

**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND  
THE GOVERNMENT OF THE KINGDOM OF DENMARK  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND  
THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME**

Date of Conclusion: 3 July 2000

Entry into Force: 22 December 2000

Effective Date: 1 January 2001

NOTE

Singapore and Denmark both signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (commonly known as the “Multilateral Instrument” or in short, the “MLI”) on 7 June 2017. Singapore and Denmark ratified the MLI on 21 December 2018 and 30 September 2019 respectively.

More information on the MLI is available at <https://www.iras.gov.sg/irashome/Quick-Links/International-Tax/Multilateral-Instrument/>.

The Income Tax (Singapore — Denmark) (Avoidance of Double Taxation Agreement) (Modifications to Implement Multilateral Instrument) Order 2019, which has entered into force on 1 January 2020, implements the applicable provisions of the MLI to the articles of this Agreement. For informational purposes, details of the amendments to this Agreement are shown in Annex A.

NOTE

The Protocol signed on 25 August 2009 has entered into force on 8 January 2011 and its provisions shall take effect from 8 January 2011.

The text of the Protocol signed on 25 August 2009 is shown in Annex B.

NOTE

There were two earlier Conventions signed between the Government of the Republic of Singapore and the Government of the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The second Convention was signed on 3 February 1986 and amended by the Protocol signed on 17 May 1994. The text of this Convention is in Annex C and the text of the Protocol amending this Convention is in Annex D. The text of the first Convention which was signed on 7 March 1969 is in Annex E.

The Government of the Republic of Singapore and the Government of the Kingdom of Denmark, desiring to conclude an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, have agreed as follows:

## **ARTICLE 1 - PERSONS COVERED**

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 imposed on behalf of a 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 all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property.

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

(a) in Singapore:

the income tax;

(hereinafter referred to as "Singapore tax").

(b) in Denmark:

(i) the income tax to the State  
(indkomstskatten til staten);

(ii) the income tax to the municipalities  
(den kommunale indkomstskat);

(iii) the income tax to the county municipalities  
(den amtskommunale indkomstskat);

(iv) taxes imposed under the Hydrocarbon Tax Act  
(skatter i henhold til kulbrinteskatteloven);

(hereinafter referred to as "Danish 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. At the end of each year the competent authorities of the Contracting States shall notify each other of significant 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) the terms "a Contracting State" and "the other Contracting State" mean Denmark or Singapore, as the context requires;
  - (b) the term "Singapore" means the territories of the Republic of Singapore, the territorial waters of Singapore and the seabed and subsoil of the territorial waters, and when used in a geographical sense includes any area extending beyond the limits of the territorial waters of Singapore, and the seabed and subsoil of any such area, which has been or may hereafter be designated under the laws of Singapore and in accordance with international law as an area over which Singapore has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;
  - (c) the term "Denmark" means the Kingdom of Denmark including any area outside the territorial sea of Denmark which in accordance with international law has been or may hereafter be designated under Danish laws as an area within which Denmark may exercise sovereign rights with respect to the exploration and exploitation of the natural resources of the sea-bed or its subsoil and the superjacent waters and with respect to other activities for the exploration and economic exploitation of the area; the term does not comprise the Faroe Islands and Greenland;
  - (d) the term "person" includes an individual, a company and any other body of persons;
  - (e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
  - (f) 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;
  - (g) 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;
  - (h) the term "competent authority" means:
    - (ii) in Singapore: the Minister for Finance or his authorized representative;
    - (i) in Denmark: the Minister for Taxation or his authorized representative;
  - (i) the term "national" means:
    - (i) any individual possessing the nationality of a Contracting State;
    - (ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State.

2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

#### **ARTICLE 4 - RESIDENT**

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision, local authority or statutory body thereof.

2. Where by reason of the provisions 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 only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);
- (b) if the 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 State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- (d) if he is a national of both States or of 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 only of the State in which its place of effective management is situated.

#### **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:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop; and

- (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.
3. The term "permanent establishment" also includes:
- (a) a building site, a construction, installation or assembly project, or supervisory activities connected therewith, but only where such site, project or activities continues for a period of more than 6 months in any twelve-month period;
  - (b) an installation or drilling rig or ship used for the exploration of natural resources but only where such installation, rig or ship continues for a period of more than 6 months in any twelve-month period. For the purpose of this sub-paragraph, activities carried on by an enterprise related to another enterprise, within the meaning of Article 9 (Associated Enterprises), shall be regarded as carried out by the enterprise to which it is related if the activities in question:
    - (i) are substantially the same as those carried on by the last-mentioned enterprise; and
    - (ii) are concerned with the same project or operation;except to the extent that those activities are carried on at the same time.
  - (c) the furnishing of services, including consultancy services, by a resident of a Contracting State through employees or other personnel engaged by the enterprise for a period or periods aggregating more than 90 days within any twelve-month period.
4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:
- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
  - (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
  - (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
  - (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
  - (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
  - (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e) provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that 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 - 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, 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 independent personal 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. 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.

5. For the purposes 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.

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 a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

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

3. For the purposes of this Article, profits from the operation of ships or aircraft in international traffic shall include:

- (a) profits from the rental on a bareboat basis of ships or aircraft; and
- (b) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers), used for the transport of goods or merchandise;

where such rental or such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic.

4. With respect to profits derived by the Danish, Norwegian and Swedish air transport consortium the Scandinavian Airlines System (SAS), the provisions of paragraphs 1, 2 and 3 shall apply only to such proportion of the profits as corresponds to the participation held in that consortium by SAS Danmark A/S, the Danish partner of Scandinavian Airlines System.

5. Where a ship or aircraft is operated solely between places in a Contracting State and one or more structures used for the exploration or exploitation of natural resources situated in waters adjacent to the territorial waters of that State, the exemption of tax provided for in paragraphs 1, 2 and 3 of this Article shall not apply.

## **ARTICLE 9 - ASSOCIATED ENTERPRISES**

### 1. 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.

2. Where a Contracting State includes in the profits of an enterprise of that State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits if it agrees with the adjustment made by the first-mentioned Contracting State. In determining such adjustment, due regard shall be paid to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

## **ARTICLE 10 - DIVIDENDS**

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

2. 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 beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

- (a) 0 percent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 percent of the capital of the company paying the dividends where such holding is being possessed for an uninterrupted period of no less than one year and the dividends are declared within that period;
- (b) 5 percent of the gross amount of the dividends if the beneficial owner is a pension fund or other similar institution providing pension schemes in which individuals may participate in order to secure retirement benefits, where such pension fund or other similar institution is established, recognized for tax purposes and controlled in accordance with the laws of that State;
- (c) 10 percent of the gross amount of the dividends in all other cases.



This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

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

4. The provisions of paragraphs 1 and 2 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, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. 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 or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on the undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

6.

(a) Under the current Singapore laws, where dividends are paid by a company which is a resident of Singapore to a resident of Denmark 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. Under the full imputation system adopted, the tax deductible from dividends is a tax on the profits or income of the company and not a tax on dividends within the meaning of this Article.

(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 Denmark who is a beneficial owner of such dividends shall be in accordance with the provisions of paragraph 2.

## **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 laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the interest.

3. 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.

4. The provisions of paragraph 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, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is 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 or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, 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 beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

7. Notwithstanding the provision of the preceding paragraphs of this Article, interest arising in a Contracting State shall be taxable only in the other Contracting State if paid in respect of a loan granted, guaranteed or insured by the Government of the other Contracting State.

8. For the purposes of paragraph 7, the term "Government" shall include:

- (a) in the case of Singapore, ECICS Credit Insurance Ltd. or any institution as may be agreed from time to time between the competent authorities of the Contracting States.
- (b) in the case of Denmark, the Danish Export Credit Agency (Eksport Kredit Fonden) or any institution as may be agreed from time to time between the competent authorities of the Contracting States;

## **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 it arises and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the royalties.

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, and films or tapes for radio or television broadcasting, any computer software, patent, trade mark, design or model, plan, secret formula or process, or for the use of, or right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraph 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, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is 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 or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

### **ARTICLE 13 - CAPITAL GAINS**

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

2. Gains derived by a resident of a Contracting State from the alienation of shares, other than shares traded on recognized Stock Exchange, deriving at least three-quarters of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.

3. 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 or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.

4. Gains derived by an enterprise of a Contracting State 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 that State.

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

6. With respect to gains derived by the Danish, Norwegian and Swedish air transport consortium the Scandinavian Airlines System (SAS), the provisions of paragraph 4 shall apply only to such proportion of the gains as corresponds to the participation held in that consortium by SAS Danmark A/S, the Danish partner of Scandinavian Airlines System.

#### **ARTICLE 14 - INDEPENDENT PERSONAL SERVICES**

1. Income derived by an individual who is a resident of a Contracting State from the performance of professional services or other activities of an independent character shall be taxable only in that State except in the following circumstances when such income may also be taxed in the other Contracting State:

- (a) if he has a fixed base regularly available to him in the other State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or
- (b) if his stay in the other State is for a period or periods exceeding in the aggregate 90 days in any twelve month period commencing or ending in the calendar year concerned; in that case, only so much of the income as is derived from his activities performed in that other State may be taxed in that other State.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

#### **ARTICLE 15 - DEPENDENT PERSONAL SERVICES**

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised 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 any twelve month period commencing or ending in the calendar year concerned; and
- (b) the remuneration is paid by, or on behalf of, an employer who is a resident of the first-mentioned State; and
- (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that State. However, if the remuneration is derived by a resident of the other Contracting State, it may also be taxed in that other State.

#### **ARTICLE 16 - DIRECTORS' FEES**

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 of a company which is a resident of the other Contracting State may be taxed in that other State.

#### **ARTICLE 17 - ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles 14 and 15, 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 a sportsman, from his personal activities as such exercised in the other Contracting State may be taxed in that other State.

2. Where income in respect of or in connection with personal activities exercised by an entertainer or a sportsman accrues not to the artiste or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities exercised in a Contracting State by an artiste or a sportsman if the visit to that State is wholly or mainly supported by public funds of one or both of the Contracting States or political subdivisions or local authorities or statutory bodies thereof. In such case, the income shall be taxable only in the Contracting State in which the artiste or the sportsman is a resident.

#### **ARTICLE 18 - PENSIONS, SOCIAL SECURITY PAYMENTS AND SIMILAR PAYMENTS**

1. Payments received by an individual, being a resident of a Contracting State, under the social security legislation of the other Contracting State, or under any other scheme out of funds created by that other State or a political subdivision, a local authority or a statutory body thereof, may be taxed in that other State.

2. Subject to the provisions of paragraph 1 of this Article and paragraph 2 of Article 19, pensions and other similar remuneration arising in a Contracting State and paid to a resident of the other Contracting State, whether in consideration of past employment or not, shall be taxable only in the other Contracting State, unless:

- (a) contributions paid by the beneficiary to the pension scheme were deducted from the beneficiary's taxable income in the first-mentioned Contracting State under the law of that State; or
- (b) contributions paid by an employer were not taxable income for the beneficiary in the first-mentioned Contracting State under the law of that State.

In such cases, the pensions may be taxed in the first-mentioned Contracting State.

3. Pensions shall be deemed to arise in a Contracting State if paid by a pension fund or other similar institution providing pension schemes in which individuals may participate in order to secure retirement benefits, where such pension fund or other similar institution is established, recognized for tax purposes and controlled in accordance with the laws of that State.

## **ARTICLE 19 - GOVERNMENT SERVICE**

1.
  - (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that State or subdivision, authority or body shall be taxable only in that State.
  - (b) However, such salaries, wages and other similar 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.
  - (a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that State or subdivision, authority or body shall be taxable only in that State.
  - (b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.
3. The provisions of Articles 15, 16, 17 and 18 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision, a local authority or a statutory body thereof.

## **ARTICLE 20 - STUDENTS**

Payments which a student or business apprentice 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 for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

## **ARTICLE 21 - OTHER INCOME**

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

## **ARTICLE 22 - LIMITATION OF RELIEF**

1. Where this Agreement provides (with or without other conditions) that income from sources in Denmark shall be exempt from tax, or taxed at a reduced rate, in Denmark 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 Denmark 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 "Government of Singapore" shall include its agencies and statutory bodies.

## **ARTICLE 23 - ELIMINATION OF DOUBLE TAXATION**

Double taxation shall be avoided as follows:

1. In Singapore:

Where a resident of Singapore derives income from Denmark which, in accordance with the provisions of this Agreement, may be taxed in Denmark, Singapore shall, subject to its laws regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, allow the Danish tax paid, whether directly or by deduction, as a credit against the Singapore tax payable on the income of that resident. Where such income is a dividend paid by a company which is a resident of Denmark to a resident of Singapore which is a company owning directly or indirectly not less than 10 percent of the share capital of the first-mentioned company, the credit shall take into account the Danish tax paid by that company on the portion of its profits out of which the dividend is paid.

2. In Denmark:

- (a) subject to the provisions of sub-paragraph (c), where a resident of Denmark derives income which, in accordance with the provisions of this Agreement, may be taxed in Singapore, Denmark shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in Singapore;
- (b) such deduction shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Singapore;
- (c) where a resident of Denmark derives income which, in accordance with the provisions of this Agreement shall be taxable only in Singapore, Denmark may include this income in the tax base, but shall allow as a deduction from the income tax that part of the income tax, which is attributable to the income derived from Singapore;
- (d) where dividends are paid by a company which is a resident of Singapore to a company which is a resident of Denmark, and which owns directly or indirectly not less than 25% of the share capital of the first-mentioned company, then such dividends shall be exempt from tax in Denmark.

3. Notwithstanding the provisions of this Agreement, any income derived by the Government of a Contracting State from any source in the other Contracting State shall be exempt from tax in that other Contracting State. The term "Government":

- (a) in the case of Singapore, means the Government of Singapore and shall include:
  - (i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
  - (ii) the Government of Singapore Investment Corporation Pte Ltd;
  - (iii) a statutory body;
  - (iv) any institution wholly or mainly owned by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting State.
- (b) in the case of Denmark, means the Government of Denmark and shall include:
  - (i) a political subdivision, a local authority or statutory body thereof;
  - (ii) the Central Bank of Denmark (Danmarks Nationalbank);
  - (iii) any institution wholly or mainly owned by the Government of Denmark as may be agreed from time to time between the competent authorities of the Contracting State;

#### **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, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

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 State than the taxation levied on enterprises of that other State carrying on the same activities.

3. Nothing in this Article shall be construed as obliging a Contracting State to grant to:

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

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 State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

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

6. The provisions of this Article shall apply to the 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. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

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.

## **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) concerned with 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. They may disclose the information in public court proceedings or in judicial decisions.

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 and 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 - MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS**

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

## **ARTICLE 28 - ENTRY INTO FORCE**

1. Each of the Contracting States shall notify to the other the completion of the procedures required by its law for bringing into force of this Agreement.

2. The Agreement shall enter into force on the date of the later of these notifications and its provisions shall have effect:

- (a) in Singapore:

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

- (b) in Denmark:

in respect of taxes for the income year beginning on or after 1 January 2001 and subsequent income years;

3. The Convention between the Government of the Republic of Singapore and the Government of the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed at Singapore on 3 February 1986 as amended by the Protocol signed at Singapore on 17 May 1994 shall cease to have effect from the date on which this Agreement becomes effective in accordance with paragraph 2 of this Article.

## **ARTICLE 29 - 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 notice of termination at least six months before the end of any calendar year after the expiration of a period of five years from the date of its entry into force. In such event, the Agreement shall cease to have effect:

- (a) in Singapore:

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

(b) in Denmark:

in respect of taxes for the income year immediately following that in which the notice of termination is given and subsequent income years;

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

DONE in duplicate at Singapore on this 3rd day of July 2000 in the English language.

For the Government of the  
Republic of Singapore

ALAN OW

For the Government of  
The Kingdom of Denmark

JØRGEN ØRSTRØM MØLLER

# ANNEX A

## Effects of the MLI on this Agreement

### 1. Deletion and replacement of Preamble

The preamble of this Agreement is deleted and replaced by the following:

“The Government of the Republic of Singapore and the Government of the Kingdom of Denmark,

Intending to eliminate double taxation with respect to the taxes covered by this Agreement without creating opportunities for non taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third jurisdictions),

Have agreed as follows:”.

### 2. New Articles 25A to 25H (arbitration provisions)

The following articles shall be inserted immediately after Article 25 (Mutual Agreement Procedure). However, the articles shall not apply to this Agreement if a Contracting State raises an objection under Article 28(2)(b) of the MLI to the reservations that had been made by the other Contracting State under Article 28(2)(a) of the MLI. Such an objection may be raised by Singapore, by 29 September 2020.

#### **“ARTICLE 25A - MANDATORY BINDING ARBITRATION**

1. Where:

- (a) under Article 25 (Mutual Agreement Procedure), a person has presented a case to the competent authority of a Contracting State on the basis that the actions of one or both of the Contracting States have resulted for that person in taxation not in accordance with the provisions of the Agreement; and
- (b) the competent authorities are unable to reach an agreement to resolve that case pursuant to Article 25 (Mutual Agreement Procedure) within a period of two years beginning on the start date referred to in paragraph 8 or 9, as the case may be (unless, prior to the expiration of that period the competent authorities of the Contracting States have agreed to a different time period with respect to that case and have notified the person who presented the case of such agreement),

any unresolved issues arising from the case shall, if the person so requests in writing, be submitted to arbitration in the manner described in this Article and Articles 25B to 25H, according to any rules or procedures agreed upon by the

competent authorities of the Contracting States pursuant to the provisions of paragraph 10.

2. Where a competent authority has suspended the mutual agreement procedure referred to in paragraph 1 because a case with respect to one or more of the same issues is pending before court or administrative tribunal, the period provided in sub-paragraph (b) of paragraph 1 will stop running until either a final decision has been rendered by the court or administrative tribunal or the case has been suspended or withdrawn. In addition, where a person who presented a case and a competent authority have agreed to suspend the mutual agreement procedure, the period provided in sub-paragraph (b) of paragraph 1 will stop running until the suspension has been lifted.

3. Where both competent authorities agree that a person directly affected by the case has failed to provide in a timely manner any additional material information requested by either competent authority after the start of the period provided in sub-paragraph (b) of paragraph 1, the period provided in sub-paragraph (b) of paragraph 1 shall be extended for an amount of time equal to the period beginning on the date by which the information was requested and ending on the date on which that information was provided.

4. (a) The arbitration decision with respect to the issues submitted to arbitration shall be implemented through the mutual agreement concerning the case referred to in paragraph 1. The arbitration decision shall be final.

(b) The arbitration decision shall be binding on both Contracting States except in the following cases:

(i) if a final decision of the courts of one of the Contracting States holds that the arbitration decision is invalid. In such a case, the request for arbitration under paragraph 1 shall be considered not to have been made, and the arbitration process shall be considered not to have taken place (except for the purposes of Articles 25C (Confidentiality of Arbitration Proceedings) and 25G (Costs of Arbitration Proceedings)). In such a case, a new request for arbitration may be made unless the competent authorities agree that such a new request should not be permitted.

(ii) if a person directly affected by the case pursues litigation on the issues which were resolved in the mutual agreement implementing the arbitration decision in any court or administrative tribunal.

5. The competent authority that received the initial request for a mutual agreement procedure as described in sub paragraph (a) of paragraph 1 shall, within two calendar months of receiving the request:

(a) send a notification to the person who presented the case that it has received the request; and

(b) send a notification of that request, along with a copy of the request, to the competent authority of the other Contracting State.

6. Within three calendar months after a competent authority receives the request for a mutual agreement procedure (or a copy thereof from the competent authority of the other Contracting State) it shall either:

- (a) notify the person who has presented the case and the other competent authority that it has received the information necessary to undertake substantive consideration of the case; or
- (b) request additional information from that person for that purpose.

7. Where pursuant to sub paragraph (b) of paragraph 6, one or both of the competent authorities have requested from the person who presented the case additional information necessary to undertake substantive consideration of the case, the competent authority that requested the additional information shall, within three calendar months of receiving the additional information from that person, notify that person and the other competent authority either:

- (a) that it has received the requested information; or
- (b) that some of the requested information is still missing.

8. Where neither competent authority has requested additional information pursuant to sub paragraph (b) of paragraph 6, the start date referred to in paragraph 1 shall be the earlier of:

- (a) the date on which both competent authorities have notified the person who presented the case pursuant to sub paragraph (a) of paragraph 6; and
- (b) the date that is three calendar months after the notification to the competent authority of the other Contracting State pursuant to sub paragraph (b) of paragraph 5.

9. Where additional information has been requested pursuant to sub paragraph (b) of paragraph 6, the start date referred to in paragraph 1 shall be the earlier of:

- (b) the latest date on which the competent authorities that requested additional information have notified the person who presented the case and the other competent authority pursuant to sub paragraph (a) of paragraph 7; and
- (b) the date that is three calendar months after both competent authorities have received all information requested by either competent authority from the person who presented the case.

If, however, one or both of the competent authorities send the notification referred to in sub paragraph (b) of paragraph 7, such notification shall be treated as a request for additional information under sub paragraph (b) of paragraph 6.

10. The competent authorities of the Contracting States shall by mutual agreement (pursuant to Article 25 (Mutual Agreement Procedure)) settle the mode of application of the provisions contained in this Article and Articles 25B to 25H, including the minimum information necessary for each competent authority to undertake substantive consideration of the case. Such an agreement shall be concluded before the date on which unresolved issues in a case are first eligible to be submitted to arbitration and may be modified from time to time thereafter.

11. Notwithstanding the preceding paragraphs of this Article:

- (a) any unresolved issue arising from a mutual agreement procedure case otherwise within the scope of the arbitration process provided for by this Convention shall not be submitted to arbitration, if a decision on this issue has already been rendered by a court or administrative tribunal of either Contracting State;
- (b) if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision to the competent authorities of the Contracting States, a decision concerning the issue is rendered by a court or administrative tribunal of one of the Contracting States, the arbitration process shall terminate.

12. Subject to paragraph 13, the provisions of this Article and Articles 25B to 25H shall apply to a tax case only insofar the Contracting States agree that (a) the Chair of the arbitration panel shall be a judge, and (b) Denmark shall be permitted to publish abstracts of decisions made by the arbitration panel.

13. The provisions of this Article and Articles 25B to 25H shall not apply —

- (a) to any case involving the application of Singapore's general anti-avoidance rules contained in section 33 of the Act, case law or juridical doctrines, and any subsequent provisions (as notified by Singapore to the Depository of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting done at Paris on 24 November 2016 (as amended from time to time)) that replace, amend or update these anti-avoidance rules
- (b) to cases that fall within the scope of application of the Convention on the Elimination of Double Taxation in Connection with the Adjustment of Profits of Associated Enterprises (90/436/EEC) as amended, of Council Directive (EU) 2017/1852 on tax dispute resolution mechanisms in the European Union, or subsequent regulation; and
- (c) to cases where penalties were imposed on an individual or a legal person by a Contracting State for tax fraud, wilful default or gross negligence.

14. This Article and Articles 25B to 25H —

- (a) shall have effect with respect to cases presented to the competent authority of a Contracting State under Article 25 (Mutual Agreement Procedure) on or after 1 January 2020; and
- (b) shall apply to a case presented to the competent authority of a Contracting State under Article 25 (Mutual Agreement Procedure) prior to 1 January 2020 only to the extent that the competent authorities of both Contracting States agree that it will apply to that specific case.

## **ARTICLE 25B - APPOINTMENT OF ARBITRATORS**

1. Except to the extent that the competent authorities of the Contracting States mutually agree on different rules, paragraphs 2 through 4 shall apply for the purposes of Articles 25A to 25H.

2. The following rules shall govern the appointment of the members of an arbitration panel:

- (a) The arbitration panel shall consist of three individual members with expertise or experience in international tax matters.
- (b) Each competent authority shall appoint one panel member within 60 days of the date of the request for arbitration under paragraph 1 of Article 25A (Mandatory Binding Arbitration). The two panel members so appointed shall, within 60 days of the latter of their appointments, appoint a third member who shall serve as Chair of the arbitration panel. The Chair shall not be a national or resident of either Contracting State.
- (c) Each member appointed to the arbitration panel must be impartial and independent of the competent authorities, tax administrations, and ministries of finance of the Contracting States and of all persons directly affected by the case (as well as their advisors) at the time of accepting an appointment, maintain his or her impartiality and independence throughout the proceedings, and avoid any conduct for a reasonable period of time thereafter which may damage the appearance of impartiality and independence of the arbitrators with respect to the proceedings.

3. In the event that the competent authority of a Contracting State fails to appoint a member of the arbitration panel in the manner and within the time periods specified in paragraph 2 or agreed to by the competent authorities of the Contracting States, a member shall be appointed on behalf of that competent authority by the highest ranking official of the Centre for Tax Policy and Administration of the Organisation for Economic Co-operation and Development that is not a national of either Contracting State.

4. If the two initial members of the arbitration panel fail to appoint the Chair in the manner and within the time periods specified in paragraph 2 or agreed to by the competent authorities of the Contracting States, the Chair shall be appointed by the highest ranking official of the Centre for Tax Policy and Administration of the Organisation for Economic Co-operation and Development that is not a national of either Contracting State.

#### **ARTICLE 25C - CONFIDENTIALITY OF ARBITRATION PROCEEDINGS**

1. Solely for the purposes of the application of Articles 25A to 25H and 26 of the provisions of the domestic laws of the Contracting States related to the exchange of information, confidentiality, and administrative assistance, members of the arbitration panel and a maximum of three staff per member (and prospective arbitrators solely to the extent necessary to verify their ability to fulfil the requirements of arbitrators) shall be considered to be persons or authorities to whom information may be disclosed. Information received by the arbitration panel or prospective arbitrators and information that the competent authorities receive from the arbitration panel shall be considered information that is exchanged under Article 26 (Exchange of Information).

2. The competent authorities of the Contracting States shall ensure that members of the arbitration panel and their staff agree in writing, prior to their acting in an arbitration proceeding, to treat any information relating to the arbitration



proceeding consistently with the confidentiality and nondisclosure obligations described in Article 26 (Exchange of Information) and under the applicable laws of the Contracting States.

#### **ARTICLE 25D - RESOLUTION OF A CASE PRIOR TO THE CONCLUSION OF THE ARBITRATION**

For the purposes of Articles 25 and 25A to 25H, the mutual agreement procedure, as well as the arbitration proceeding, with respect to a case shall terminate if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision to the competent authorities of the Contracting States:

- (a) the competent authorities of the Contracting States reach a mutual agreement to resolve the case; or
- (b) the person who presented the case withdraws the request for arbitration or the request for a mutual agreement procedure.

#### **ARTICLE 25E - TYPE OF ARBITRATION PROCESS**

1. Except to the extent that the competent authorities of the Contracting States mutually agree on different rules, the following rules shall apply with respect to an arbitration proceeding pursuant to Articles 25A to 25H:

- (a) After a case is submitted to arbitration, the competent authority of each Contracting State shall submit to the arbitration panel, by a date set by agreement, a proposed resolution which addresses all unresolved issue(s) in the case (taking into account all agreements previously reached in that case between the competent authorities of the Contracting States). The proposed resolution shall be limited to a disposition of specific monetary amounts (for example, of income or expense) or, where specified, the maximum rate of tax charged pursuant to the Convention, for each adjustment or similar issue in the case. In a case in which the competent authorities of the Contracting States have been unable to reach agreement on an issue regarding the conditions for application of a provision of the Convention (hereinafter referred to as a “threshold question”), such as whether an individual is a resident or whether a permanent establishment exists, the competent authorities may submit alternative proposed resolutions with respect to issues the determination of which is contingent on resolution of such threshold questions.
- (b) The competent authority of each Contracting State may also submit a supporting position paper for consideration by the arbitration panel. Each competent authority that submits a proposed resolution or supporting position paper shall provide a copy to the other competent authority by the date on which the proposed resolution and supporting position paper were due. Each competent authority may also submit to the arbitration panel, by a date set by agreement, a reply submission with respect to the proposed resolution and supporting position paper submitted by the other competent authority. A copy of any reply submission shall be provided to the other competent authority by the date on which the reply submission was due.

- (c) The arbitration panel shall select as its decision one of the proposed resolutions for the case submitted by the competent authorities with respect to each issue and any threshold questions, and shall not include a rationale or any other explanation of the decision. The arbitration decision will be adopted by a simple majority of the panel members. The arbitration panel shall deliver its decision in writing to the competent authorities of the Contracting States. The arbitration decision shall have no precedential value.

2. Prior to the beginning of arbitration proceedings, the competent authorities of the Contracting States shall ensure that each person that presented the case and their advisors agree in writing not to disclose to any other person any information received during the course of the arbitration proceedings from either competent authority or the arbitration panel. The mutual agreement procedure under Article 25, as well as the arbitration proceeding under Articles 25A to 25H, with respect to the case shall terminate if, at any time after a request for arbitration has been made and before the arbitration panel has delivered its decision to the competent authorities of the Contracting States, a person that presented the case or one of that person's advisors materially breaches that agreement.

#### **ARTICLE 25F - AGREEMENT ON A DIFFERENT RESOLUTION**

Notwithstanding paragraph 4 of Article 25A (Mandatory Binding Arbitration), an arbitration decision pursuant to Articles 25A to 25H shall not be binding on the Contracting States and shall not be implemented if the competent authorities of the Contracting States agree on a different resolution of all unresolved issues within three calendar months after the arbitration decision has been delivered to them.

#### **ARTICLE 25G - COSTS OF ARBITRATION PROCEEDINGS**

In an arbitration proceeding under Articles 25A to 25H, the fees and expenses of the members of the arbitration panel, as well as any costs incurred in connection with the arbitration proceedings by the Contracting States, shall be borne by the Contracting States in a manner to be settled by mutual agreement between the competent authorities of the Contracting States. In the absence of such agreement, each Contracting State shall bear its own expenses and those of its appointed panel member. The cost of the chair of the arbitration panel and other expenses associated with the conduct of the arbitration proceedings shall be borne by the Contracting States in equal shares.

#### **ARTICLE 25H - COMPATIBILITY**

1. Any unresolved issue arising from a mutual agreement procedure case otherwise within the scope of the arbitration process provided for in this Article and Articles 25A to 25H shall not be submitted to arbitration if the issue falls within the scope of a case with respect to which an arbitration panel or similar body has previously been set up in accordance with a bilateral or multilateral convention that provides for mandatory binding arbitration of unresolved issues arising from a mutual agreement procedure case.

2. Nothing in this Article and Articles 25A to 25H shall affect the fulfilment of wider obligations with respect to the arbitration of unresolved issues arising in the context of a mutual agreement procedure resulting from other conventions to which the Contracting States are or will become parties.”.

**4. New Article 27A**

The following new Article 27A is inserted immediately after Article 27 (Members of Diplomatic Missions and Consular Posts):

**“ARTICLE 27A - PREVENTION OF TREATY ABUSE**

1. Notwithstanding any provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income or capital if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Agreement.”.

**5. Entry into effect of the MLI**

The effects of the MLI on this Agreement, as laid out in this Annex, shall have effect in Singapore:

- (a) for paragraph 2 of this Annex on the arbitration provisions, with respect to any tax paid, deemed paid or liable to be paid, before, on or after 1 January 2020.
- (c) for all other paragraphs in this Annex:
  - (i) with respect to taxes withheld at source, in respect of amounts paid, deemed paid or liable to be paid (whichever is the earliest), on or after 1 January 2020; and
  - (ii) with respect to taxes other than those withheld at source, where the income is derived or received in a basis period beginning on or after 1 July 2020.

# ANNEX B

**PROTOCOL AMENDING THE AGREEMENT BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND  
THE GOVERNMENT OF THE KINGDOM OF DENMARK  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF  
FISCAL EVASION WITH RESPECT TO TAXES ON INCOME SIGNED AT  
SINGAPORE ON 3 JULY 2000**

The Government of the Republic of Singapore and the Government of the Kingdom of Denmark,

Desiring to amend the Agreement between the Government of the Republic of Singapore and the Government of the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed at Singapore on 3 July 2000 (hereinafter referred to as "the Agreement"),

Have agreed as follows:

## **ARTICLE I**

The text of Article 26 of the Agreement is deleted and replaced by the following:

"1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 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) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

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

- (a) to carry out administrative measures at variance with the laws and 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*).

4. If information is requested by a Contracting State in accordance with the provisions of this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 of this Article but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.”

## **ARTICLE II**

Denmark shall notify Singapore, through diplomatic channels, of the completion of the procedures required by its law for the bringing into force of this Protocol. Upon such notification, when the necessary requirements for entry into force of this Protocol in Singapore have been complied with, Singapore shall notify Denmark through diplomatic channels. The Protocol shall enter into force 30 days after the date of notification made by Singapore to Denmark.

## **ARTICLE III**

This Protocol shall form an integral part of the Agreement and shall remain in force as long as the Agreement remains in force.

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

DONE in duplicate at Singapore on this 25<sup>th</sup> day of August 2009 in the English language.

**For the Government of  
the Republic of Singapore**

**For the Government of  
the Kingdom of Denmark**

**MOSES LEE**

**VIBEKE ROVSING LAURITZEN**

# ANNEX C

## CONVENTION BETWEEN THE REPUBLIC OF SINGAPORE AND THE KINGDOM OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the Republic of Singapore and the Government of the Kingdom of Denmark,

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

Have agreed as follows:

### ARTICLE 1 - PERSONAL SCOPE

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

### ARTICLE 2 - TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of a 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 all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property and taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation which is taxed as income.

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

(a) in Singapore:

the income tax

(hereinafter referred to as "Singapore tax");

(b) in Denmark:

(i) the income tax to the State  
(indkomstskatten til staten);

(ii) the municipal income tax

- (den kommunale indkomstskat);
- (iii) the income tax to the county municipalities  
(den amtskommunale indkomstskat);
- (iv) the old age pension contribution  
(folkepensionsbidraget);
- (v) the seamen's tax  
(sømandsskatten);
- (vi) the special income tax  
(den særlige indkomstskat);
- (vii) the church tax  
(kirkeskatten);
- (viii) the tax on dividends  
(udbytteskatten);
- (ix) the contribution to the sickness "per diem" fund  
(bidrag til dagpengefonden);
- (x) the hydrocarbon tax  
(kulbrinteskatten);

(hereinafter referred to as "Danish tax").

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

5. If by reason of changes made in the taxation law of either Contracting State, it seems desirable to amend any Article of the Convention without affecting the general principles thereof the necessary amendments may be made by mutual consent by means of an exchange of diplomatic notes or in any other manner in accordance with their constitutional procedures.

### **ARTICLE 3 - GENERAL DEFINITIONS**

1. For the purposes of this Convention, unless the context otherwise requires:

- (a)
  - (i) the term "Singapore" means the Republic of Singapore;
  - (ii) The term "Denmark" means the Kingdom of Denmark, including any area adjacent to the territorial sea of Denmark, within which, under the laws of Denmark concerning the continental shelf and in accordance with international law, Denmark may exercise its rights with respect to the exploration and exploitation of the natural resources of the seabed and its subsoil; the term does not comprise the Faroe Islands and Greenland;

- (b) the terms "a Contracting State" and "the other Contracting State" mean Singapore or Denmark as the context requires;
- (c) the term "person" includes an individual, an undivided estate of a deceased person, a trust or "en fond", 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 "tax" means Singapore tax or Danish tax as the context requires;
- (g) 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;
- (h) the term "profits of an enterprise" does not include rents or royalties in respect of literary or artistic copyrights, motion picture films or of tapes for television or broadcasting or of mines, oil wells, quarries, or other places of extraction of natural resources or of timber or forest produce, or income in the form of dividends, interest, rents, royalties, or fees or other payments derived from the management, control or supervision of the trade, business or other activity of any other enterprise or concern or payments for labour or personal services or income derived from the operation of ships or aircrafts;
- (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;
- (j) the term "competent authority" means:
  - (i) in Singapore, the Minister for Finance or his authorised representative;
  - (ii) in Denmark, the Minister for Inland Revenue, Customs and Excise or his authorised representative.

2. As regards the application of the Convention 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 Convention applies.

#### **ARTICLE 4 - FISCAL DOMICILE**

1. For the purposes of this Convention, 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 provisions 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 Convention, 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 extraction 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 6 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 for the enterprise 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 an independent status to whom paragraph 7 applies.

9. The fact that a company which is a resident of a Contracting State 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.

(a) The term "immovable property" shall, subject to the provisions of subparagraphs (b) and (c), have the meaning which it has under the law of the Contracting State in which the property in question is situated.

(b) The term "immovable property" 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.

(c) Ships and aircraft shall not be regarded as immovable property.

3. The provision 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. 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.

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

## **ARTICLE 8 - SHIPPING AND AIR TRANSPORT**

1. Notwithstanding the provisions of Article 7, profits of an enterprise of one of the Contracting States from the operation of aircraft in international traffic shall be taxable only in that State.

2. The provisions of paragraph 1 shall likewise apply to profits derived from the participation by enterprises of the Contracting States in a pool, a joint business or an international operating agency.

3. With respect to profits derived by the Danish, Norwegian and Swedish air transport consortium, known as the Scandinavian Airlines System (SAS), the provisions of paragraphs 1 and 2 shall apply only to such part of the profits as corresponds to the shareholding in the consortium held by Det Danske Luftfartsselskab (DDL), the Danish partner of Scandinavian Airlines System (SAS).

4. Notwithstanding the provisions of Article 7, profits of an enterprise of a Contracting State from the operation of ships in international traffic may be taxed in the other Contracting State only if such profits are derived from that other State.

Provided that

- (a) when a Singapore enterprise operating ships in international traffic derives profits from such operations carried on in Denmark the tax charged in Denmark in respect of such profits shall be reduced by an amount equal to 50 per cent thereof;
- (b) when a Danish enterprise operating ships in international traffic derives profits from such operations carried on in Singapore the tax charged in Singapore in respect of such profits shall be reduced by an amount equal to 50 per cent thereof.

5. Where a ship or aircraft is operated solely between places in a Contracting State and one or more structures used for the exploration or exploitation of natural resources situated in waters adjacent to the territorial waters of that State, the exemption or reduction of tax provided for in paragraphs 1, 2 and 4 of this Article shall not apply.

## **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 or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

## **ARTICLE 10 - DIVIDENDS**

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

2. 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 25 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. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The provisions of paragraph 2 shall apply to dividends paid by a company which is a resident of Singapore if Singapore, subsequent to the date of signature of this Convention, imposes a tax on dividends in addition to the tax chargeable in respect of the profits or income of the company.

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 State of which the company making the distribution is a resident.

5. The provisions of paragraphs 1 and 2 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, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the

dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, shall apply.

6. Where a company which is a resident of a Contracting State derives profits of 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 or a fixed base situated in that other State, nor 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.

7.

- (a) Dividends shall be deemed to arise in Denmark if they are paid by a company which is a resident of Denmark.
- (b) Dividends shall be deemed to arise in Singapore:
  - (i) if they are paid by a company which is a resident of Singapore; or
  - (ii) if they are paid by a company which is a resident of Malaysia out of profits arising in Singapore and qualifying as dividends arising in Singapore under Article VII of the Agreement for the Avoidance of Double Taxation between Singapore and Malaysia signed on 26th December, 1968.

8. As long as an individual resident in Denmark is entitled under Danish law to a tax credit (skattegodtgørelse) in respect of dividends paid by a company which is a resident of Denmark, the following rules shall apply to an individual shareholder who is a resident of Singapore:

The beneficial owner of such dividends shall be entitled to a tax credit in respect thereof not exceeding 15 per cent of the gross amount of the dividends, if an individual resident in Denmark would have been entitled to a tax credit had he received such dividends, and to the payment of any excess of that tax credit over his liability to tax in Denmark; however, tax may also be charged in Denmark and according to the laws of Denmark on the aggregate of the amount of such dividends and the amount of that tax credit, at a rate not exceeding 10 per cent.

## **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 laws of that State, but if the recipient is the beneficial owner of the interest, the tax so charged shall not exceed 15 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 purpose of paragraph 3, the term Government:
- (a) in the case of Singapore means the Government of Singapore, and shall include:
    - (i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
    - (ii) the Government of Singapore Investment Corporation Pte Ltd;
    - (iii) a statutory body or any institution wholly or mainly owned by the Government of Singapore, a local authority or a statutory body thereof, as may be agreed from time to time between the competent authorities of the Contracting States;
  - (b) in the case of Denmark means the Government of Denmark, and shall include:
    - (i) The National Bank of Denmark;
    - (ii) a statutory body or any institution wholly or mainly owned by the Government of Denmark, a local authority or a statutory body thereof, as may be agreed from to time between the competent authorities of the Contracting States.

5. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage, as well as all other income assimilated to income from money lent by the taxation laws of the State in which the income arises, and in particular income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. 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, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, 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 or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

8. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, 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 beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## **ARTICLE 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 laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 15 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 patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial or scientific equipment, or for information concerning industrial or scientific experience.
4. The provisions of paragraphs 1 and 2 of this Article shall apply equally to any sum derived by a resident of one of the Contracting States from sources within the other Contracting State from the alienation of any right or property from which royalties, as defined in paragraph 3 of this Article, are or may be derived.
5. The provisions of paragraphs 1, 2 and 4 of this Article shall not apply if the beneficial owner of the royalties or sums, 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, or perform in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 13, as the case may be, shall apply.
6. 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 or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## **ARTICLE 13 - PERSONAL SERVICES**

1. Subject to the provisions of Articles 14, 16 and 17, salaries, wages and other similar remuneration or income derived by a resident of a Contracting State in respect of personal (including professional) services shall be taxable only in that State unless the services are rendered in the other Contracting State. If the services are so rendered, 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 services rendered 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 any 12-month period, and
- (b) the services are rendered for or on behalf of a person who is a resident of the first-mentioned State, and
- (c) the remuneration or income is subject to tax in the first-mentioned State, and
- (d) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State, and
- (e) the payment for independent personal services is not borne by a resident of the other State or by a permanent establishment or a fixed base which a resident of the first-mentioned State 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 operated in international traffic shall be taxable only in that Contracting State.

#### **ARTICLE 14 - DIRECTORS' FEES**

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 of a company which is a resident of the other Contracting State may be taxed in that other State.

#### **ARTICLE 15 - ARTISTES AND ATHLETES**

1. Notwithstanding the provisions of Article 13 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 personal activities exercised in a Contracting State by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 13, be taxed in that Contracting State.

Such income shall, however, be exempt from tax in that 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 16 - GOVERNMENT SERVICE**

1.
  - (a) Remuneration, other than a pension, paid by a Contracting State or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that State or subdivision or authority or body 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 other State and the individual is a resident of that other State who:
    - (i) is a national of that other State; or
    - (ii) did not become a resident of that other State solely for the purpose of rendering the services.
2. The provisions of this Article shall not apply to any remuneration in respect of services rendered in connection with any trade or business carried on for purposes of profit.

## **ARTICLE 17 - STUDENTS AND TRAINEES**

1. An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and is present in that other Contracting State for a period not exceeding five years solely:

- (a) as a student at a recognised university, college or school in that other Contracting State,
- (b) as a recipient of grant, allowance or award for the primary purpose of study or research from a governmental, religious, charitable, scientific, literary or educational organisation, or
- (c) as a business apprentice,

shall be exempt from tax of that other Contracting State in respect of:

- (i) remittances from abroad for the purposes of his maintenance, education, study, research or training,
- (ii) the grant, allowance or award, and
- (iii) remuneration for personal services in that other Contracting State not exceeding the sum of 2,500 United States dollars or its equivalent sum in Singapore or Danish currency, during any calendar year, or such amount as may be agreed from time to time between the competent authorities of the Contracting States; provided that any amount in excess of 2,500 United States dollars (or such revised amount) or its equivalent sum in Singapore or Danish currency shall remain taxable according to the law of that other State, due regard being had to the other provisions of the Convention.

2. An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and is present in that other Contracting State for a period not exceeding twelve months as an employee of, or under contract with, an enterprise of the

first-mentioned Contracting State, or an organisation referred to in sub-paragraph (b) of paragraph 1, solely to acquire technical, professional or business experience from a person other than such enterprise or organisation, shall be exempt from tax of that other Contracting State on the remuneration for such period, received from abroad, or paid in that other Contracting State for his services directly related to the acquisition of such experience, if the amount thereof does not exceed the sum of 4,000 United States dollars or its equivalent sum in Singapore or Danish currency, during any calendar year, or such amount as may be agreed from time to time between the competent authorities of the Contracting States; provided that any amount in excess of 4,000 United States dollars (or such revised amount) or its equivalent sum in Singapore or Danish currency shall remain taxable according to the law of that other State, due regard being had to the other provisions of the Convention.

3. An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and is present in that other Contracting State for a period not exceeding five years under arrangements with the Government (including a local government) of the other Contracting State or any authority or agency thereof, solely for the purpose of study, research or training shall be exempt from tax of that other Contracting State on remuneration, received from abroad, or paid in that other Contracting State for his services directly related to such study, research or training, if the amount thereof does not exceed the sum of 4,000 United States dollars or its equivalent sum in Singapore or Danish currency, during any calendar year, or such amount as may be agreed from time to time between the competent authorities of the Contracting States; provided that any amount in excess of 4,000 United States dollars (or such revised amount) or its equivalent in Singapore or Danish currency shall remain taxable according to the law of that other State, due regard being had to the other provisions of the Convention.

4. The benefits of paragraphs 1, 2 or 3 shall not be concurrently cumulative.

#### **ARTICLE 18 - INCOME NOT EXPRESSLY MENTIONED**

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

#### **ARTICLE 19 - LIMITATION OF RELIEF**

1. Where this Convention provides (with or without other conditions) that income from sources in Denmark shall be exempt from tax, or taxed at a reduced rate, in Denmark 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 Convention in Denmark 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 20 - ELIMINATION OF DOUBLE TAXATION

1. The laws of each Contracting State shall continue to govern the taxation of income in that State except where express provision to the contrary is made in this Convention. Where income is subject to tax in both Contracting States, relief from double taxation shall be given in accordance with the following paragraphs of this Article.

2. 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, Danish tax payable, whether directly or by deduction, in respect of income from sources within Denmark shall be allowed as a credit against Singapore tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Denmark to a resident of Singapore which owns not less than 25 per cent of the share capital of the company paying the dividends, the credit shall take into account Danish tax payable in respect of its profits by the company paying the dividends.

3. Where a resident of Denmark derives income from sources within Singapore, and that income in accordance with the provisions of this Convention shall be taxable only or may be taxed in Singapore, Denmark may include this income in the tax base, but shall, subject to the provisions of paragraphs 4 and 5, allow as a deduction from the income tax that part of the income tax which is applicable to the income derived from Singapore.

4. Where a resident of Denmark derives income which, in accordance with Article 8, paragraph 4, 11, 12 and 14 may be taxed in Singapore, Denmark shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in Singapore.

Such deduction shall not exceed that part of the income tax, as computed before the deduction is given, which is attributable to such income derived from Singapore.

5. (i) Where dividends are paid by a company which is a resident of Singapore to a person which is a resident of Denmark, and which owns directly or indirectly not less than 25 per cent of the share capital of the first-mentioned company then such dividends shall be exempt from tax in Denmark;

(ii) Where dividends are paid by a company which is a resident of Singapore to a resident of Denmark other than a person referred to in sub-paragraph (i) then Denmark shall allow as a deduction from the tax on the income of that Danish resident an amount equal to 20 per cent of the gross amount of the dividends.

6. (a) For the purposes of paragraph 4, "income tax paid in Singapore" shall include any Singapore tax which would have been payable but for the reduction or exemption of Singapore tax granted under the Economic Expansion Incentives (Relief from Income Tax) Act and the Income Tax Act as effective on the date of signature of the Convention.

(b) For the purposes of paragraph 5 (ii), any dividends which have been exempted from Singapore tax under the Economic Expansion Incentives (Relief from Income Tax) Act and the Income Tax Act shall be exempt from tax in Denmark.

- (c) The provisions of sub-paragraphs (a) and (b) shall apply equally to any other provision or legislation which may subsequently be made or enacted granting a reduction or exemption and which the competent authorities agree to be for the purpose of promoting economic development.

7. Notwithstanding the provisions of this Convention any income derived by the Government of Singapore from any source in Denmark shall be exempt from tax in Denmark. The term "Government of Singapore" shall include:

- (a) The Government of Singapore Investment Corporation (Pte) Ltd;
- (b) statutory authority;
- (c) any institution wholly or mainly owned by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting States.

## **ARTICLE 21 - NON-DISCRIMINATION**

1. The nationals of a Contracting State shall not be subject 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 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 State than the taxation levied on enterprises of that other State carrying on the same activities.

3. Nothing in this Article shall be construed as obliging a Contracting State to grant to:

- (a) residents of the other Contracting State any personal allowances, reliefs and reductions for tax purposes which it grants to its own residents, or
- (b) nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own nationals 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.

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 State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

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 Convention.

## **ARTICLE 22 - 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 Convention, 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 21, to that of the Contracting States 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 Convention.

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 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. 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 23 - 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 Convention or of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Convention. 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 Convention. 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 and 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 24 - DIPLOMATIC AGENTS AND CONSULAR OFFICERS**

Nothing in this Convention 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 25 - TERRITORIAL EXTENSION**

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

2. Unless otherwise agreed by both Contracting States, the termination of the Convention by one of them under Article 27 shall also terminate, in the manner provided for in that Article, the application of the Convention to any part of the territory of the Contracting States to which it has been extended under this Article.

## **ARTICLE 26 - ENTRY INTO FORCE**

1. This Convention shall be approved by Singapore and Denmark in accordance with their respective legal procedures. The Governments of Singapore and Denmark shall notify each other that these procedures have been complied with.

2. This Convention shall enter into force on the date of the latter of the notifications referred to in paragraph 1 and its provisions shall have effect from the date of expiry of the Convention between the Kingdom of Denmark and the Republic of Singapore for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, dated 7th March 1969.

## **ARTICLE 27 - TERMINATION**

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

(a) 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 and subsequent years of assessment;

(b) in Denmark:

in respect of income derived in the calendar year next following the year in which the notice is given and subsequent years.

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

DONE in duplicate at Singapore this third day of February 1986 in the English language.

For the Government of the  
Republic of Singapore

For the Government of the  
Kingdom of Denmark

### **PROTOCOL (1986)**

At the signing of the Convention between the Government of the Republic of Singapore and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the undersigned have agreed on the following provision which shall be an integral part of the Convention:

"Where a resident of Denmark derives income which, in accordance with the provisions of this Convention, shall be taxable only or may be taxed in Singapore, such income shall, subject to the provisions of paragraph 4 and 5 of Article 20, be exempt from Danish tax in the first instance. However, such income has to be included in the tax base for the purpose of determining the rate of Danish tax on his other income or the amount of loss to be carried forward under Danish laws or for all purposes not having relation to the taxation of income."

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

DONE in duplicate at Singapore this third day of February of the year one thousand nine hundred and eighty-six in the English language.

For the Government of the  
Republic of Singapore

For the Government of the  
Kingdom of Denmark



# ANNEX D

## **PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE KINGDOM OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME, WITH PROTOCOL**

The Government of the Republic of Singapore and the Government of the Kingdom of Denmark,

Desiring to amend the Convention between the Government of the Republic of Singapore and the Government of the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with Protocol, signed at Singapore on 3 February 1986 (in this Protocol referred to as "the Convention"),

Have agreed as follows:

### **ARTICLE I**

Article 2 of the Convention is amended by deleting sub-paragraph 3 (b) and substituting:

"(b) in Denmark:

- (i) the income tax to the State (indkomstskatten til staten);
- (ii) the municipal income tax (den kommunale indkomstskat);
- (iii) the income tax to the county municipalities (den amtskommunale indkomstskat);
- (iv) the special income tax (den saerlige indkomstskat);
- (v) the church tax (kirkeskatten);
- (vi) the tax on dividends (udbytteskatten);
- (vii) the tax on interest (renteskatten);
- (viii) the tax on royalties (royaltyskatten); and
- (ix) taxes imposed under the Hydrocarbon Tax Act (skatter i henhold til kulbrinteskatteloven),

(hereinafter referred to as "Danish tax")."

## ARTICLE II

Article 3 of the Convention is amended by:

- (a) deleting sub-paragraph 1(h);
- (b) deleting sub-paragraph 1(j)(ii) and substituting the following sub-paragraph:  
" (ii) in Denmark, the Minister for Taxation or his authorised representative."; and
- (c) re-numbering sub-paragraphs 1(i) and 1(j) as 1(h) and 1(i) respectively.

## ARTICLE III

Article 5 of the Convention is amended by deleting sub-paragraph 3(b) and inserting the following sub-paragraphs (b) and (c):

- "(b) the furnishing of services including consultancy services (other than services in relation to the activities mentioned in sub-paragraph (c)), by a resident of a Contracting State through employees or other personnel for more than 90 days within any 12-month period;
- (c) the carrying on of supervisory activities for more than 6 months within any 12-month period in connection with a construction, installation or assembly project."

## ARTICLE IV

Paragraph 8 of Article 10 of the Convention shall be deleted.

## ARTICLE V

Article 12 of the Convention is amended by deleting paragraphs 2 and 3, and substituting the following paragraphs:

"2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 15 per cent of the gross amount of the royalties in respect of payments of any kind received as a consideration for the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial or scientific equipment, or for information concerning industrial or scientific experience.

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 films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial or scientific equipment, or for information concerning industrial or scientific experience."

## ARTICLE VI

Article 20 of the Convention is amended by:

- (a) deleting the word "person" in sub-paragraph 5(i) and substituting the word "company";
- (b) deleting sub-paragraph 5(ii) and substituting the following sub-paragraph:

"(ii) Where dividends are paid by a company which is a resident of Singapore to a resident of Denmark other than a person referred to in sub-paragraph (i) then Denmark shall allow as a deduction from the tax on the income of that Danish resident an amount equal to 20 per cent of the gross amount of the dividends. The deduction shall however, only be an amount equal to 10 per cent of the gross amount of the dividends if the dividends are paid out of income which is not derived from the active conduct of a trade or business in Singapore. The relief under this sub-paragraph shall not exceed that amount which is calculated in accordance with the provisions of the laws of Denmark regarding the allowance of such relief.";

- (c) inserting immediately after the word "Convention" at the end of sub-paragraph 6(a), the following sentence:

"Notwithstanding the preceding sentence, Singapore tax shall be deemed to have been paid:

- (i) at 15 per cent of gross interest in the case of interest referred to in paragraph 2 of Article 11;
- (ii) at 15 per cent of gross royalties in the case of royalties referred to in paragraph 2 of Article 12.";

- (d) deleting sub-paragraph 6(b) and substituting the following sub-paragraph:

"(b) For the purposes of the first sentence of sub-paragraph 5(ii), dividends which have been exempted from Singapore tax under the Economic Expansion Incentives (Relief from Income Tax) Act and the Income Tax Act and paid out of income which is derived from the active conduct of a trade or business in Singapore shall be exempt from tax in Denmark.";

- (e) inserting immediately after paragraph 7, the following paragraph:

"8

- (a) The exemption provided under sub-paragraph 5(i) shall not apply to dividends exempted from Singapore tax under the Economic Expansion Incentives (Relief from Income Tax) Act and the Income Tax Act if the dividends are paid out of income which is not derived from the active conduct of a trade or business in Singapore;
- (b) Where the exemption under sub-paragraphs 6(b) and 8(a) does not apply, Denmark shall allow as a deduction from the tax on the income of a resident of Denmark, an amount equal

to 10 or 5 per cent, as the case may be, of the gross amount of dividends. Such a deduction shall not exceed that amount which is calculated in accordance with the provisions of the laws of Denmark regarding the allowance of such a deduction."

## ARTICLE VII

1. The Governments of the Contracting States shall notify each other that the constitutional requirements for the entry into force of this Protocol have been complied with.

2. The Protocol, which shall form an integral part of the Convention, shall enter into force thirty days after the date of the later of the notifications referred to in paragraph 1 and its provisions shall have effect in both Contracting States:

(a) in Singapore:

in respect of Singapore tax for any year of assessment beginning on or after 1 January in the second calendar year following that in which this Protocol enters into force.

(b) in Denmark:

(i) in respect of taxes withheld at source, on income derived on or after 1 January in the calendar year next following the year in which the Protocol enters into force;

(ii) in respect of other taxes on income, to such taxes chargeable for any tax year beginning on or after 1 January in the calendar year next following the year in which the Protocol enters into force.

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

DONE in duplicate at Singapore this seventeenth day of May of the year one thousand nine hundred and ninety-four in the English language.

For the Government of  
the Republic of Singapore

KOH YONG GUAN

For the Government of  
the Kingdom of Denmark

JENS PETER LARSEN

# ANNEX E

## CONVENTION BETWEEN THE REPUBLIC OF SINGAPORE AND THE KINGDOM OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the Republic of Singapore and Government of the Kingdom of Denmark.

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

Have agreed as follows:

### ARTICLE I

1. The taxes which are the subject of this Convention are

(a) in the Republic of Singapore:

the income tax

(hereinafter referred to as "Singapore tax"); and

(b) in the Kingdom of Denmark:

(i) the ordinary income taxes to the State;

(ii) the municipal income taxes;

(iii) the old age pension contribution;

(iv) the seamen's tax;

(v) the special income tax (capital gains tax);

(vi) the church tax

(hereinafter referred to as "Danish tax").

2. This Convention shall also apply to any other taxes of a substantially similar character to those referred to in the preceding paragraph imposed in either Contracting State after the date of signature of this Convention.

## ARTICLE II

1. In this Convention, unless the context otherwise requires:
  - (a) the term "Singapore" means the Republic of Singapore;
  - (b) the term "Denmark" means the Kingdom of Denmark, including any area within which, under the laws of Denmark and in accordance with international law, the rights of Denmark with respect to the exploration and exploitation of the natural resources of the continental shelf may be exercised; the term does not comprise the Faroe Islands and Greenland;
  - (c) the terms "one of the Contracting States" and "the other Contracting State" mean Singapore or Denmark, as the context requires;
  - (d) the term "tax" means Singapore tax or Danish tax, as the context requires;
  - (e) the term "person" includes individuals and companies and any 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)
    - (i) the term "resident of Singapore" means any person who is resident in Singapore for the purposes of Singapore tax; and the term "resident of Denmark" means any person who is resident in Denmark for the purposes of Danish tax;
    - (ii) where by reason of the provisions of sub-paragraph (i) above an individual is a resident of both Contracting States, then his residence shall be determined in accordance with the following rules:
      - (aa) 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 closest;
      - (bb) if the Contracting State, with which his personal and economic relations are closest, 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;
      - (cc) 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;
    - (iii) where by reason of the provisions of sub-paragraph (i) above, a company is a resident of both Contracting States, then it shall be deemed to be:
      - (aa) a resident of Singapore, if it is managed and controlled in Singapore, or

- (bb) a resident of Denmark, if it is managed and controlled in Denmark.
- (h) the terms "resident of one of the Contracting States" and "resident of the other Contracting State" mean a resident of Singapore or a resident of Denmark, as the context requires;
- (i) the terms "Singapore enterprise" and "Danish enterprise" mean, respectively, an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of Singapore and an industrial, mining, commercial, timber, plantation or agricultural enterprise or undertaking carried on by a resident of Denmark;
- (j) the terms "enterprise of one of the Contracting States" and "enterprise of the other Contracting State" mean a Singapore or a Danish enterprise, as the context requires;
- (k) the terms "profits of a Singapore enterprise" and "profits of a Danish enterprise" do not include rents or royalties in respect of motion picture films or of tapes for television broadcasting or of mines, oil wells, quarries or other places of extraction of natural resources, or income in the form of dividends, interest, rents, royalties, or capital gains, or fees or other remuneration derived from the management, control or supervision of the trade, business or other activity of another enterprise or concern, or remuneration for labour or personal services, or profits derived from the operation of ships or aircraft;
- (l)
  - (i) subject to the provisions of this sub-paragraph, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on;
  - (ii) a permanent establishment shall include especially
    - (aa) a place of management;
    - (bb) a branch;
    - (cc) an office;
    - (dd) a factory;
    - (ee) a workshop;
    - (ff) a farm or plantation;
    - (gg) a mine, oil well, quarry or other place of extraction of natural resources;
    - (hh) a building site or construction or assembly project which exists for more than six months;
  - (iii) the term "permanent establishment" shall not be deemed to include
    - (aa) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

- (bb) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
  - (cc) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
  - (dd) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
  - (ee) 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;
- (iv) an enterprise of one of the Contracting States 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 more than six months in connection with a construction, installation, or assembly project which is being undertaken in that other Contracting State;
  - (v) a person acting in one of the Contracting States on behalf of an enterprise of the other Contracting State (other than an agent of independent status to whom sub-paragraph (1) (vi) applies) shall be deemed to be a permanent establishment in the former Contracting State if
    - (aa) he has, and habitually exercises in that former Contracting State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise; or
    - (bb) he maintains in that former Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise;
  - (vi) an enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of independent status, where such person is acting in the ordinary course of his business;
  - (vii) the fact that a company which is a resident of one of the Contracting States controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other;



- (m) the term "competent authority" means, in the case of Singapore, the Minister for Finance or his authorised representative; and in the case of Denmark, the Minister of Finance or his authorised representative.

2. In the application of the provisions of this Convention by one of the Contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Convention.

### **ARTICLE III**

1.

- (a) The profits of a Singapore enterprise shall not be taxable in Denmark unless the enterprise carries on business in Denmark through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, tax may be imposed in Denmark on the profits of the enterprise but only on so much of them as is attributable to that permanent establishment.
- (b) The profits of a Danish enterprise shall not be taxable in Singapore unless the enterprise carries on business in Singapore through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, tax may be imposed in Singapore on the profits of the enterprise but only on so much of them as is attributable to that permanent establishment.

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

3. In determining the profits of a permanent establishment, there shall be allowed as deductions all expenses, including executive and general administrative expenses, which would be deductible if the permanent establishment were an independent enterprise in so far as they are reasonably allocable to the permanent establishment, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.

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

### **ARTICLE IV**

Where

- (a) an enterprise of one of the Contracting States 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 one of the Contracting States 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 V**

1. Notwithstanding the provisions of Article III 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 only if such profits are derived from that other Contracting State.

Provided that

- (a) when a Danish enterprise derives profits from Singapore by operating ships or aircraft in international traffic the tax charged in Singapore in respect of such profits shall be reduced by an amount equal to 50 per cent thereof;
- (b) when a Singapore enterprise derives profits from Denmark by operating ships or aircraft in international traffic the tax charged in Denmark in respect of such profits shall be reduced by an amount equal to 50 per cent thereof.

2. The provisions of paragraph 1 shall likewise apply to profits arising from participations in shipping or aircraft pools of any kind by such enterprises engaged in shipping or air transport.

3. For the purposes of this Article profits derived from the other Contracting State shall mean profits from the carriage of passengers, mails, livestock or goods shipped, or loaded into an aircraft in that State.

Provided that there shall be excluded the profits accruing from passengers, mails, livestock or goods which are brought to that other State solely for transshipment, or for transfer from one aircraft to another or from an aircraft to a ship or from a ship to an aircraft.

## **ARTICLE VI**

1. Dividends paid by a company resident in Denmark to a resident of Singapore who is subject to Singapore tax in respect thereof shall be exempt from any tax in Denmark which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company.

2. Dividends paid by a company resident in Singapore to a resident of Denmark who is subject to Danish tax in respect thereof shall be exempt from any tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company.

Provided that nothing in this paragraph shall affect the provisions of Singapore law under which the tax in respect of a dividend paid by a company which is a resident of Singapore from which Singapore tax has been, or has been deemed to be, deducted may be adjusted by reference to the rate of tax appropriate to the Singapore year of assessment immediately following that in which the dividend was paid.

3. Where, subsequent to the date of signature of this Convention:
  - (a) Singapore imposes a tax on dividends paid by a company which is a resident of Singapore out of its profits or income such tax may be charged but the rate so charged shall not exceed 15 per cent of the gross amount of such dividends, and where the dividend is paid to a parent company which is a resident of Denmark the rate of tax so charged shall not exceed 10 per cent of the gross amount of such dividends;
  - (b) Denmark imposes a tax on dividends paid by a company which is a resident of Denmark out of its profits or income such tax may be charged but the rate so charged shall not exceed 15 per cent of the gross amount of such dividends, and where the dividend is paid to a parent company which is a resident of Singapore the rate of tax so charged shall not exceed 10 per cent of the gross amount of such dividend.
4. For the purposes of this Article the term "parent company" means a company which is a resident of one of the Contracting States owning directly or indirectly not less than 25 per cent of the share capital of the company which is a resident of the other Contracting State paying the dividends.
5. The provisions of paragraphs 1, 2 and 3 shall not apply if the recipient of the dividends, being a resident of one of the Contracting States, has in the other Contracting State, in which the company paying the dividends is resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case Article III shall apply.
6. Where a company which is a resident of one of the Contracting States derives profits or income from sources within the other Contracting State, there shall not be imposed in that other Contracting State any form of taxation on dividends paid by that company to persons not resident in that other Contracting State, or any tax in the nature of an undistributed profits tax on undistributed profits of the company, whether or not those dividends or undistributed profits represent, in whole or in part, profits or income so derived.
7. If the system of taxation applicable in either of the Contracting States to the profits and distributions of companies is altered the taxation authorities may consult each other in order to determine whether it is necessary for this reason to amend the provisions of this Article.

## **ARTICLE VII**

1. Interest and other income from bonds, securities, notes, debentures or any other form of indebtedness, whether or not secured by mortgages, paid to a resident of one of the Contracting States by a resident of the other Contracting State may not be taxed in that other Contracting State at a rate exceeding 15 per cent.
2. Notwithstanding the provisions of paragraph 1 the tax on interest derived from sources within one of the Contracting States by any financial institution which is a resident of the other Contracting State shall in the first-mentioned State not exceed 10 per cent of the gross amount of the interest if the enterprise paying the interest engages in an industrial undertaking within the meaning of paragraph 3 of this Article.

3. The term "industrial undertaking" means any undertaking engaged in
  - (a) manufacturing, assembling and processing;
  - (b) construction, civil engineering and shipbuilding;
  - (c) production of electricity, hydraulic power, gas or the supply of water; or
  - (d) fishing.
4. Paragraphs 1 and 2 above shall not apply where the recipient carries on business in the other Contracting State through a permanent establishment situated therein, with which the debt-claim from which the interest arises, is effectively connected. In such a case Article III of this Convention shall apply.
5. The Government of Singapore shall be exempt from Danish tax in respect of interest received by that Government from sources within Denmark.
6. The Government of Denmark shall be exempt from Singapore tax in respect of interest received by that Government from sources within Singapore.
7. For the purposes of paragraphs 5 and 6 the term "Government" in the case of Singapore shall include the Board of Commissioners of Currency and in the case of Denmark, the National Bank of Denmark.
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 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 and dealing with each other at arm's length, 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 VIII**

1. Royalties derived from sources within one of the Contracting States and paid to a resident of the other Contracting State shall be exempt from tax in the former Contracting State.
2. The term "royalties" as used in this Article means payments of any kind received as consideration for the use of, or the right to use, any copyright of 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, but does not include any royalty or other amount paid in respect of literary or artistic copyrights or of motion picture films or of tapes for television broadcasting or of the operation of a mine, oil well, quarry or any other place of extraction of natural resources.
3. Sums derived by a resident of one of the Contracting States from sources within the other Contracting State from the alienation of any right or property from which royalties, as defined in paragraph 2 of this Article, are or may be derived, shall be exempt from tax in the other Contracting State.

4. The provisions of paragraphs 1 and 3 of this Article shall not apply to royalties or sums received by a resident of one of the Contracting States where such royalties or sums are attributable to a permanent establishment of such resident in the other Contracting State. In such a case Article III shall apply.

5. 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 or sums 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 and dealing with each other at arm's length, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## **ARTICLE IX**

1. Income from immovable property may be taxed in the Contracting State in which such property is situated.

2. The term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated. The term shall in any case include rights to variable or fixed payments as consideration for the working of, or the right to work, mines, oil wells, quarries or other places of extraction of natural resources.

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

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

## **ARTICLE X**

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article IX, 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 one of the Contracting States has in the other Contracting State, including such gains from the alienation of such a permanent establishment (along or together with the whole enterprise) may be taxed in the other Contracting State. However, gains from the alienation of ships and aircraft operated by an enterprise of one of the Contracting States in international traffic and assets other than immovable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State of which the enterprise is a resident.

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

4. Notwithstanding the provisions of paragraph 3, where a person owns 25 per cent or more of the share capital of a company dealing wholly or mainly with immovable property, the gains from the alienation of some or all of such capital shares may be taxed in the Contracting State where such immovable property is situated.

5. Notwithstanding the provisions of paragraphs 3 and 4, where a company which is a resident of one of the Contracting States, other than a company referred to in paragraph 4, owns 25 per cent or more of the share capital of a company which is a resident of the other Contracting State, the gains from the alienation of such shares may be taxed in the other Contracting State.

## **ARTICLE XI**

1. Subject to the provisions of this Article and Articles XII, XIII, XIV and XV, salaries, wages and similar remuneration or profits from an employment or profession derived by a resident of

- (a) Singapore, shall be taxable only in Singapore unless the personal (including professional) services are performed in Denmark. If the personal services are so performed, such income as is derived therefrom may be taxed in Denmark;
- (b) Denmark, shall be taxable only in Denmark unless the personal (including professional) services are performed in Singapore. If the personal services are so performed, such income as is derived therefrom may be taxed in Singapore.

2. In relation to remuneration of a director of a company derived from the company, the provisions of this Article and of Article XII shall apply as if the remuneration were remuneration of an employee in respect of an employment. Director's fees and similar payments derived by a resident of one of the Contracting States in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State shall be deemed to have been derived from an employment exercised in, and may be taxed in, that other Contracting State.

3. A resident of one of the Contracting States shall be exempt from tax in the other Contracting State on remuneration for services performed on ships or aircraft in international traffic.

## **ARTICLE XII**

1. An individual who is a resident of Singapore shall be exempt from Danish tax on remuneration or profits in respect of personal (including professional) services performed within Denmark in any calendar year if

- (a) he is present within Denmark for a period or periods not exceeding in the aggregate 183 days during that year, and
- (b) the services are performed for or on behalf of a person who is a resident of Singapore, and
- (c) the remuneration or profits are subject to Singapore tax, and
- (d) the remuneration or profits are not directly deductible from the profits for Danish tax purposes of a permanent establishment in Denmark of that person.

2. An individual who is a resident of Denmark shall be exempt from Singapore tax on remuneration or profits in respect of personal (including professional) services performed within Singapore in any year of assessment if

- (a) he is present within Singapore for a period or periods not exceeding in the aggregate 183 days during that year, and
- (b) the services are performed for or on behalf of a person who is a resident of Denmark, and
- (c) the remuneration or profits are subject to Danish tax, and
- (d) the remuneration or profits are not directly deductible from the profits for Singapore tax purposes of a permanent establishment in Singapore of that person.

3. The provisions of paragraphs 1 and 2 shall apply to remuneration or profits, salaries, wages and similar income derived from services rendered in one of the Contracting States by public entertainers (such as stage, motion picture, radio or television artists, musicians and athletes) only if the visit to that Contracting State is substantially supported from the public funds of the Government of the other Contracting State.

4. Notwithstanding anything contained in this Convention, where the services mentioned in paragraph 3 are provided in one of the Contracting States by an enterprise of the other Contracting State then the profits derived from providing those services by such an enterprise may be taxed in the first-mentioned State unless the enterprise is substantially supported from the public funds of the Government of the other Contracting State in connection with the provision of such services.

5. For the purposes of this Article the term "Government" shall include any local authority of either Contracting State.

### **ARTICLE XIII**

1. Any salary, wage or similar remuneration, paid by the Government of Singapore to an individual (other than a resident of Denmark who is not a citizen of Singapore) in respect of services rendered to Singapore in the discharge of governmental functions, shall be exempt from Danish tax.

2. Any salary, wage or similar remuneration, paid by the Government of Denmark to an individual (other than a resident of Singapore who is not a citizen of Denmark) in respect of services rendered to Denmark in the discharge of governmental functions, shall be exempt from Singapore tax.

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

4. For the purposes of this Article the term "Government" shall have the same meaning as in paragraph 5 of Article XII.

## **ARTICLE XIV**

1. Any pension or annuity, derived from sources within one of the Contracting States by an individual who is a resident of the other Contracting State shall be exempt from tax in that other Contracting State.
2. The term "pension" means periodic payments made in consideration for services rendered or by way of compensation for injuries received.
3. The term "annuity" 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 XV**

1. An individual, who immediately before visiting one of the Contracting States, is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State solely as a student at a recognised university, college or school in that first-mentioned Contracting State, or as a business apprentice therein, shall be exempt from tax in the first-mentioned Contracting State in respect of
  - (a) all remittances from the other Contracting State for the purposes of his maintenance, education or training; and
  - (b) any remuneration for personal services rendered in the first-mentioned Contracting State with a view to supplementing the resources available to him for such purposes.
2. An individual, who immediately before visiting one of the Contracting States, is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for a period not exceeding three years for the purpose of study, research or training solely as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organisation or under a technical assistance programme entered into by the Government of one of the Contracting States, shall be exempt from tax in the first-mentioned Contracting State on
  - (a) the amount of such grant, allowance or award; and
  - (b) any remuneration for personal services rendered in the first-mentioned Contracting State provided such services are in connection with his study, research or training or are incidental thereto.
3. An individual, who immediately before visiting one of the Contracting States, is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for a period not exceeding twelve months solely as an employee of, or under contract with, the Government or an enterprise of the second-mentioned Contracting State for the purpose of acquiring technical, professional or business experience shall be exempt from tax in the first-mentioned Contracting State on
  - (a) all remittances from the second-mentioned Contracting State for the purposes of his maintenance, education or training; and
  - (b) any remuneration, so far as it is not in excess of 12,500 Singapore dollars or the equivalent in Danish currency, for personal services rendered in the first-



mentioned Contracting State, provided such services are in connection with his studies or training or are incidental thereto.

4. For the purposes of this Article the term "Government" shall have the same meaning as in paragraph 5 of Article XII.

## **ARTICLE XVI**

For the purposes of this Convention

1.
  - (a) Dividends paid by a company which is a resident of
    - (i) Singapore shall be treated as derived from sources within Singapore, except to the extent that such dividends are paid out of profits accumulated prior to the year of assessment 1966 and which are deemed to have been derived from sources in Malaysia;
    - (ii) Malaysia shall be treated as derived from sources within Singapore to the extent that such dividends are paid out of profits accumulated prior to the year of assessment 1966 and which are deemed to have been derived from sources in Singapore;

in accordance with the provisions of Article VII of the Double Taxation Agreement between Singapore and Malaysia.

- (b) Dividends paid by a company which is a resident of Denmark shall be treated as derived from sources within Denmark.

2. Interest as defined in Article VII paid by the Government of one of the Contracting States or by a resident of one of the Contracting States, shall be treated as derived from sources within that Contracting State. Where, however, the person paying the interest, whether he is a resident of the 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.

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

4. Sums derived from the alienation of rights or properties referred to in paragraph 3 of Article VIII shall be treated as derived from sources within the Contracting State in which such rights or properties are used.

5. Royalties in respect of the operation of mines, oil wells, quarries or other places of extraction of natural resources shall be treated as derived from sources within the Contracting State in which such immovable property, mines, oil wells, quarries or other places of extraction of natural resources are situated.

## ARTICLE XVII

1. The laws of each Contracting State shall continue to govern the taxation of income arising in that State except where express provision to the contrary is made in this Convention. Where income is subject to tax in both Contracting States, relief from double taxation shall be given in accordance with the following paragraphs of this Article.

2. 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, Danish tax payable, whether directly or by deduction in respect of income from sources within Denmark, shall be allowed as a credit against Singapore tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Denmark to a resident of Singapore the credit shall take into account (in addition to any Danish tax on dividends) the Danish corporation tax payable in respect of its profits by the company paying the dividends. If, however, Singapore imposes in accordance with the provisions of sub-paragraph (a) of paragraph 3 of Article VI, a tax on dividends in addition to the tax chargeable in respect of the profits or income of a company paying such dividends the second sentence of this sub-paragraph shall apply only to dividends paid by a company which is a resident of Denmark to a company which is a resident of Singapore and which owns directly or indirectly not less than 25 per cent of the share capital in the first-mentioned company.

3. Tax shall be determined in the case of a resident of Denmark as follows

- (a) Unless the provisions of sub-paragraph (b) apply, there shall be excluded from the basis upon which Danish tax is imposed any item of income from sources within Singapore which according to this Convention may be taxed in Singapore. Denmark, however, retains the right to take into account in the determination of its rate of tax the items of income so excluded. If, however, Singapore imposes in accordance with the provisions of sub-paragraph (a) of paragraph 3 of Article VI a tax on dividends in addition to the tax chargeable in respect of the profits or income of a company paying such dividends, the first sentence of this sub-paragraph shall only apply to such dividends as are paid to a company which is a resident of Denmark by a company which is a resident of Singapore at least 25 per cent of the share capital of which is owned by the first-mentioned company.
- (b) There shall be allowed as a credit against Danish tax payable in respect of the following items of income from sources within Singapore in the case of
  - (aa) dividends, if Singapore imposes in accordance with the provisions of sub-paragraph (a) of paragraph 3 of Article VI, a tax on dividends in addition to the tax chargeable in respect of the profits or income of the company paying such dividends, an amount of 15 per cent of the dividends;
  - (bb) interest within the meaning of paragraphs 1 and 2 of Article VII, an amount of 15 per cent of the gross amount of the interest received;
  - (cc) profits derived from the operation of ships and aircraft in international traffic within the meaning of paragraph 3 of Article V, the Singapore tax paid thereon.

4. Notwithstanding the provisions of paragraphs 1 and 3 of this Article, a resident of Denmark shall be exempted from Danish tax on royalties and sums exempt from Singapore tax under the provisions of paragraphs 1 and 3 or Article VIII. Denmark, however, retains the

right to take into account in the determination of its rate of tax the items of income so excluded.

## **ARTICLE XVIII**

1. Citizens of one of the Contracting States 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 Contracting State in the same circumstances are or may be subjected. This provision shall not be construed as obliging a Contracting State to grant to citizens of the other Contracting State not resident in the first-mentioned Contracting State those personal allowances, reliefs and reductions for tax purposes which are by law available to citizens of the first-mentioned Contracting State.

2. The term "citizen" means all individuals possessing the citizenship of one of the Contracting States and all legal persons, partnerships, associations and other entities deriving their status as such from the law in force in that Contracting State.

3. The taxation on a permanent establishment which an enterprise of one of the Contracting States has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities. This provision shall not be construed as obliging either of the Contracting States to grant to residents of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which are by law available only to residents of the first-mentioned Contracting State.

4. Enterprises of one of the Contracting States, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned Contracting State are or may be subjected.

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

## **ARTICLE XIX**

1. Where a resident of one of the Contracting States 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 in force in the Contracting States, present his case to the competent authority of the Contracting State of which he is a resident.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with this 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 this Convention. They may also consult together for the elimination of double taxation in cases not provided for in this 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 XX**

The competent authorities of the Contracting States shall exchange such information (being information which is available under their respective taxation laws in the normal course of administration) as is necessary for carrying out the provisions of this Convention or for the prevention of fraud or underpayment of tax by reasons other than fraud or for the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than persons, including a court, concerned with the assessment and collection of those taxes or the determination of appeals in relation thereto. No information shall be exchanged which would disclose any trade secret or trade process or which would be contrary to public policy.

## **ARTICLE XXI**

1. This Convention may be extended, either in its entirety or with modifications, to the territories of the Faroe Islands or of Greenland if either territory imposes taxes substantially similar in character to those which are the subject of this Convention. Any such extension shall take effect from such date and subject to such modifications and conditions (including, if necessary, conditions as to the entry into force and termination of such extension) as may be specified and agreed between the Contracting States.

2. The termination of this Convention under Article XXIII shall, unless otherwise expressly agreed by both Contracting States, terminate the application to this Convention to any territory to which the Convention has been extended under this Article.

## **ARTICLE XXII**

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

(a) in the case of Singapore:

for any year of assessment beginning on or after 1st January 1968;

(b) in the case of Denmark:

for any tax year beginning on or after 1st April 1968.

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

## ARTICLE XXIII

This Convention shall continue in force indefinitely but either of the Contracting States may, on or before the 30th day of June in any Calendar year not earlier than 1972, give to the other Contracting State, through diplomatic channels written notice of termination and, in such event, this Convention shall cease to be effective

(a) in the case of Singapore:

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

(b) in the case of Denmark:

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

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

DONE at Singapore, this 7th day of March of the year one thousand nine hundred and sixty-nine in duplicate in the English language.

For the Government of  
the Republic of Singapore:

GOH KENG SWEE

For the Royal Danish  
Government:

K. E. WILLUMSEN