

**AGREEMENT BETWEEN
THE REPUBLIC OF SINGAPORE AND
THE GRAND DUCHY OF LUXEMBOURG
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL**

Date of Conclusion: 6 March 1993.

Entry into Force: 24 May 1996.

Effective Date: 1 January 1996.

The Government of the Republic of Singapore and the Government of the Grand Duchy of Luxembourg,

DESIRING to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital,

HAVE AGREED as follows:

ARTICLE 1 - PERSONAL SCOPE

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

ARTICLE 2 - TAXES COVERED

1. This Agreement 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 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, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Agreement shall apply are:

(a) in the Grand Duchy of Luxembourg:

- (i) the income tax on individuals (l'impôt sur le revenu des personnes physiques);
- (ii) the corporation tax (l'impôt sur le revenu des collectivités);
- (iii) the tax on fees of directors of companies (l'impôt spécial sur les tantièmes);

- (iv) the capital tax (l'impôt sur la fortune); and
 - (v) the communal trade tax (l'impôt commercial communal);
- (hereinafter referred to as "Luxembourg tax");

- (b) in the Republic of Singapore:
the income tax
(hereinafter referred to as "Singapore tax").

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

ARTICLE 3 - GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - (a)
 - (i) the term "Singapore" means the Republic of Singapore;
 - (ii) the term "Luxembourg" means the Grand Duchy of Luxembourg;
 - (b) the terms "a Contracting State" and "the other Contracting State" mean Singapore or Luxembourg as the context requires;
 - (c) the term "person" includes an individual, a company and any other body of persons which is treated as an entity for tax purposes;
 - (d) the term "company" means any body corporate or any other entity which is treated as a body corporate for tax purposes;
 - (e) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - (f) the term "competent authority" means:
 - (i) in Singapore, the Minister for Finance or his authorized representative;
 - (ii) in Luxembourg, the Minister of Finance or his authorized representative;
 - (g) the term "tax" means Singapore tax or Luxembourg tax as the context requires;

- (h) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership and association deriving its status as such from the laws in force in a Contracting State;
- (i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State or solely between such places and one or more structures used for the exploration or exploitation of natural resources situated in waters adjacent to the territorial waters of that other Contracting State.

2. As regards the application of the Agreement by a Contracting State any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the laws of that State concerning the taxes to which the Agreement applies.

ARTICLE 4 - FISCAL DOMICILE

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

2. Where by reason of the provision of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

- (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 (hereinafter referred to as his "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 two 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, it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated. If its place of effective management cannot be determined, the competent authorities of the Contracting States shall settle the question by mutual agreement.

ARTICLE 5 - PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" includes especially but is not limited to:
 - (a) a place of management;
 - (b) a branch;
 - (c) an office;
 - (d) a store or other sales outlet;
 - (e) a factory;
 - (f) a workshop;
 - (g) a warehouse, except where used for purposes mentioned in paragraph 5; and
 - (h) a mine, an oil or gas well, a quarry or any other place of natural resources.

3. The term "permanent establishment" also includes:
 - (a) a building site, or a construction, installation or assembly project, but only where such site or project or any combination of them continues for a period or periods aggregating more than six months within any 12-month period;
 - (b) the furnishing of services, including consultancy services, by a resident of a Contracting State through employees or other personnel.

4. An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it carries on supervisory activities in that other Contracting State for a period or periods aggregating more than six months within any 12-month period in connection with a construction, installation or assembly project or any combination of them which are being undertaken in that other Contracting State.

5. The term "permanent establishment" shall be deemed not to include:
 - (a) the use of facilities solely for the purpose of storage or display 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 or display;
 - (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 of 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.

6. 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 7 applies, shall be deemed to be a permanent establishment in the first-mentioned Contracting State if -

- (a) he has, and habitually exercises in the first-mentioned Contracting State, an authority to conclude contracts for or on behalf of the enterprise unless the exercise of such authority is limited to the purchase of goods or merchandise for that enterprise; or
- (b) he habitually maintains in the first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise; or
- (c) he habitually secures orders in the first-mentioned Contracting State wholly or almost wholly for the enterprise itself or for any other enterprise which is controlled by it or has a controlling interest in it.

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

8. Except with respect to reinsurance, an enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it collects premiums in that other State, or insures risks situated therein, through an employee or representative situated therein who is not an agent of independent status to whom paragraph 7 applies.

9. 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 derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

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

ARTICLE 7 - BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that 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. Subject to the provisions of paragraph 3, 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, insofar 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. 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 contained in this Article.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

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

ARTICLE 8 - SHIPPING AND AIR TRANSPORT

1. Profits of an enterprise of one of the Contracting States from the operation of ships or aircraft in international traffic may be taxed in the other Contracting State, but only if such profits are derived from that other Contracting State. However, the tax charged in respect of such profits in that other State shall be reduced by an amount equal to 50 per cent thereof.

2. The provisions of paragraph 1 shall also apply to profits of shipping or air transport enterprises from the participation in a pool, a joint business or an international operating agency.

ARTICLE 9 - ASSOCIATED ENTERPRISES

Where

- (a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
- (b) the same persons participate directly or indirectly in the management, control or capital of 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 and 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. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

- (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 10 per cent of the capital of the company paying the dividends;
- (b) 10 per cent of the gross amount of the dividends in all other cases.

2. Notwithstanding the provisions of paragraph 1, dividends paid by a company which is a resident of Luxembourg to the Government of Singapore shall be exempt from Luxembourg tax.

3. For the purposes of paragraph 2, the term "Government of Singapore" shall include:

- (a) the Monetary Authority of Singapore and the Board of Commissioners of Currency, Singapore;
- (b) the Government of Singapore Investment Corporation Pte Ltd;
- (c) Intraco Limited, Development Bank of Singapore Ltd, Export Credit Insurance Corporation of Singapore Ltd, Temasek Holdings Pte Ltd and Singapore Technology Pte Ltd;
- (d) a statutory body; and
- (e) any institution wholly or mainly owned by the Government of Singapore, a local authority or a statutory body thereof, as may be agreed between the competent authorities periodically.

4. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.

5. The provisions of paragraph 1 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, and the holding by virtue of which the dividends are paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

6. 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, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

7. For the purposes of this Agreement dividends paid by a Malaysian company out of profits derived from sources in Singapore and deemed to be dividends from sources in Singapore in accordance with the Agreement for the Avoidance of Double Taxation with respect to taxes on income between the Government of the Republic of Singapore and the Government of Malaysia signed on the 26th day of December, 1968, shall be treated as dividends paid by a company which is a resident of Singapore.

8. (a) Under the current Singapore laws, where dividends are paid by a company which is a resident of Singapore to a resident of Luxembourg who is the beneficial owner of such dividends, there is no tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company.

(b) If, subsequent to the signing of the Agreement, Singapore imposes a tax on dividends in addition to 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 the tax so charged on the dividends derived by a resident of Luxembourg who is the beneficial owner of such dividends shall be in accordance with the provisions of paragraph 1.

9. (a) The provisions of this Article shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

(b) The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this Article.

ARTICLE 11 - INTEREST

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

2. However, such interest may also 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 a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

4. For the purposes of paragraph 3, the term "Government":

- (a) in the case of Singapore shall have the same meaning as in paragraph 3 of Article 10;
- (b) in the case of Luxembourg means the Government of Luxembourg and shall include:
 - (i) a political subdivision or local authority thereof;
 - (ii) the Société Nationale de Crédit et d'Investissement; and
 - (iii) any institution wholly or mainly owned by the Government of Luxembourg or a local authority or a statutory body thereof, as may be agreed between the competent authorities periodically.

5. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures, as well as income assimilated to income from money lent by the taxation law of the Contracting State in which the income arises, including interest on deferred payment sales. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

7. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority, a statutory body or a resident of that State. Where, however, the person paying the 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 that interest is borne by that permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

8. 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 Agreement.

ARTICLE 12 - ROYALTIES

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 also 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 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

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

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority, a statutory body or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they were 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 Agreement.

ARTICLE 13 - CAPITAL GAINS

1. Gains derived from the alienation of immovable property referred to in Article 6 and situated in a Contracting State may be taxed in that State.

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 with the whole enterprise) may be taxed in that other State.

3. Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

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

5. Notwithstanding any other provisions of the Agreement, gains derived by the Government of Singapore from the alienation of securities in Luxembourg shall be exempt from Luxembourg tax.

6. For the purposes of paragraph 5:

- (a) the term "Government of Singapore" shall have the same meaning as in paragraph 3 of Article 10;
- (b) the term "securities" means shares or other rights referred to in paragraph 4 of Article 10 and Government securities, bonds or debentures referred to in paragraph 5 of Article 11.

ARTICLE 14 - PERSONAL SERVICES

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 a resident of the first-mentioned 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

1. Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or any other similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.
2. The remuneration derived by a person, to whom paragraph 1 applies, from the company in respect of the discharge of day-to-day functions of a managerial or technical nature may be taxed in accordance with the provisions of Article 14.

ARTICLE 16 - ARTISTES AND ATHLETES

1. Notwithstanding the provisions of Article 14, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as an athlete, from his personal activities as such exercised in the other Contracting State, may be taxed in that other Contracting State.

Such income shall, however, be exempt from tax in that other Contracting State if such activities are supported, wholly or substantially, from the public funds of the Government of either Contracting State or a local authority or a statutory body thereof.

2. Where income in respect of activities exercised in a Contracting State by an entertainer or an athlete accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the first-mentioned Contracting State.

Such income shall, however, be exempt from tax in the first-mentioned Contracting State if such activities are supported, wholly or substantially, from the public funds of the Government of either Contracting State or a local authority or a statutory body thereof.

ARTICLE 17 - PENSIONS

Subject to the provisions of paragraph 2 of Article 18, pensions and other payments made under the social security legislation of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

ARTICLE 18 - GOVERNMENT SERVICE

1.
 - (a) Remuneration, other than a pension, paid by a Contracting State or a statutory body or a local authority thereof to an individual in respect of services rendered to that State or body or authority shall be taxable only in that State.
 - (b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
 - (i) is a national of that State; or
 - (ii) did not become a resident of that State solely for the purpose of rendering the services.

2. Any pension paid by, or out of funds created by, a Contracting State or a statutory body or a local authority thereof to an individual in respect of services rendered to that State or body or authority shall be taxable only in that State.

3. The provisions of Articles 14, 15 and 17 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a statutory body or a local authority thereof.

ARTICLE 19 - STUDENTS AND APPRENTICES

An individual who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely as a student at a recognized university, college, school or other similar recognized educational institution in the first-mentioned State or as a business or technical apprentice therein, for a period not exceeding five consecutive years from the date of his first arrival in the first-mentioned State in connection with that visit, shall be exempt from tax in that first-mentioned State on:

- (a) all remittances from abroad for the purposes of his maintenance, education or training; and
- (b) any remuneration for personal services rendered in the first-mentioned State, provided that the remuneration constitutes earnings necessary for his maintenance, the amount of which may be agreed between the competent authorities periodically.

ARTICLE 20 - INCOME NOT EXPRESSLY MENTIONED

Items of income not expressly mentioned in the foregoing Articles of this Agreement and arising in a Contracting State may be taxed in that State.

ARTICLE 21 - CAPITAL

1. Capital represented by immovable property referred to in Article 6 and situated in a Contracting State, may be taxed in that State.

2. Capital represented by 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, may be taxed in that other State.

3. Capital represented by ships and aircraft operated in international traffic and by movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

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

ARTICLE 22 - LIMITATION OF RELIEF

1. Where this Agreement provides (with or without other conditions) that income from sources in Luxembourg shall be exempt from tax, or taxed at a reduced rate, in Luxembourg and under the laws in force in Singapore 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 exemption or reduction of tax to be allowed under this Agreement in Luxembourg shall apply only to so much of the income as is remitted to or received in Singapore.

2. However, this limitation does not apply to income derived by the Government of Singapore or any person approved by the competent authority of Singapore for the purpose of this paragraph. The term "the Government of Singapore" shall include its agencies and statutory bodies.

ARTICLE 23 - ELIMINATION OF DOUBLE TAXATION

1. In Luxembourg double taxation shall be eliminated as follows:

- (a) Where a resident of Luxembourg derives income or owns capital which, in accordance with the provisions of this Agreement, may be taxed in Singapore, Luxembourg shall, subject to the provisions of sub-paragraphs (b), (c), (d) and (e), exempt such income or capital from tax.
- (b) Where a resident of Luxembourg derives items of income which, in accordance with the provisions of Articles 8, 10, 11, 12 and 20 may be taxed in Singapore, Luxembourg shall allow as a deduction from the tax on the income of that resident an amount equal to the tax paid in Singapore. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such items of income derived from Singapore.
- (c) For the purposes of sub-paragraph (b) of paragraph 1 the term "tax paid in Singapore" shall be deemed to include the amount of Singapore tax which would have been payable but for the exemption or reduction of tax provided under Singapore laws relating to incentives for the promotion of economic development in Singapore. When applying to the following, the amount of tax deemed to have been paid shall be:
 - (i) 10 per cent of the gross amount of dividends in the case of paragraph 1(b) of Article 10;
 - (ii) 10 per cent of the gross amount of interest in the case of paragraph 2 of Article 11, and
 - (iii) 10 per cent of the gross amount of royalties in the case of paragraph 2 of Article 12.
- (d) Where in accordance with any provision of the Agreement income derived or capital owned by a resident of Luxembourg is exempt from tax in Luxembourg, Luxembourg may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital.

- (e) Where a company which is a resident of Luxembourg derives dividends from Singapore sources, Luxembourg shall exempt such dividends from tax, provided that the company which is a resident of Luxembourg holds directly at least 10 per cent of the capital of the company paying the dividends since the beginning of the accounting year and if this company is subject in Singapore to an income tax corresponding to the Luxembourg corporation tax. The abovementioned shares in the Singapore company are, under the same conditions, exempt from the Luxembourg capital tax. The exemption under this subparagraph shall also apply notwithstanding that the Singapore company is exempted from tax or taxed at a reduced rate in Singapore in accordance with Singapore laws providing incentives for the promotion of economic development in Singapore.

2. In Singapore, double taxation shall be eliminated as follows:

- (a) 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, Luxembourg tax payable, whether directly or by deduction, in respect of income from sources within Luxembourg shall be allowed as a credit against Singapore tax payable in respect of that income. The credit shall not, however, exceed that part of the Singapore tax, as computed before the credit is given, which is attributable to such item of income.
- (b) Where such income is a dividend paid by a company which is a resident of Luxembourg to a company which is a resident of Singapore and which owns directly at least 10 per cent of the capital in the first-mentioned company, Singapore shall take into account (in addition to any Luxembourg tax on the dividend) the Luxembourg tax paid by the first-mentioned company in respect of that portion of the profits out of which the dividend is paid.

ARTICLE 24 - 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 State in the same circumstances and under the same conditions are or may be subjected.

2. 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 State carrying on the same activities.

3. 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 in the same circumstances and under the same conditions.

4. Nothing in this Article shall be construed as:

- (a) obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions which it grants to its own residents;

- (b) obliging a Contracting State to grant to nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own citizens who are not resident in that Contracting State or to such other persons as may be specified in the taxation laws of that Contracting State.

5. Where a Contracting State grants tax incentives to its nationals designed to promote economic development in accordance with its national policy and criteria, it shall not be construed as discrimination under this Article.

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

ARTICLE 25 - MUTUAL AGREEMENT PROCEDURE

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

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 a satisfactory 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 which is not in accordance with the Agreement.

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 Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

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. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

ARTICLE 26 - EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

- (a) to carry out administrative measures at variance with the laws or administrative practice of that or of the other Contracting State;
- (b) to supply information which is 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 (ordre public).

ARTICLE 27 - DIPLOMATIC AGENTS AND CONSULAR OFFICERS

Nothing in this Agreement shall affect the fiscal privileges of diplomatic agents or consular officers under the general rules of international law or under the provisions of special agreements.

ARTICLE 28 - EXCLUSION OF CERTAIN COMPANIES

This Agreement shall not apply to holding companies (sociétés holding) within the meaning of special Luxembourg laws, currently the Act (loi) of 31 July 1929 and the Decree (arrêté grand-ducal) of 17 December 1938 and to companies subject to a similar or substantially similar fiscal law in Luxembourg, including laws which may be introduced after the signature of this Agreement. It shall also not apply to income derived from such companies by a resident of Singapore nor to shares or other rights in such companies owned by such a person.

ARTICLE 29 - ENTRY INTO FORCE

1. This Agreement shall be ratified and the instruments of ratification shall be exchanged at Luxembourg as soon as possible.

2. The Agreement shall enter into force thirty days after the exchange of instruments of ratification and its provisions shall have effect:

- (a) in Luxembourg:
 - (i) in respect of taxes withheld at source, to income derived on or after 1 January in the calendar year in which the Agreement enters into force;
 - (ii) in respect of other taxes on income, and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January in the calendar year in which the Agreement enters into force;
- (b) in Singapore:

in respect of Singapore tax for the year of assessment beginning on or after 1 January in the calendar year immediately following the year in which the Agreement enters into force.

ARTICLE 30 - TERMINATION

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving written notice of termination on or before the Thirtieth day of June of any calendar year following after the period of five years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect:

- (a) in Luxembourg:
 - (i) in respect of taxes withheld at source, to income derived on or after 1 January in the calendar year immediately following the year in which the notice is given;
 - (ii) in respect of other taxes on income, and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January in the calendar year immediately following the year in which the notice is given;
- (b) in Singapore:

in respect of Singapore tax for the year of assessment beginning on or after 1 January in the second calendar year following the year in which the notice is given.

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

DONE in duplicate at Singapore on this sixth day of March 1993, in the French and English languages, both texts being equally authoritative.

For the Government of the
Republic of Singapore

COMMODORE TEO CHEE HEAN

For the Government of the
Grand Duchy of Luxembourg

GEORGES WOHLFART

PROTOCOL (1993)

At the moment of signing the Agreement between the Government of the Republic of Singapore and the Government of the Grand Duchy of Luxembourg for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, the undersigned have agreed that with respect to Article 1, branches of an enterprise of either Contracting State located in third countries are excluded from the scope of the Agreement.

In witness whereof the undersigned, duly authorized thereto, have signed this protocol.

Done in duplicate at Singapore on this sixth day of March 1993, in the French and English languages, both texts being equally authoritative.

For the Government of the
Republic of Singapore

COMMODORE TEO CHEE HEAN

For the Government of the
Grand Duchy of Luxembourg

GEORGES WOHLFART