

**AGREEMENT BETWEEN  
THE REPUBLIC OF SINGAPORE  
AND THE KINGDOM OF BHUTAN  
FOR THE ELIMINATION OF DOUBLE TAXATION  
WITH RESPECT TO TAXES ON INCOME  
AND THE PREVENTION OF TAX EVASION AND AVOIDANCE**

NOTE

This Agreement was signed on 12 May 2026.  
However, the Agreement is not yet ratified and therefore **does not have the force of law.**

The Republic of Singapore and the Kingdom of Bhutan,

Desiring to further develop their economic relationship and to enhance their co-operation in tax matters,

Intending to conclude an Agreement for the elimination of double taxation with respect to taxes on income 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:

## **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 and taxes on the total amounts of wages or salaries paid by enterprises.
3. The existing taxes to which the Agreement shall apply are in particular:
  - (a) in the case of the Kingdom of Bhutan:
    - (i) for the territory of Bhutan, excluding Gelephu Mindfulness City, the income tax, including any surcharge thereon  
  
(hereinafter referred to as "Bhutanese tax");
    - (ii) for the territory of Gelephu Mindfulness City, the income tax, including any surcharge thereon  
  
(hereinafter referred to as "GMC tax");
  - (b) in the case of Singapore:  
  
- the income tax  
  
(hereinafter referred to as "Singapore tax").
4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws which are the subject of the Agreement.

### ARTICLE 3 – GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
  - (a) the term “Kingdom of Bhutan” refers to Bhutan and the Gelephu Mindfulness City (“GMC”) collectively, where:
    - (i) the term “Bhutan” means the territory of Bhutan, and includes the airspace above it and any other area over which Bhutan has sovereign rights and jurisdiction, but shall exclude the Gelephu Mindfulness City, according to the laws of the Kingdom of Bhutan and in accordance with international law; and
    - (ii) the term “Gelephu Mindfulness City” or “GMC” means the Gelephu Mindfulness City Special Administrative Region, and includes the airspace above it and any other area over which Gelephu Mindfulness City has autonomous rights and jurisdiction, according to the laws of the Kingdom of Bhutan;
  - (b) the term “Singapore” means the Republic of Singapore and, when used in a geographical sense, includes its land territory, internal waters and territorial sea, including the airspace above them, as well as any maritime area situated beyond the territorial sea which has been or might in the future be designated under its national law, in accordance with international law, as an area within which Singapore may exercise sovereign rights or jurisdiction with regard to the sea, the sea-bed, the subsoil and the natural resources;
  - (c) the terms “a Contracting State” and “the other Contracting State” mean the Kingdom of Bhutan or Singapore as the context requires;
  - (d) the term “person” includes an individual, a company, a body of persons and any other entity which is treated as a taxable unit under the taxation laws in force in the respective Contracting States;
  - (e) the term “company” means any body corporate or any entity that is treated as a body corporate under the taxation laws in force in the respective Contracting States;
  - (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:
    - (i) in the case of the Kingdom of Bhutan, the Minister of Finance of the Royal Government of Bhutan or his authorised representative; and
    - (ii) in the case of Singapore, the Minister for Finance or his authorised representative;

- (i) the term “national”, in relation to a Contracting State, means:
  - (i) any individual possessing the nationality or citizenship of that Contracting State; and
  - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State; and
- (j) the term "statutory body", in relation to a Contracting State, means a body constituted by statute and performing only non-commercial functions which would otherwise be performed by the Government of 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. For the avoidance of doubt, a resident of the Kingdom of Bhutan means a resident of either Bhutan or GMC, as the case may be.

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 does not have 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) in any other case, 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. If the State in which its place of effective management is situated cannot be determined, then the competent authorities of the Contracting States shall settle the question by mutual agreement.

## ARTICLE 5 – PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term “permanent establishment” means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
2. The term “permanent establishment” includes especially:
  - (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. A building site, a construction, assembly or installation project or supervisory activities in connection therewith constitute a permanent establishment only if such site, project or activities last more than –
  - (a) 6 months in relation to an enterprise of Bhutan having such site, project or activities in Singapore or an enterprise of Singapore having such site, project or activities in Bhutan;
  - (b) 12 months in relation to an enterprise of GMC having such site, project or activities in Singapore or an enterprise of Singapore having such site, project or activities in GMC.
4. The furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel engaged by the enterprise for such purpose constitutes a permanent establishment only if activities of that nature continue (for the same or a connected project) within the other Contracting State for a period or periods aggregating more than –
  - (a) 120 days in any 12-month period in relation to an enterprise of Bhutan carrying out such activities in Singapore or an enterprise of Singapore carrying out such activities in Bhutan;
  - (b) 183 days in any 12-month period in relation to an enterprise of GMC carrying out such activities in Singapore or an enterprise of Singapore carrying out such activities in GMC.
5. 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; or
- (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.

6. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 7 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 5 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.

7. 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.

8. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

## **ARTICLE 6 – INCOME FROM IMMOVABLE PROPERTY**

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

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

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

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to the 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. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.
5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.
6. For the purposes of the preceding paragraphs of this Article, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

## **ARTICLE 8 – INTERNATIONAL 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;
  - (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; and
  - (c) interest on funds connected with the operations of ships or aircraft;

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

## 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. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

3. The provisions of paragraph 2 shall not apply where judicial or other legal proceedings have resulted in a final ruling that by actions giving rise to an adjustment of profits under paragraph 1, one of the enterprises concerned is liable to penalty with respect to fraud, gross negligence or willful default.

## ARTICLE 10 - DIVIDENDS

1. Dividends paid by a company which is a resident of Singapore to a resident of Bhutan may be taxed in Bhutan. However, such dividends may also be taxed in Singapore according to the laws of Singapore, but if the beneficial owner of the dividends is a resident of Bhutan, the tax so charged shall not exceed:

- (a) zero per cent of the gross amount of the dividends if the beneficial owner is a company;
- (b) five per cent of the gross amount of the dividends in all other cases.

2. Dividends paid by a company which is a resident of Bhutan to a resident of Singapore may be taxed in Singapore. However, such dividends may also be taxed in Bhutan according to the laws of Bhutan, but if the beneficial owner of the dividends is a resident of Singapore, the tax so charged shall not exceed:

- (a) zero per cent of the gross amount of the dividends if the beneficial owner is a company;
- (b) five per cent of the gross amount of the dividends in all other cases.

3. Dividends paid by a company which is a resident of Singapore, if the beneficial owner of the dividends is a resident of GMC, shall be taxable only in GMC.

4. Dividends paid by a company which is a resident of GMC, if the beneficial owner of the dividends is a resident of Singapore, shall be taxable only in Singapore.

5. Paragraphs 1, 2, 3 and 4 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

6. 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.

7. The provisions of paragraphs 1, 2, 3 and 4 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 (Business Profits) or Article 14 (Independent Personal Services), as the case may be, shall apply.

8. 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 company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

## ARTICLE 11 - INTEREST

1. Interest arising in Singapore and paid to a resident of Bhutan may be taxed in Bhutan. However, such interest may also be taxed in Singapore according to the laws of Singapore, but if the beneficial owner of the interest is a resident of Bhutan, the tax so charged shall not exceed five per cent of the gross amount of the interest.
2. Interest arising in Bhutan and paid to a resident of Singapore may be taxed in Singapore. However, such interest may also be taxed in Bhutan according to the laws of Bhutan, but if the beneficial owner of the interest is a resident of Singapore, the tax so charged shall not exceed five per cent of the gross amount of the interest.
3. Interest arising in Singapore and beneficially owned by a resident of GMC shall be taxable only in GMC.
4. Interest arising in GMC and beneficially owned by a resident of Singapore shall be taxable only in Singapore.
5. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, interest arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State if the beneficial owner of that interest is a financial institution.
6. 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. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
7. The provisions of paragraphs 1, 2, 3, 4 and 5 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 (Business Profits) or Article 14 (Independent Personal Services), as the case may be, shall apply.
8. 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 State in which the permanent establishment or fixed base is situated.
9. 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.

## 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, royalties arising in a Contracting State may also be taxed in that State 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 five per cent 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, or films or tapes used for radio or television broadcasting, software, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience. For royalties arising in Bhutan and paid to a resident of Singapore, or royalties arising in Singapore and paid to a resident of Bhutan, the term "royalties" shall also include payments of any kind received as a consideration for the use of, or the right to use, industrial, commercial or scientific equipment.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, 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 (Business Profits) or Article 14 (Independent Personal Services), 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 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 (Income from Immovable Property) and situated in the other Contracting State may be taxed in that other State.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State 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.
3. Gains that an enterprise of a Contracting State that operates ships or aircraft in international traffic derives from the alienation of such ships or aircraft, or of movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that State.
4. Gains derived by a resident of a Contracting State, from the alienation of any property, shares or comparable interests, such as interests in a partnership or trust, may be taxed in the other Contracting State if, at any time during the 365 days preceding the alienation, these shares or comparable interests derived more than 50 per cent of their value directly or indirectly from immovable property, as defined in Article 6 (Income from Immovable Property), situated in that other State.
5. Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3 and 4, shall be taxable only in the Contracting State of which the alienator is a resident.

## ARTICLE 14 – INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that Contracting State except in any of 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 Contracting 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 Contracting State; or
- (b) if his stay in the other Contracting State is for a period or periods exceeding in the aggregate the specified number of days below in any 12-month period commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from his activities performed in that other Contracting State during the aforesaid period or periods may be taxed in that other Contracting State, where –
  - (i) in relation to such activities performed in Singapore by a resident of Bhutan or such activities performed in Bhutan by a resident of Singapore, the specified number of days is 120 days;
  - (ii) in relation to such activities performed in Singapore by a resident of GMC or such activities performed in GMC by a resident of Singapore, the specified number of days is 183 days.

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 Article 16 (Directors' Fees), Article 18 (Pensions) and Article 19 (Government Service), 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 Contracting 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 12-month period commencing or ending in the fiscal year concerned; and
- (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other 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 may be taxed in that 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 – ENTERTAINERS AND SPORTSPERSONS**

1. Notwithstanding the provisions of Article 14 (Independent Personal Services) and Article 15 (Dependent Personal Services), 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 sportsperson, from that resident's personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or a sportsperson acting as such accrues not to the entertainer or sportsperson but to another person, that income may, notwithstanding the provisions of Article 14 (Independent Personal Services) and Article 15 (Dependent Personal Services), be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.

3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities performed in a Contracting State by entertainers or sportspersons 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, local authorities or statutory bodies thereof. In such a case, the income is taxable only in the Contracting State in which the entertainer or the sportsperson is a resident.

## **ARTICLE 18 - PENSIONS**

Subject to the provisions of paragraph 2 of Article 19 (Government Service), pensions and other similar remuneration arising in a Contracting State and paid to a resident of the other Contracting State in consideration of past employment shall be taxable only in the first-mentioned State.

## **ARTICLE 19 – GOVERNMENT SERVICE**

1. (a) Salaries, wages and other similar remuneration paid by a Contracting State or a political subdivision, or 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 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) Notwithstanding the provisions of paragraph 1, pensions and other similar remuneration paid by, or out of funds created by, a Contracting State or a political subdivision, or 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 pensions and other similar remuneration 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 Article 15 (Dependent Personal Services), Article 16 (Directors' Fees), Article 17 (Entertainers and Sportspersons) and Article 18 (Pensions) shall apply to salaries, wages, pensions, and other similar remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision, or 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**

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6 (Income from Immovable Property), if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State 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 income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 (Business Profits) or Article 14 (Independent Personal Services), as the case may be, shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Agreement and arising in the other Contracting State may also be taxed in that other State.

## ARTICLE 22 – INCOME OF GOVERNMENT INSTITUTIONS

1. The Government of a Contracting State shall be exempt from tax in the other Contracting State in respect of any income derived by such Government from that other Contracting State.
2. For the purposes of paragraph 1 of this Article, the term “Government”:
  - (a) in the case of the Kingdom of Bhutan, means the Royal Government of Bhutan and the GMC Authority and shall include:
    - (i) the Central Bank (the Royal Monetary Authority) and its wholly owned (direct or indirect) subsidiaries;
    - (ii) a statutory body;
    - (iii) the Druk Holding and Investments (“DHI”) which is wholly owned by the Royal Government of Bhutan and set up to invest and manage the assets of the Royal Government of Bhutan;
    - (iv) the National Pension and Provident Fund (“NPPF”) which is wholly owned by the Royal Government of Bhutan and set up to invest and manage the assets of the Royal Government of Bhutan and the GMC Authority;
    - (v) Gelephu Investment and Development Corporation, which is wholly owned by the GMC Authority and set up to invest and manage the assets of the GMC Authority; and
    - (vi) any other entities wholly owned by the Royal Government of Bhutan or the GMC Authority as may be agreed from time to time between the competent authorities of the Contracting States.
  - (b) in the case of Singapore, means the Government of Singapore and shall include:
    - (i) the Central Bank (the Monetary Authority of Singapore) and its wholly owned (direct or indirect) subsidiaries;
    - (ii) a statutory board;
    - (iii) GIC Private Limited, GIC (Realty) Private Limited, GIC (Ventures) Pte. Ltd. and Eurovest Pte. Ltd., which are wholly owned by the Government of Singapore and set up to invest and manage the assets of the Government of Singapore; and
    - (iv) any other entities wholly owned (directly or indirectly) by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting States.

## ARTICLE 23 – ELIMINATION OF DOUBLE TAXATION

1. In the case of the Kingdom of Bhutan, double taxation shall be avoided as follows:
  - (a) where a resident of Bhutan derives income from Singapore which, in accordance with the provisions of this Agreement, may be taxed in Singapore, Bhutan shall allow, subject to its laws regarding the allowance as a credit against Bhutanese tax of tax payable in any country other than Bhutan, as a deduction from the tax on the income of that resident, an amount equal to the Singapore tax paid. However, such credit shall not exceed that part of the income tax, as computed before the credit is given, which is attributable to the income which may be taxed in Singapore;
  - (b) where a resident of GMC derives income from Singapore which, in accordance with the provisions of this Agreement, may be taxed in Singapore, GMC shall, subject to its laws regarding the allowance as a credit against GMC tax of tax payable in any jurisdiction other than GMC, allow the Singapore tax paid, whether directly or by deduction, as a credit against the GMC tax payable on the income of that resident. Where such income is a dividend paid by a company which is a resident of Singapore to a resident of GMC which is a company owning directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall take into account the Singapore tax paid by that company on the portion of its profits out of which the dividend is paid.
2. In the case of Singapore, double taxation shall be avoided as follows:
  - (a) where a resident of Singapore derives income from Bhutan which, in accordance with the provisions of this Agreement, may be taxed in Bhutan, 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 Bhutanese 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 Bhutan to a resident of Singapore which is a company owning directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall take into account the Bhutanese tax paid by that company on the portion of its profits out of which the dividend is paid;
  - (b) where a resident of Singapore derives income from GMC which, in accordance with the provisions of this Agreement, may be taxed in GMC, 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 GMC 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 GMC to a resident of Singapore which is a company owning directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall take into account the GMC tax paid by that company on the portion of its profits out of which the dividend is paid.
3. For the purpose of the credit referred to in paragraphs 1(a) and 1(b), the term “Singapore tax paid” shall be deemed to include the amount of Singapore tax which would have been payable but for the exemption or reduction of Singapore tax in accordance with any laws designed to promote economic development in Singapore.

4. For the purpose of the credit referred to in paragraph 2(a), the term “Bhutanese tax paid” shall be deemed to include the amount of Bhutanese tax which would have been payable but for the exemption or reduction of Bhutanese tax in accordance with any laws designed to promote economic development in Bhutan.

5. For the purpose of the credit referred to in paragraph 2(b), the term “GMC tax paid” shall be deemed to include the amount of GMC tax which would have been payable but for the exemption or reduction of GMC tax in accordance with any laws designed to promote economic development in GMC.

## **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 Contracting State in the same circumstances, in particular with respect to residence, 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. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Except where the provisions of paragraph 1 of Article 9 (Associated Enterprises), paragraph 9 of Article 11 (Interest), or paragraph 6 of Article 12 (Royalties), apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned 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. 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 this 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 of this Article.

## ARTICLE 26 – EXCHANGE OF INFORMATION

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 Article 1 (Persons Covered) and Article 2 (Taxes Covered).

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. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.

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 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 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 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 – ENTITLEMENT TO BENEFITS**

1. Notwithstanding the other provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income 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.

2. Where a benefit under this Agreement is denied to a person under paragraph 1, the competent authority of the Contracting State that would otherwise have granted this benefit shall nevertheless treat that person as being entitled to this benefit, or to different benefits with respect to a specific item of income, if such competent authority, upon request from that person and after consideration of the relevant facts and circumstances, determines that such benefits would have been granted to that person in the absence of the transaction or arrangement referred to in paragraph 1. The competent authority of the Contracting State to which the request has been made shall consult with the competent authority of the other State before rejecting a request made under this paragraph by a resident of that other State.

## ARTICLE 29 – ENTRY INTO FORCE

1. Each of the Contracting States shall notify the other in writing, through diplomatic channels, of the completion of the procedures required by its law for the entry into force of this Agreement.

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

(a) in the case of the Kingdom of Bhutan:

- (i) with regard to taxes withheld at source, in respect of amounts paid, deemed to be paid or liable to be paid (whichever is the earliest) on or after 1 January of the calendar year next following the year in which this Agreement enters into force;
- (ii) with regard to taxes chargeable (other than taxes withheld at source), in respect of income for any year of assessment beginning on or after 1 January of the second calendar year following the year in which this Agreement enters into force; and
- (iii) in respect of Article 26 (Exchange of Information), for requests made and, in any other case, for assistance provided on or after the date of entry into force of this Agreement concerning information for taxes relating to taxable periods beginning on or after 1 January of the calendar year next following the year in which this Agreement enters into force; or where there is no taxable period, for all charges to tax arising on or after 1 January of the calendar year next following the year in which this Agreement enters into force.

(b) in the case of Singapore:

- (i) with regard to taxes withheld at source, in respect of amounts paid, deemed to be paid or liable to be paid (whichever is the earliest) on or after 1 January of the calendar year next following the year in which this Agreement enters into force;
- (ii) with regard to taxes chargeable (other than taxes withheld at source), in respect of income for any year of assessment beginning on or after 1 January of the second calendar year following the year in which this Agreement enters into force; and
- (iii) in respect of Article 26 (Exchange of Information), for requests made and, in any other case, for assistance provided on or after the date of entry into force of this Agreement concerning information for taxes relating to taxable periods beginning on or after 1 January of the calendar year next following the year in which this Agreement enters into force; or where there is no taxable period, for all charges to tax arising on or after 1 January of the calendar year next following the year in which this Agreement enters into force.

## ARTICLE 30 - TERMINATION

1. 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 in writing at least 6 months before the end of any calendar year after the expiration of a period of five years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect:

- (a) in the case of the Kingdom of Bhutan:
  - (i) with regard to taxes withheld at source, in respect of amounts paid, deemed to be paid or liable to be paid (whichever is the earliest) after the end of that calendar year in which the notice of termination is given;
  - (ii) with regard to taxes chargeable (other than taxes withheld at source), in respect of income for any year of assessment beginning on or after 1 January of the second calendar year following that calendar year in which the notice of termination is given; and
  - (iii) in all other cases, including requests made under Article 26 (Exchange of Information), after the end of that calendar year in which the notice of termination is given.
- (b) in the case of Singapore:
  - (i) with regard to taxes withheld at source, in respect of amounts paid, deemed to be paid or liable to be paid (whichever is the earliest) after the end of that calendar year in which the notice of termination is given;
  - (ii) with regard to taxes chargeable (other than taxes withheld at source), in respect of income for any year of assessment beginning on or after 1 January of the second calendar year following that calendar year in which the notice of termination is given; and
  - (iii) in all other cases, including requests made under Article 26 (Exchange of Information), after the end of that calendar year in which the notice of termination is given.

## **ARTICLE 31 – PROTOCOL**

The attached Protocol shall form an integral part of this Agreement.

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

DONE in duplicate at Singapore on this 12<sup>th</sup> day of May 2026 each in the English and Dzongkha languages, both texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

**FOR THE REPUBLIC OF SINGAPORE**

**FOR THE KINGDOM OF BHUTAN**

.....

**JEFFREY SIOW  
ACTING MINISTER FOR TRANSPORT  
AND SENIOR MINISTER OF STATE FOR  
FINANCE**

.....

**LYONPO LEKEY DORJI  
MINISTER OF FINANCE**

## PROTOCOL

At the moment of signing the Agreement between the Kingdom of Bhutan and the Republic of Singapore for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance, the undersigned have agreed that the following provisions shall form an integral part of the Agreement.

1. With reference to Article 10 (Dividends), Article 11 (Interest) and Article 12 (Royalties), it is understood that a trustee liable to tax in a Contracting State in respect of dividends, interest or royalties shall be deemed to be the beneficial owner of the dividends, interest or royalties.
2. With reference to Article 12 (Royalties), it is understood that in relation to payments for software, such payments are royalties only if the payments are made for the right to use and exploit the copyright in the software. The term "exploit" means to be able to:
  - (a) reproduce, modify or adapt and distribute the software; or
  - (b) prepare a derivative work based on the software for distribution.
3. With reference to Article 14 (Independent Personal Services) and Article 15 (Dependent Personal Services), the term "fiscal year" means, in the case of Bhutan, the "Income Year".
4. With reference to Article 23 (Non-Discrimination), it is understood that notwithstanding paragraph 3 of the Article, for the purposes of allowing deduction of an interest payment to a non-resident, nothing in the said paragraph shall prevent Singapore from disallowing a deduction of such interest payment if tax is not withheld on the payment.

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

DONE in duplicate at Singapore on this 12<sup>th</sup> day of May 2026 each in the English and Dzongkha languages, both texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

**FOR THE REPUBLIC OF SINGAPORE**

**FOR THE KINGDOM OF BHUTAN**

.....

.....

**JEFFREY SIOW  
ACTING MINISTER FOR TRANSPORT  
AND SENIOR MINISTER OF STATE FOR  
FINANCE**

**LYONPO LEKEY DORJI  
MINISTER OF FINANCE**