is understood that the term "international traffic" shall not include all movements by a ship or aircraft between places in Singapore and one or more structures used for the exploration or exploitation of natural resources situated in waters adjacent to the territorial waters of Singapore.

### **(ii) With respect to paragraphs 2, 3 and 4 of Article 5**

It is understood that the six months test referred to in subparagraph (h) of paragraph 2 and in paragraph 4 shall apply to each individual site or project. In determining how long the site or project existed no account shall be taken of the time previously spent by the enterprise on other sites or projects if they are totally unconnected with it. A site or a project shall be regarded as a single unit, even if it is based on several contracts, provided that it forms a coherent whole, commercially and geographically.

It is further understood that the term "permanent establishment" shall not necessarily include a fixed place of business used only for one or more of the activities mentioned in subparagraphs (a) to (e) of paragraph 3.

In case of any difficulty or doubt, the matter shall be resolved in the manner provided for in Article 24.

### **(iii) With respect to paragraph 8 of Article 10 and paragraph 4 of Article 22**

It is understood that the above provisions refer to Article VII, paragraph 3, of the Double Taxation Agreement between Singapore and Malaysia signed on 26th December, 1968, which provision effectively provides that a company which is a resident of Malaysia (or of Singapore) may when paying a dividend under the said Article declare itself to be a resident of Singapore (or of Malaysia).

### **(iv) With respect to Article 11**

It is understood that Switzerland has taken by Decree of the Swiss Federal Council of 14th December, 1962, measures against the improper use of double taxation conventions which will also apply to this Convention.

DONE in duplicate this 25th day of November of the year one thousand nine hundred and seventy-five at Berne in the English and German languages, both texts being equally authentic.

*For the Government of  
The Republic of Singapore:*

TAN KENG JIN

*For the Swiss Federal Council:*

KURT LOCHER