

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

Date of Conclusion: 15 January 2015

Entry into Force: 1 June 2016

Effective Date: 1 January 2017

NOTE

Singapore and France 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 France ratified the MLI on 21 December 2018 and 26 September 2018 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-France) (Avoidance of Double Taxation Convention) (Modifications to Implement Multilateral Instrument) Order 2019, which has entered into force on 1 April 2019, implements the applicable provisions of the MLI to the articles of this Convention. For informational purposes, details of the amendments to this Convention are shown in Annex A.

NOTE

There was an earlier Convention signed between the Government of the Republic of Singapore and the Government of the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. The text of this Convention which was signed on 9 September 1974 is shown in Annex B.

This earlier Convention was amended by a Protocol that was signed on 13 November 2009. The text of this Protocol is shown in Annex C.

The Government of the Republic of Singapore and the Government of the French Republic,

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 – PERSONS COVERED**

The 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 each Contracting State irrespective of the manner in which they are levied.

2. The existing taxes which are the subject of this Convention are:

(a) in Singapore:

- the income tax

(hereinafter referred to as "Singapore tax");

(b) in France:

(i) the income tax;

(ii) the corporation tax;

(iii) the contributions on corporation tax; and

(iv) widespread social security contributions and contributions for the reimbursement of the social debt;

including any withholding tax or advance payment with respect to the aforesaid taxes;

(hereinafter referred to as "French tax").

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

### ARTICLE 3 – GENERAL DEFINITIONS

1. In this Convention:

- (a) the term "Singapore" means the Republic of Singapore and, when used in the geographical sense, its land territory, territorial sea, as well as maritime areas over which it has jurisdiction or sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources, pursuant to international law;
- (b) the term "France" means the European and overseas departments of the French Republic, including the territorial sea, and any area outside the territorial sea within which, in accordance with international law, the French Republic has sovereign rights for the purpose of exploring and exploiting the natural resources of the sea-bed and its subsoil and the superjacent waters;
- (c) the terms "a Contracting State" and "the other Contracting State" mean Singapore or France, as the context requires;
- (d) the term "tax" means Singapore tax or French tax, as the context requires;
- (e) the term "person" comprises an individual, a company and any other body of persons;
- (f) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that 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;
- (h) the term "enterprise" applies to the carrying on of any business and 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;
- (i) the term "competent authority" means, in the case of Singapore, the Minister for Finance or his authorised representative; in the case of France the Minister of Finance or his authorised representative;
- (j) the term "business" includes the performance of professional services and of other activities of an independent character.

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

## **ARTICLE 4 – RESIDENT**

1. For the purposes of this Convention, 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 territorial 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 case shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (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 Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

## ARTICLE 5 – PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.
2. The term "permanent establishment" shall include especially:
  - (a) a place of management;
  - (b) a branch;
  - (c) an office;
  - (d) a factory;
  - (e) a workshop;
  - (f) a farm or plantation; and
  - (g) a mine, oil well, quarry or other place of extraction of natural resources.
3. The term "permanent establishment" also encompasses:
  - (a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only if such site, project or activities lasts more than 12 months;
  - (b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State directly or through employees or other personnel engaged by the enterprise for such purpose, but 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 365 days within any 15-month period.
4. The term "permanent establishment" shall not be deemed 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 for collecting information, for the enterprise;
  - (e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise;
  - (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (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 of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of an independent status, where such person is acting in the ordinary course of his 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 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.
5. Income from agricultural or forestry undertakings situated in a Contracting State may be taxed in that Contracting State.

## **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. 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 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 that permanent establishment merely purchasing 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. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
2. The provisions of paragraph 1 of this Article shall likewise apply in respect of participations in pools, in a joint business or in an international operation agency of any kind by enterprises engaged in the operation of ships or aircraft in international traffic.
3. Profits from the operation of ships or aircraft in international traffic include in particular, notwithstanding any other Articles of this Convention:
  - (a) interest generated in a Contracting State by the funds required for the carrying on of such operation in that State; and
  - (b) profits from the rental on a bareboat basis of ships or aircraft and 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 such operation.

## **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 agreed profits. In determining such adjustment, due regard shall be had to the other provisions of this Convention 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 charge shall not exceed:

- (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which owns directly or indirectly at least 10 per cent of the share capital of the company paying the dividends;
- (b) in all other cases, 15 per cent of the gross amount of the dividends.

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 treated as a distribution by the taxation law of the Contracting State of which the company making the distribution is a resident.

4. Where an investment vehicle organised under the laws of a Contracting State,

- (a) which derives income or gains from immovable property;
- (b) whose income or gains are not taxed;
- (c) which distributes most of its income annually,

makes a distribution of income to a resident of the other Contracting State who is the beneficial owner of that distribution, the distribution of that income shall be treated as a dividend. However, where the beneficial owner holds, directly or indirectly, 10 per cent or more of the capital of the investment vehicle, the distribution may be taxed at the rate provided for by the domestic law of the Contracting State in which the distribution arises.

5. The provisions of paragraphs 1, 2 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 payer is a resident, through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

7. Nothing in this Convention shall prevent a Contracting State from imposing on the profits attributable to a permanent establishment situated in that State, of a company which is a resident of the other Contracting State, a tax in addition to the taxes allowable under the other provisions of the Convention, provided that any additional tax so imposed shall not exceed 5 per cent of the profits attributable to the permanent establishment after the payment of corporate income tax on those profits.

## 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 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2, interest referred to in paragraph 1 shall be taxable only in the Contracting State of which the recipient of the interest is a resident, if such recipient is the beneficial owner of such interest and if one of the following conditions is met:

- (a) Such recipient is a Contracting State, a territorial authority or a statutory body thereof, including the central bank of that state; or such interest is paid by one of those states, territorial authorities or statutory bodies;
- (b) Such interest is paid in respect of a debt-claim or of a loan guaranteed or insured or subsidised by the government of a Contracting State or by any other person acting on behalf of a Contracting State;
- (c) Such interest is paid by an enterprise of one of the Contracting States to an enterprise of the other Contracting State.

4. 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.

5. The provisions of paragraphs 1, 2 and 3 of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises through a permanent establishment situated therein and the debt-claim in respect of which the interest paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a territorial authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

7. Where, owing to a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of interest paid, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according the law 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 beneficially owned by a resident of the other Contracting State shall be taxable only in that other 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 literary, artistic or scientific work, including cinematograph films and tapes for television or broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
3. Notwithstanding the provisions of paragraph 1 of this Article, royalties received as consideration for the use of, or the right to use, any copyright of literary or artistic work, including cinematograph films and tapes for television or broadcasting or for information concerning commercial experience may be taxed in, and according to the law of, the Contracting State in which they arise.
4. The provisions of paragraphs 1, 2 and 3 of this Article shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.
5. Royalties as defined in paragraph 2 of this Article shall be treated as arising from sources within the Contracting State in which the property referred to in that paragraph is used.
6. Where, owing to a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid, having regard to the use, right, property or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## **ARTICLE 13 – CAPITAL GAINS**

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) may be taxed in the other State. However, gains from the alienation of ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
3. Gains from the alienation of shares or other rights in a company, a trust or any other institution or entity, the assets or property of which consist of more than 50 per cent of their value, or derive more than 50 per cent of their value, directly or indirectly through the interposition of one or more other companies, trusts, institutions or entities, from immovable property referred to in Article 6 and situated in a Contracting State or of rights connected with such immovable property may be taxed in that State. For the purposes of this provision, immovable property pertaining to business carried on personally by such company shall not be taken into account.
4. Gains from the alienation of any property other than those mentioned in paragraphs 1, 2 and 3, shall be taxable only in the Contracting State of which the alienator is a resident.



## **ARTICLE 14 – INCOME FROM EMPLOYMENT**

1. Subject to the provisions of Articles 15, 16, 18, 19 and 20, 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 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 which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of one of the Contracting States in respect of an employment exercised aboard a ship or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

## **ARTICLE 15 – DIRECTOR'S FEES**

Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State, may be taxed in that other State.

## **ARTICLE 16 – PUBLIC ENTERTAINERS**

1. Notwithstanding the provisions of Article 14, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal services as such may be taxed in the Contracting State in which these services are performed.

2. The provisions of paragraph 1 shall not apply to remuneration or profits, salaries, wages and similar income derived from services rendered in a Contracting State by public entertainers if the visit to that Contracting State is substantially supported by public funds of the other Contracting State.

3. Where the services mentioned in paragraph 1 are provided in a Contracting State by an enterprise of the other Contracting State, the profits derived from providing these 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 other Contracting State in connection with the provisions of such services.

4. For the purposes of this Article the term "public funds" shall include the funds of any territorial authority or statutory body of either Contracting State.

## **ARTICLE 17 – PENSIONS**

Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

## **ARTICLE 18 – GOVERNMENT SERVICE**

1. (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a territorial authority or a statutory body thereof to an individual in respect of services rendered to that State, 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, and a national of, that State without being also a national of the first-mentioned State.
2. (a) Any pension paid by, or out of funds created by, a Contracting State, a territorial authority or a statutory body thereof to an individual in respect of services rendered to that State, authority or body shall be taxable only in that State;
- (b) However, such pension shall be taxable only in that other Contracting State if the individual is a resident of, and a national of, that State without being also a national of the first-mentioned State.
3. The provisions of Articles 14, 15, 16 and 17 shall apply to salaries, wages and other similar remuneration, and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a territorial authority or a statutory body thereof.

## **ARTICLE 19 – STUDENTS AND TRAINEES**

1. An individual, who immediately before visiting a Contracting State, 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 a Contracting State, 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 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 a Contracting State, 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 second-mentioned Contracting State or an enterprise thereof 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 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 purpose of this Article the term "Contracting State" shall include any territorial authority or statutory body of either of the Contracting States.

## **ARTICLE 20 – TEACHERS**

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State, and who, at the invitation of any university, college, school or other similar educational institution, which is recognised by the competent authority in that other Contracting State, visits that other Contracting State for a period not exceeding two years solely for the purpose of teaching or research or both at such educational institution shall be exempt from tax in that other Contracting State on his remuneration for such teaching or research.

## **ARTICLE 21 – OTHER INCOME**

1. Items of income beneficially owned by a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention 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, if the beneficial owner of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.
3. Notwithstanding the provisions of paragraph 1, any amount withdrawn by a resident of a Contracting State from a supplementary saving scheme constituted in the other Contracting State which is not dealt with in the foregoing Articles of this Convention may be taxable in the second-mentioned Contracting State, provided that the second-mentioned Contracting State has granted a deduction on the contributions made to that supplementary saving scheme.



## **ARTICLE 22 – LIMITATION OF RELIEF**

1. Where this Convention provides (with or without other conditions) that income from sources in France shall be exempt from tax, or taxed at a reduced rate, in France 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 France 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 a Contracting State from sources in the other Contracting State. For the purposes of this Article, the term "Contracting State" shall include the persons referred to in paragraph 3(a) of Article 11.
3. Paragraph 1 shall not be construed to apply when Singapore exempts income from sources in France for the purpose of eliminating double taxation as mentioned in paragraph 1(a) of Article 23.

## ARTICLE 23 – ELIMINATION OF DOUBLE TAXATION

1. In Singapore, double taxation shall be avoided as follows:
  - (a) Where a resident of Singapore derives income from France which, in accordance with the provisions of this Convention, may be taxed in France, Singapore shall, subject to the conditions of exemption for income received from outside Singapore provided for in the Singapore Income Tax Act being satisfied, exempt such income from tax in Singapore; or
  - (b) Where a resident of Singapore derives income from France which, in accordance with the provisions of this Convention, may be taxed in France and the income does not meet the conditions for exemption in Singapore referred to in paragraph (a), 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 French tax paid, whether directly or by deduction, as a credit against the Singapore tax payable on the income of that resident.
  - (c) Notwithstanding paragraphs (a) and (b),
    - (i) dividends paid to a company being a resident of Singapore by a company being a resident of France shall be exempted from Singapore tax if at least 10 per cent of the capital of the company resident of France is owned directly by the company resident of Singapore;
    - (ii) profits attributable to a permanent establishment situated in France of an enterprise of Singapore and remitted to Singapore shall be exempted from Singapore tax.
2. In the case of a resident of France:
  - (a) notwithstanding any other provision of this Convention, income which may be taxed or shall be taxable only in Singapore in accordance with the provisions of the Convention shall be taken into account for the computation of the French tax where such income is not exempted from French corporation tax according to paragraph (b) or to French domestic law. In that case, the Singapore tax shall not be deductible from such income, but the resident of France who is the beneficial owner shall, subject to the conditions and limits provided for in sub-paragraphs (i) and (ii), be entitled to a tax credit against French tax. Such tax credit shall be equal:
    - (i) in the case of income other than that mentioned in sub-paragraph (ii), to the amount of French tax attributable to such income provided that the resident of France is subject to Singapore tax in respect of such income;
    - (ii) in the case of income subject to the corporation tax referred to in Article 7 and paragraph 2 of Article 13 and in the case of income referred to in paragraph 2 of Article 10, paragraph 2 of Article 11, paragraph 3 of Article 12, paragraphs 1 and 3 of Article 13, Article 15, paragraphs 1 and 3 of Article 16, and paragraph 3 of Article 21 to the amount of tax paid in Singapore in accordance with the provisions of those Articles; however, such tax credit shall not exceed the amount of French tax attributable to such income.

- (b) (i) Dividends paid to a company being a resident of France by a company being a resident of Singapore shall be exempted from French corporation tax if at least 10 per cent of the capital of the company resident of Singapore is owned directly by the company resident of France;
- (ii) Profits attributable to a permanent establishment situated in Singapore of an enterprise of France and remitted to France shall be exempted from French corporation tax.
- (c) (i) It is understood that the term "amount of French tax attributable to such income" as used in sub-paragraph (a) means:
  - where the tax on such income is computed by applying a proportional rate, the amount of the net income concerned multiplied by the rate which actually applies to that income;
  - where the tax on such income is computed by applying a progressive scale, the amount of the net income concerned multiplied by the rate resulting from the ratio of the tax actually payable on the total net income taxable in accordance with French law to the amount of that total net income.
- (ii) It is understood that the term "amount of tax paid in Singapore" as used in sub-paragraph (a) means the amount of Singapore tax effectively and definitively borne in respect of the items of income concerned, in accordance with the provisions of the Convention, by a resident of France who is taxed on those items of income according to the French law.

## **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 are or may be subjected.
2. The term "national", in relation to a Contracting State, means all individuals possessing the nationality of a Contracting State.
3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities.
4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned Contracting State are or may be subjected.
5. This Article shall not be construed as obliging a Contracting State to grant to nationals of the other Contracting State not resident in either of the Contracting States those personal allowances, reliefs and reductions for tax purposes which are by law available to nationals of the first-mentioned Contracting State.
6. In this Article the term "taxation" means taxes which are the subject of this Convention.

## **ARTICLE 25 – MUTUAL AGREEMENT PROCEDURE**

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States have resulted 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. 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 an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention. 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 arising as to the application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.
4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

## ARTICLE 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 Convention 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 territorial authorities, insofar as the taxation thereunder is not contrary to the Convention. 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. 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 – DIPLOMATIC AND CONSULAR OFFICIALS**

1. Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

2. The Convention shall not apply to International Organisations, to organs or officials thereof and to persons who are members of a diplomatic or consular mission of a Third State, being present in a Contracting State and not treated in either Contracting State as residents in respect of taxes on income.

## **ARTICLE 28 – MISCELLANEOUS**

The benefits of any reduction in or exemption from tax provided for in this Convention shall not be available where the main purpose for entering into certain transactions or arrangements was to secure a more favourable tax position and obtaining that more favourable treatment in these circumstances would be contrary to the object and purpose of the relevant provisions of this Convention.



## ARTICLE 29 – ENTRY INTO FORCE

1. Each of the Contracting States shall notify to the other the completion of the procedures required as far as it is concerned for the bringing into force of this Convention. The Convention shall enter into force on the first day of the second month following the day when the later of these notifications has been received.

2. The provisions of the Convention shall have effect:

(a) In Singapore:

- (i) 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 Convention enters into force;
- (ii) in all other cases, on or after 1 January of the calendar year next following the date on which the Convention enters into force.

(b) In France:

- (i) in respect of taxes on income withheld at source for amounts taxable after the calendar year in which the Convention enters into force;
- (ii) in respect of taxes on income which are not withheld at source, for income relating, as the case may be, to any calendar year or accounting period beginning after the calendar year in which the Convention enters into force;
- (iii) in respect of the other taxes, for taxation the taxable event of which will occur after the calendar year in which the Convention enters into force.

3. The provisions of the Convention between the Government of the Republic of Singapore and the Government of the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed in Paris on 9 September 1974 shall cease to have effect as from the date on which the corresponding provisions of this Convention shall have effect for the first time.

4. Notwithstanding paragraph 3, the provisions of (bb) of sub-paragraph (c) and of sub-paragraph (d) of paragraph 2 of Article 24 of the Convention between the Government of the Republic of Singapore and the Government of the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed in Paris on 9 September 1974 shall remain applicable to:

- (a) any interest and royalties paid during a 12-month period as from the date of entry into force of this Convention;
- (b) interest paid in respect to any debt-claims arrangement entered into before 1st March 2012, but only for the duration of the arrangement that is remaining as at 29th February 2012;
- (c) payments received in respect to any agreement for the use of, or the right to use, industrial, commercial or scientific equipment, provided the financial terms and conditions of the agreement are set up before 1st March 2012, and

provided the equipment is delivered before 1st January 2013, but only for the duration of the agreement that is remaining as at 29th February 2012;

provided that the conduct of operations resulting in a tax credit had not for main purpose to obtain the benefit of such tax credit.

## ARTICLE 30 – TERMINATION

This Convention shall continue in effect indefinitely, but either of the Contracting States may, on or before 30 June in any calendar year, give to the other Contracting State written notice of termination and, in such event, this Convention shall cease to be effective -

- (a) In Singapore:
  - (i) 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 of termination is given;
  - (iii) in all other cases, after the end of that calendar year in which the notice of termination is given.
- (b) In France:
  - (i) in respect of taxes on income withheld at source for amounts taxable after the calendar year in which the notice of termination is given;
  - (ii) in respect of taxes on income which are not withheld at source, for income relating, as the case may be, to any calendar year or accounting period beginning after the calendar year in which the notice of termination is given;
  - (iii) in respect of the other taxes, for taxation the taxable event of which will occur after the calendar year in which the notice of termination is given.

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

DONE in duplicate at Singapore this 15<sup>th</sup> day of January of the year 2015 in the English and French languages, both texts being equally authoritative.

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

**For the Government of  
the French Republic:**

# ANNEX A

## Effects of the MLI on this Convention

### 1. Deletion and replacement of the Preamble

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

“The Government of the Republic of Singapore and the Government of the French Republic,

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

Intending to eliminate double taxation with respect to the taxes covered by this Convention 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 Convention for the indirect benefit of residents of third jurisdictions),

Have agreed as follows:”.

### 2. Amendment of Article 5

Sub-paragraph (f) of paragraph 4 of Article 5 (Permanent Establishment) of this Convention is deleted and replaced by the following sub-paragraphs:

“(f) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any activity not described in sub-paragraphs (a) to (e), provided that this activity is of a preparatory or auxiliary character;

(g) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a) to (f), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.”.

### 3. Amendment of Article 9

Paragraph 2 of Article 9 (Associated Enterprises) of this Convention is deleted and replaced by the following paragraph:

“2. Where a Contracting State includes in the profits of an enterprise of that Contracting State — and taxes accordingly — profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Contracting 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 Convention and the competent authorities of the Contracting States shall if necessary consult each other.”.

4. Amendment of Article 25

The words “The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties arising as to the application of the Convention.” in paragraph 3 of Article 25 (Mutual Agreement Procedure) of this Convention is deleted and replaced with the following words:

“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.”.

5. 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 Convention 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:

- (a) Singapore, by 25 September 2019; or
- (b) France, by 20 December 2019.

**“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 Convention; 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 three 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 person directly affected by the case does not accept the mutual agreement that implements the arbitration decision. In such a case, the case shall not be eligible for any further consideration by the competent authorities. The mutual agreement that implements the arbitration decision on the case shall be considered not to be accepted by a person directly affected by the case if any person directly affected by the case does not, within 60 days after the date on which notification of the mutual agreement is sent to the person, withdraw all issues resolved in the mutual agreement implementing the arbitration decision from consideration by any court or administrative tribunal or otherwise terminate any pending court or administrative proceedings with respect to such issues in a manner consistent with that mutual agreement.

(ii) 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.

(iii) 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:

- (a) 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. 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 judicial 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 any case involving the application of any provisions of Singapore's law (including legislative provisions, case law, judicial doctrines and penalties) that are analogous to those governing the cases in sub-paragraphs (c) and (d), including any subsequent provisions which replace, amend or update those provisions. The competent authority of Singapore will consult with the competent authority of France in order to specify any such analogous provisions which exist under Singapore law pursuant to paragraph 10;
  - (c) to any case concerning items of income or capital that are not taxed by France because such items of income or of capital are not included in the taxable base in France or because such items of income or capital enjoy an exemption or a zero tax rate under the national tax law of France;
  - (d) to any case in which a taxpayer is subject to administrative or criminal penalties under French legislation for tax fraud, voluntary omission or a serious breach of a reporting obligation;
  - (e) to any taxable period in a case where the adjustment on the taxable income is less than 150,000 Euro or its equivalent in Singapore Dollars, except when the average adjustment for all the taxable periods covered in that case is more than 150,000 Euro or its equivalent in Singapore Dollars;
  - (f) to any case falling within the scope of an arbitration procedure provided for in a legal instrument designed under the authority of the European Union, such as the Convention on the Elimination of Double Taxation in Connection with the Adjustment of Profits of Associated Enterprises (90/436/EEC) or any other later instrument;
  - (g) to any case mutually agreed between the competent authorities of the Contracting States prior to the commencement of the arbitration proceedings and notified to the person who submitted the case; and
  - (h) to any case involving the application of French legislation, actual or future, that are analogous to those governing the cases in sub-paragraph (a), including 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 those provisions. The competent authority of France will consult with the competent authority of Singapore in order to specify any such analogous provisions which exist under French law pursuant to paragraph 10;

13. This Article and Articles 25B to 25G —
- (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 April 2019; and
  - (b) shall apply to a case presented to the competent authority of a Contracting State under Article 25 prior to 1 April 2019 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 and 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 25G 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 25G 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.”.

#### 6. Amendment of Article 28

Article 28 (Miscellaneous) of this Convention is deleted and replaced by the following Article:

#### **“ARTICLE 28 – PREVENTION OF TREATY ABUSE**

Notwithstanding any provisions of this Convention, a benefit under this Convention 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 this Convention.”.

#### 7. Entry into effect of the MLI

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

- (a) for paragraph 4 of this Annex on the amendment of Article 25 (Mutual Agreement Procedure), for a case presented on or after 1 April 2019, without regard to the basis period to which the case relates. However, paragraph 4 of this Annex shall not apply to a case that was not eligible to be presented immediately before 1 April 2019;
- (b) for paragraph 5 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 April 2019;
- (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 October 2019.

# **ANNEX B**

**CONVENTION BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND  
THE GOVERNMENT OF THE FRENCH REPUBLIC  
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 French Republic,

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**

The 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 each Contracting State irrespective of the manner in which they are levied.
2. The existing taxes which are the subject of this Convention are -
  - (a) in Singapore:  
the income tax  
  
(hereinafter referred to as "Singapore tax");
  - (b) in France:
    - (i) the income tax; and
    - (ii) the corporation tax;  
  
including any withholding tax, prepayment (precompte) or advance payment with respect to the aforesaid taxes;  
  
(hereinafter referred to as "French tax").
3. This Convention shall also apply to any identical or substantial similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify to each other any important changes which have been made in their respective taxation laws.
4. If by reason of changes made in the taxation law of either Contracting State, it seems desirable to amend any article of this Convention without effecting 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. In this Convention:

- (a) the term "Singapore" means the Republic of Singapore;
- (b) the term "France" means the European and overseas departments (Guadeloupe, Guyane, Martinique and Reunion) of the French Republic, including any area outside the territorial sea of France which is, in accordance with international law, and area within which France may exercise rights with respect to the sea bed and sub-soil and their natural resources;
- (c) the terms "a Contracting State" and "the other Contracting State" mean Singapore or France, as the context requires;
- (d) the term "tax" means Singapore tax or French tax, as the context requires;
- (e) the term "person" comprises an individual, a company and any association with or without juridical personality;
- (f) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (g) the terms "Singapore enterprise" and "French 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 France;
- (h) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean a Singapore enterprise or a French enterprise, as the context requires;
- (i) the term "competent authority" means, in the case of Singapore, the Minister for Finance or his authorised representative; in the case of France the Minister of Economy and Finance or his authorised representative; and in the case of any territory to which this Convention is extended under Article 29, the competent authority for the administration in such territory of the taxes to which this Convention applies.

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



## **ARTICLE 4 – FISCAL DOMICILE**

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who is a resident of 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 case shall be determined in accordance with the following rules:
  - (a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (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 Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

## **ARTICLE 5 – PERMANENT ESTABLISHMENT**

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.
2. The term "permanent establishment" shall include especially:
  - (a) a place of management;
  - (b) a branch;
  - (c) an office;
  - (d) a factory;
  - (e) a workshop;
  - (f) a farm or plantation;
  - (g) a mine, oil well, quarry or other place of extraction or natural resources;
  - (h) a building site or construction or assembly project which exists for more than six months.

3. The term "permanent establishment" shall not be deemed to include:
  - (a) the use of facilities solely for the purpose of storage, 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 for collecting information, for the enterprise;
  - (e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.
  
4. An enterprise of a Contracting State, notwithstanding it has no fixed place of business in the other Contracting State, shall be deemed to have a permanent establishment in that other Contracting State if it carries on supervisory activities therein for more than six months in connection with a construction, installation or assembly project which is being undertaken in that other Contracting State.
  
5. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State (other than an agent of independent status to whom paragraph 6 applies), notwithstanding he has no fixed place of business in the former Contracting State, shall be deemed to be a permanent establishment therein if -
  - (a) he has, and habitually exercises in the 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
  - (b) he maintains in the former Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise.
  
6. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of an independent status, where such person is acting in the ordinary course of his 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 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 and to income from immovable property used for the performance of professional services.
5. Income from agricultural or forestry undertakings situated in a Contracting State may be taxed in that Contracting State.

## **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. 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 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 that permanent establishment merely purchasing 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. Profit which an enterprise of a Contracting State derives from operation of ships or aircraft in international traffic shall be taxable only in that State.
2. The provisions of paragraph 1 of this Article shall likewise apply in respect of participations in pools, in a joint business or in an international operation agency of any kind by enterprises engaged in the operation of ships or aircraft in international traffic.

## **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. Dividends paid by a company which is a resident of France to a resident of Singapore may be also taxed in France, and according to the law of France, but the tax so charged shall not exceed:

- (a) 10 per cent of the gross amount of the dividends if the recipient is a company which owns directly or indirectly at least 10 per cent of the share capital of the company paying the dividends;
- (b) in all other cases, 15 per cent of the gross amount of the dividends.

3. (a) A resident of Singapore who receives from a company which is a resident of France dividends which, if received by a resident of France, would entitle such resident to a fiscal credit (avoir fiscal), shall be entitled from the French Treasury to a payment equal to such fiscal credit (avoir fiscal) subject to the deduction of tax as provided for under paragraph 2 of this Article.

(b) The provisions of sub-paragraph (a) of this paragraph shall apply only to a resident of Singapore who is

- (i) an individual;
- (ii) a company which owns directly or indirectly less than 10 per cent of the share capital of the French company paying the dividends.

(c) The provisions of sub-paragraph (a) of this paragraph shall not apply if the recipient of the payment from the French Treasury as provided thereunder is not subject to Singapore tax in respect of the payment.

(d) Payments from the French Treasury provided for under sub-paragraph (a) of this paragraph shall be deemed to be dividends for the purposes of this Convention.

4. Dividends paid by a company which is a resident of Singapore to a resident of France 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 -

(a) 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;

(b) provided, further, that if Singapore, subsequent to the signing of this Convention imposes a tax chargeable specifically on dividends other than 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 shall not exceed:



- (i) 10 per cent of the gross amount of the dividends of the recipient is a company which owns directly or indirectly at least 10 per cent of the share capital of the company paying the dividends:
- (ii) in all other cases, 15 per cent of the gross amount of the dividends.

5. 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 assimilated to income from shares by the taxation law of the Contracting State of which the company making the distribution is a resident.

6. The provisions of paragraphs 1, 3 and 4 shall not apply if the recipient of the dividends, being a resident of a Contracting State, has in the other Contracting State, of which the company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the provisions of Article 7 shall apply.

7. When the prepayment (precompte) is levied in respect of dividends paid by a company which is a resident of France to a resident of Singapore who is not entitled to the payment from the French Treasury referred to in paragraph 3 of this Article with respect to such dividends, such resident shall be entitled to the refund of that prepayment, subject to the deduction of the withholding tax with respect to the refunded amount in accordance with paragraph 2 of this Article.

8. Dividends distributed to a resident of France by a company which is a resident of France and which owns at least 10 per cent of the capital of a company which is a resident in Singapore and paid out of dividends received from the company which is a resident of Singapore, shall entitle the resident of France to a fiscal credit (avoir fiscal) in accordance with the French law.

9. For the purposes of this Convention, dividends paid to a resident of France by a company which is a resident of Malaysia out of profits derived from Singapore and declared at Singapore dividends are regarded as dividends paid by a company which is a resident of Singapore.

## **ARTICLE 11 – PROFITS OF PERMANENT ESTABLISHMENT**

Where a company which is a resident of a Contracting State has a permanent establishment in the other Contracting State, it may be subjected therein to any withholding tax provided by the laws of that other Contracting State but such tax shall not exceed 15 per cent of one-third of the profits of the permanent establishment after payment of the corporation tax on such profits.

## ARTICLE 12 – 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 be taxed in the Contracting State in which it arises, and according to the laws of that State, but the tax so charged shall not exceed 10 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State shall be exempt from tax in that State if it is paid:

(a) in the case of Singapore to -

- (i) the Government of Singapore;
- (ii) the Board of Commissioners of Currency;
- (iii) the Monetary Authority of Singapore; and
- (iv) such institutions, the capital of which is wholly owned by the Government of Singapore, as may be agreed from time to time between the Governments of the two Contracting States;

(b) in the case of France to -

- (i) the French State;
- (ii) the "Banque de France";
- (iii) the "Banque Francaise pour le Commerce Exterieur" acting as public financing agency; and
- (iv) such institutions, the capital of which is wholly owned by the French State, as may be agreed from time to time between the Governments of the two Contracting States.

4. Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State and paid to a resident of the other Contracting State on debentures issued by, or on loans (including loans in the form of deferred payments) made to, an enterprise of the first-mentioned Contracting State engaged in an industrial undertaking shall be exempt from tax of that first-mentioned State.

5. For the purposes of paragraph 4 of this Article, the term "industrial undertaking" means an undertaking which is approved by the competent authority of the Contracting State in which the undertaking is situated, and falls under any of the classes mentioned below:

- (a) manufacturing, assembling and processing;
- (b) construction and civil engineering;
- (c) ship-building, ship-breaking and ship-docking;
- (d) electricity, hydraulic power, gas and water supply;

- (e) mining, including the working of a quarry or any other source of mineral deposits;
- (f) plantation, agriculture, forestry and fishery; and
- (g) any other undertaking which may be declared to be an "industrial undertaking" for the purposes of this Article.

6. The term "interest" as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as other income assimilated to income from money lent according to the taxation laws of the Contracting State in which the income arises.

7. The provisions of paragraphs 1, 2 and 4 of this Article shall not apply if the recipient of the interest, being a resident of a Contracting State, has in the other Contracting State in which the interest arises, a permanent establishment with which the debt-claim from which the interest arises is effectively connected. In such a case, the provisions of Article 7 shall apply.

8. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

9. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of interest paid, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according the law of each Contracting State, due regard being had to the other provisions of this Convention.

## **ARTICLE 13 – ROYALTIES**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other 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 literary, artistic or scientific work, including cinematograph films and tapes for television or broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
3. Notwithstanding the provisions of paragraph 1 of this Article, royalties received as consideration for the use of, or the right to use, any copyright of literary or artistic work, including cinematograph films and tapes for television or broadcasting or for information concerning commercial experience may be taxed in, and according to the law of, the Contracting State in which they arise.
4. The provisions of paragraphs 1, 2 and 3 of this Article shall not apply if the recipient of the royalties, being a resident of a Contracting State, has in the other Contracting State in which the royalties arise a permanent establishment with which the right or property giving rise to the royalties is effectively connected. In such a case, the provisions of Article 7 shall apply.
5. Royalties as defined in paragraph 2 of this Article shall be treated as arising from sources within the Contracting State in which the property referred to in that paragraph is used.
6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right, property or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## **ARTICLE 14 – CAPITAL GAINS**

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) may be taxed in the other State. However, gains from the alienation of ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State of which the person carrying on the enterprise is a resident.
3. Gains from the alienation of any property other than those mentioned in paragraphs 1 and 2, shall be taxable only in the Contracting State of which the alienator is a resident.
4. Notwithstanding the provisions of paragraph 3, gains from the alienation by a resident of a Contracting State of any right or property referred to in paragraph 3 of Article 13 which are used in the other Contracting State, may be taxed in that State.
5. Notwithstanding the provisions of paragraph 3 the gains from the sale or exchange of shares or comparable interests in a real property co-operative or of a company the assets of which consist principally of such property may be taxed in the Contracting State where such property is situated according to the law of that Contracting State.

## **ARTICLE 15 – PERSONAL SERVICES**

1. Subject to the provisions of Articles 16, 17, 19, 20 and 21, salaries, wages and other similar remuneration or income for personal (including professional) services derived by a resident of a Contracting State, shall be taxable only in that Contracting State, unless the services are performed in the other Contracting State. If the services are so performed, such remuneration or income as is derived therefrom may be taxed in that other Contracting State.

2. Notwithstanding the provisions of paragraph 1, remuneration or income derived by a resident of a Contracting State for personal (including professional) services performed in the other Contracting State shall be exempt from tax of that other Contracting State if -

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

3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of one of the Contracting States in respect of an employment exercised aboard a ship or aircraft in international traffic shall be taxable only in that State.

## **ARTICLE 16 – DIRECTOR'S FEES**

Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State, may be taxed in that other State.



## **ARTICLE 17 – PUBLIC ENTERTAINERS**

1. Notwithstanding the provisions of Article 15, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal services as such may be taxed in the Contracting State in which these services are performed.

2. The provisions of paragraph 1 shall not apply to remuneration or profits, salaries, wages and similar income derived from services rendered in a Contracting State by public entertainers if the visit to that Contracting State is substantially supported by public funds of the other Contracting State.

3. Where the services mentioned in paragraph 1 are provided in a Contracting State by an enterprise of the other Contracting State, the profits derived from providing these 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 other Contracting State in connection with the provisions of such services.

4. For the purposes of this Article the term "public funds" shall include the funds of any local authority or statutory body of either Contracting State.

## **ARTICLE 18 – PENSIONS**

Subject to the provisions of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

## **ARTICLE 19 – GOVERNMENTAL FUNCTIONS**

1. Remuneration, including pensions, paid by, or out of funds created by, a Contracting State or a local authority or statutory body thereof to any citizen or national of that State in respect of services rendered to that State or local authority or statutory body thereof in the discharge of functions of a governmental nature may be taxed in that State.

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 20 – STUDENTS AND TRAINEES

1. An individual, who immediately before visiting a Contracting State, 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 a Contracting State, 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 and charitable organisation or under a technical assistance programme entered into by 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 a Contracting State, 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 second-mentioned Contracting State or an enterprise thereof 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 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 purpose of this Article the term "Contracting State" shall include any local authority or statutory body of either of the Contracting States.

## **ARTICLE 21 – TEACHERS**

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State, and who, at the invitation of any university, college, school or other similar educational institution, which is recognised by the competent authority in that other Contracting State, visits that other Contracting State for a period not exceeding two years solely for the purpose of teaching or research or both at such educational institution shall be exempt from tax in that other Contracting State on his remuneration for such teaching or research.

## **ARTICLE 22 – INCOME NOT EXPRESSLY MENTIONED**

Items of income of a resident of a Contracting State which are not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in that State.

## **ARTICLE 23 – LIMITATION OF RELIEF**

1. Where this Convention provides (with or without other conditions) that income from sources in a Contracting State shall be exempt from tax, or taxed at a reduced rate, in that Contracting State and, under the laws in force in the other Contracting State, the said income is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State and not by reference to the full amount thereof, then the exemption or reduction of tax to be allowed under this Convention in the first-mentioned Contracting State shall apply only so much of the income as is remitted to or received in that other Contracting State.

2. However, this limitation does not apply to income derived by a Contracting State from sources in the other Contracting State. For the purposes of this Article, the term "Contracting State" shall include the statutory bodies referred to in paragraph 3 of Article 12.

## ARTICLE 24 – ELIMINATION OF DOUBLE TAXATION

1. Tax shall be determined in the case of a resident of Singapore as follows:
  - (a) Subject to the provisions of Singapore laws regarding credit for foreign tax, there shall be allowed as a credit against Singapore tax payable in respect of any item of income derived from France the French tax paid under the laws of France and in accordance with this Convention. The credit shall not, however, exceed that part of the Singapore tax, as computed before the credit is given, which is appropriate to such item of income.
  - (b) Where such income is a dividend paid by a company which is a resident of France to a company which is a resident of Singapore and which owns directly or indirectly at least 10 percent of the capital of the French company, the credit shall take into account (in addition to any French tax on dividends) the French corporation tax payable in respect of its profits by the company paying the dividends.
  
2. Tax shall be determined in the case of a resident of France as follows:
  - (a) Income other than those mentioned in sub-paragraph (b) of this paragraph derived from Singapore shall be exempt from French tax. France, however, retains the right to take into account in the determination of its rate of tax the items of income so excluded. In the case of income from dividends, the foregoing provisions of this sub-paragraph shall apply only to such dividends as are paid to a company being a resident of France by a company being a resident of Singapore if at least 10 per cent of the capital of the Singapore company is owned directly or indirectly by the French company.
  - (b) France shall allow credit against French tax for Singapore tax payable on income derived from Singapore in respect of -
    - (aa) dividends to which sub-paragraph (a) of this paragraph does not apply;
    - (bb) interest to which Article 12 applies;
    - (cc) royalties to which paragraph 3 of Article 13 applies;
    - (dd) directors' fees to which Article 16 applies; and
    - (ee) income to which Article 17 applies.

Provided that the credit so allowed shall not exceed that part of the French tax, as computed before the credit is allowed, which is appropriate to such items of income.
  - (c) For the purposes of credit referred to in sub-paragraph (b), the term "Singapore tax payable" shall be deemed to include -
    - (aa) 15 per cent of the gross amount of dividends paid out of income exempted from Singapore tax in accordance with the Economic Expansion Incentives (Relief from Income Tax) Act, (Chapter 135, 1970 Edition) of Singapore or any other provisions which may subsequently be enacted granting an exemption from or reduction of



tax which are agreed by the competent authorities to be of a substantially similar character.

- (bb) 10 per cent of the gross amount of interest where Singapore tax has been exempted under paragraph 4 of Article 12.
- (d) For the purposes of royalties to which paragraph 3 of Article 13 does not apply, France shall allow credit against French tax an amount equal to 10 per cent of the gross amount of the royalties which arise from sources within Singapore.

## **ARTICLE 25 – 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 are or may be subjected.
2. The term "national" means:
  - (a) in respect of Singapore all individuals possessing the citizenship of Singapore and all legal persons, partnerships, associations and other entities deriving their status as such from the law in force in Singapore;
  - (b) in respect of France all individuals possessing the nationality of France and all legal persons, partnerships, associations and other entities deriving their status as such from the law in force in France.
3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities.
4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned Contracting State are or may be subjected.
5. This Article shall not be construed as obliging a Contracting State to grant to nationals of the other Contracting State not resident in either of the Contracting States those personal allowances, reliefs and reductions for tax purposes which are by law available to nationals of the first-mentioned Contracting State.
6. In this Article the term "taxation" means taxes which are the subject of this Convention.

## **ARTICLE 26 – MUTUAL AGREEMENT PROCEDURE**

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States have resulted 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 the Convention.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties arising as to the 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.
5. The competent authorities of the Contracting States shall settle the mode of application of this Convention.

## **ARTICLE 27 – EXCHANGE OF INFORMATION**

1. 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.

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

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

## **ARTICLE 28 – DIPLOMATIC AND CONSULAR OFFICIALS**

1. Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

2. The Convention shall not apply to International Organisations, to organs or officials thereof and to persons who are members of a diplomatic or consular mission of a Third State, being present in a Contracting State and not treated in either Contracting State as residents in respect of taxes on income.

## **ARTICLE 29 – FRENCH OVERSEAS TERRITORIES**

1. This Convention may be extended, either in its entirety or with any necessary modifications by agreement between the Contracting States to the overseas territories of the French Republic which impose 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 an 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 31 shall terminate, in the manner provided for in that Article, the application of the Convention to any territory to which it has been extended under this Article.

### **ARTICLE 30 – ENTRY INTO FORCE**

This Convention shall be approved by both Contracting States in accordance with their respective laws and shall enter into force on the day of exchange of notes indicating such approval. This Convention shall have effect -

(a) in Singapore:

as respects Singapore tax for years of assessment beginning on or after the first day of January, 1972;

(b) in France:

as respects French tax for assessment years which correspond to years of income beginning on or after the first day of January, 1971.

## **ARTICLE 31 – TERMINATION**

This Convention shall continue in effect indefinitely, but either of the Contracting States may, on or before 30th June in any calendar year, give to the other Contracting State written notice of termination and, in such event, this Convention shall cease to be effective -

(a) in Singapore:

as respects Singapore tax for the years of assessment beginning on or after the first day of January of the calendar year next following that in which such notice is given;

(b) in France:

as respects French tax for assessment years beginning on or after the first day of January of the calendar year following that in which such notice is given.

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

DONE in duplicate at Paris this 9th day of September of the year one thousand nine hundred and seventy-four in the English and French languages, both texts being equally authoritative.

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

**ABDUL AZIZ BIN MAHMOOD**

***For the Government of  
the French Republic:***

**GILBERT DE CHAMBRUN**



# ANNEX C

## PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE FRENCH REPUBLIC 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 French Republic,

Desiring to amend the Convention between the Government of the Republic of Singapore and Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed in Paris on 9<sup>th</sup> September 1974 (hereinafter referred to as "the Convention " ),

Have agreed as follows:

### ARTICLE 1

Article 27 of the Convention shall be deleted and replaced by the following:

### "ARTICLE 27 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 Convention 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 local authorities, insofar as the taxation thereunder is not contrary to the Convention. 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 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 2**

1. Each of the Contracting States shall notify to the other Contracting State the completion of the procedures required by its law for the bringing into force of this Protocol. The Protocol shall enter into force on the first day of the month following the date of receipt of the later of these notifications.

2. The provisions of this Protocol shall have effect:

a) As regards taxes imposed on behalf of France or its local authorities:

- i) in respect of taxes withheld at source, for amounts of income taxable on or after 1 January 2009;
- ii) in respect of other taxes charged on income, for income relating to any calendar year or accounting period, as the case may be, beginning on or after 1 January 2009;
- iii) in respect of any other taxes, for events giving rise to taxation that occur on or after 1 January 2009;

b) As regards taxes imposed on behalf of Singapore:

- i) in respect of tax chargeable on income for any year of assessment beginning on or after January 2010;
- ii) in respect of any other taxes due on or after 1 January 2010.

3. This Protocol shall remain in effect as long as the Convention remains effective.

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

DONE in duplicate in Singapore on 13<sup>th</sup> day of November 2009, in the English and French languages, both texts being equally authentic.

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

**For the Government of  
the French Republic:**