

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

Date of Conclusion: 19 February 1971  
Entry into Force: 3 September 1971  
Effective Date: 1 January 1968

NOTE

Singapore and Netherlands 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 Netherlands ratified the MLI on 21 December 2018 and 29 March 2019 respectively.

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

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

NOTE

A Protocol which was signed on 25 August 2009 entered into force on 1 May 2010 and its provisions shall take effect from 1 May 2010.

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

NOTE

A Protocol signed on 28 February 1994 entered into force on 9 December 1994. It is effective as of 1 January 1994 unless otherwise indicated.

The Protocol signed on 28 February 1994 is incorporated into the main text of the treaty. New articles introduced by the Protocol are marked with a hex (#) and those amended articles are marked with an asterisk (\*).

The original text of those articles amended by the Protocol signed on 28 February 1994 is shown in Annex C.

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

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

Have agreed as follows:

## ARTICLE 1 – TAXES COVERED

1. This Convention shall apply to taxes on income and on capital imposed on behalf of each of the States irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, as well as taxes on capital appreciation.
3. The existing taxes to which this Convention shall apply are, in particular -
  - (a) in the case of the Netherlands:
    - the income tax (de inkomstenbelasting),
    - the wages tax (de loonbelasting),
    - the company tax (de vennootschapsbelasting),
    - the dividend tax (de dividendbelasting),
    - the tax on fees of directors of companies (de commissarissenbelasting),
    - the capital tax (de vermogensbelasting),(hereinafter referred to as "Netherlands tax");
  - (b) in the case of Singapore:
    - the income tax,(hereinafter referred to as "Singapore tax").
4. 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.

## ARTICLE 2 – GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires -
  - (a) the term "State" means the Netherlands or Singapore, as the context requires;
  - (b) the term "States" means the Netherlands and Singapore;
  - (c) the term "the Netherlands" comprises the part of the Kingdom of the Netherlands that is situated in Europe and the part of the seabed and its subsoil under the North Sea, over which the Kingdom of the Netherlands has sovereign rights in accordance with international law;
  - (d) the term "Singapore" means the Republic of Singapore;
  - (e) the term "tax" means Netherlands tax or Singapore tax, as the context requires;
  - (f) the term "person" includes an individual, a company and any other body of persons;
  - (g) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
  - (h) the terms "enterprise of one of the States" and "enterprise of the other State" mean respectively an enterprise carried on by a resident of one of the States and an enterprise carried on by a resident of the other State;
  - (i) the term "competent authority" means -
    - (i) in the Netherlands the Minister of Finance or his authorised representative;
    - (ii) in Singapore the Minister for Finance or his authorised representative.
2. As regards the application of this Convention by either of the States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that State relating to the taxes which are the subject of this Convention.

### **ARTICLE 3 – FISCAL DOMICILE**

1. For the purposes of this Convention, the term "resident of one of the States" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of management and control or any other criterion of a similar nature.
2. For the purposes of this Convention an individual, who is a member of a diplomatic or consular mission of one of the States in the other State or in a third State and who is a national of the sending State, shall be deemed to be a resident of the sending State if he is submitted therein to the same obligations in respect of taxes on income and on capital as are residents of that State.
3. Where by reason of the provisions of paragraph 1 an individual is a resident of both States, then this case shall be determined in accordance with the following rules -
  - (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him. If he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer;
  - (b) if the State with which his personal and economic relations are closer cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
  - (c) if he has an habitual abode in both States or in neither of them, the competent authorities of the States shall settle the question by mutual agreement.
4. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both States, then it shall be deemed to be a resident of the State in which it is managed and controlled.

## ARTICLE 4 – 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 of 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. A person acting in one of the States on behalf of an enterprise of the other State (other than an agent of an independent status to whom paragraph 6 applies) shall be deemed to be a permanent establishment in the first-mentioned State if -
  - (a) he has, and habitually exercises in the first-mentioned 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 first-mentioned State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders on behalf of the enterprise.

5. An enterprise of one of the States shall be deemed to have a permanent establishment in the other State if it carries on supervisory activities in that other State for more than six months in connection with a construction, installation or assembly project which is being undertaken in that other State.

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

7. The fact that a company which is a resident of one of the States controls or is controlled by a company which is a resident of the other 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 5 – LIMITATION OF RELIEF**

Where under any provision of this Convention income is relieved from tax in one of the States and under the law in force in the other State, a person, in respect of the said income, is subject to tax by reference to the amount thereof which is remitted to or received in that other State and not by reference to the full amount thereof, then the relief to be allowed under this Convention in the first-mentioned State shall apply only to so much of the income as is remitted to or received in the other State.



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

1. Income from immovable property may be taxed in the State in which such property is situated.
2. The term "immovable property" shall be defined in accordance with the law of the 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, mineral deposits or other places of extraction of natural resources. Ships, boats and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional services.

## **ARTICLE 7 – BUSINESS PROFITS**

1. The profits of an enterprise of one of the States shall be taxable only in that State unless the enterprise carries on business in the other 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 one of the States carries on business in the other State through a permanent establishment situated therein, there shall in each State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.
3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses of the enterprise (other than expenses which would not be deductible if the permanent establishment were a separate enterprise) which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.
4. No profits shall be attributed to a permanent establishment by reason of the mere purchase (including transportation) by that permanent establishment of goods or merchandise for the enterprise.
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 State in which the place of management and control of the enterprise is situated.
2. If the place of management and control of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the State of which the operator of the ship is a resident.
3. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

## **ARTICLE 9 – ASSOCIATED ENTERPRISES**

Where -

- (a) an enterprise of one of the States participates directly or indirectly in the management, control or capital of an enterprise of the other State, or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the States and an enterprise of the other 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 one of the States to a resident of the other State may be taxed in that other State.

2. However, dividends paid by a company which is a resident of the Netherlands to a resident of Singapore may be taxed in the Netherlands, and according to Netherlands law, but the tax so charged shall not exceed 15 per cent of the gross amount of the dividends. Where, however, the recipient of the dividends is a company the capital of which is wholly or partly divided into shares and which holds directly or indirectly at least 25 per cent of the capital of the company paying the dividends, the Netherlands shall not levy a tax on the dividends.

3. Dividends paid by a company which is a resident of Singapore to a resident of the Netherlands shall be exempt from any tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits of the company.

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

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

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

6. The provisions of paragraphs 1, 2 and 3 shall not apply if the recipient of the dividends, being a resident of one of the States, has in the other State, of which the company paying the dividends is a resident, a permanent establishment with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the provisions of Article 7 shall apply.

7. Where a company which is a resident of one of the States derives profits or income from the other State, that other State may not impose any tax on the dividends paid by the company to persons who are not residents of that other State, or subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

8. If the system of taxation applicable in either of the States to the profits and distributions of companies is substantially altered the competent authorities may consult each other in order to determine whether it is necessary for this reason to amend the provisions of paragraphs 1, 2 and 3 of this Article.

## **ARTICLE 11 – INTEREST**

1. Interest arising in one of the States and paid to a resident of the other State may be taxed in that other State.
2. However, such interest may be taxed in the State in which it arises, and according to the law of that State, but the tax so charged shall not exceed 10 per cent of the amount of the interest.
3. Notwithstanding the provisions of paragraph 2 the State in which the interest arises shall not levy a tax on interest paid to the Government of the other State. For the purposes of this paragraph the term "Government" shall include in the case of Singapore the Board of Commissioners of Currency.
4. The term "interest" as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income assimilated to income from money lent by the taxation law of the State in which the income arises.
5. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the interest, being a resident of one of the States, has in the other State in which the interest arises a permanent establishment with which the debt-claim from which the interest arises is effectively connected. In such a case, the provisions of Article 7 shall apply.
6. Interest shall be deemed to arise in one of the States when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of one of the States or not, has in one of the States 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 State in which the permanent establishment is situated.
7. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the interest paid, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each State, due regard being had to the other provisions of this Convention.

## **ARTICLE 12 – ROYALTIES**

1. Subject to the provisions of paragraph 6, royalties arising in one of the States and paid to a resident of the other State shall be taxable only in that other State.
2. Subject to the provisions of paragraph 6, sums from the alienation of any right or property giving rise to royalties shall be taxable only in the State of which the alienator is a resident.
3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of scientific work, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the royalties or sums being a resident of one of the States, has in the other State in which the royalties or sums arise a permanent establishment with which the right or property giving rise to the said income is effectively connected. In such a case, the provisions of Article 7 shall apply.
5. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties 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 the preceding paragraphs of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each State, due regard being had to the other provisions of this Convention.
6. This Convention shall not apply to payments of any kind received as a consideration for the use of, or for the right to use, any copyright of literary or artistic work, including motion picture films and tapes for television or broadcasting, or to sums from the alienation of any right or property giving rise to such payments.

## **ARTICLE 13 – LIMITATION OF ARTICLES 10, 11 AND 12**

International organisations, organs and officials thereof and members of a diplomatic or consular mission of a third State, being present in one of the States, are not entitled, in the other State, to the reductions or exemptions from tax provided for in Articles 10, 11 and 12 in respect of the items of income dealt with in these Articles and arising in that other State, if such items of income are not subject to a tax on income in the first-mentioned State.



## **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 State in which such property is situated.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of one of the States has in the other 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.
3. Notwithstanding the provisions of paragraph 2, 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 State of which the person carrying on the enterprise is a resident.
4. Gains from the alienation of any property other than those mentioned in paragraphs 1, 2 and 3, shall be taxable only in the State of which the alienator is a resident.
5. Notwithstanding the provisions of paragraph 4, where a person owns 25 per cent or more of the share capital of a company dealing wholly or mainly with immovable property, the gains from the alienation of some or all of such shares may be taxed in the State where such immovable property is situated.
6. Unless otherwise provided in paragraph 5, the provisions of paragraph 4 shall not affect the right of each of the States to levy according to its own law a tax on gains from the alienation of shares or "jouissance" rights in a company the capital of which is wholly or partly divided into shares and which is a resident of that State, derived by an individual who is a resident of the other State and has been a resident of the first-mentioned State in the course of the last five years preceding the alienation of the shares or "jouissance" rights.

## **ARTICLE 15 – PERSONAL SERVICES**

1. Subject to the provisions of Articles 16, 18, 19 and 20, salaries, wages and other similar remuneration in respect of an employment as well as income in respect of professional services or other independent activities of a similar character, derived by a resident of one of the States, shall be taxable only in that State, unless the employment, services or activities are exercised or performed in the other State. If the employment, services or activities are so exercised or performed, such remuneration or income as is derived therefrom may be taxed in that other State.

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

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

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

## **ARTICLE 16 – DIRECTORS' FEES**

1. Directors' fees and similar payments derived by a resident of the Netherlands in his capacity as a member of the board of directors of a company which is a resident of Singapore may be taxed in Singapore.
2. Remuneration and other payments derived by a resident of Singapore in his capacity as a "bestuurder" or a "commissaris" of a company which is a resident of the Netherlands may be taxed in the Netherlands.

## **ARTICLE 17 – ARTISTES AND ATHLETES**

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 activities as such may be taxed in the State in which these activities are exercised. This also applies, notwithstanding the provisions of Article 7, if such income accrues to a person having engaged the public entertainers or athletes.

2. The provisions of paragraph 1 shall not apply, if the visit of the public entertainers or athletes to one of the States is substantially supported from the public funds of the other State or a political subdivision or a local authority thereof.

## **ARTICLE 18 – PENSIONS**

1. Subject to the provisions of Article 19, pensions and other similar remuneration paid in consideration of past employment to a resident of one of the States as well as any annuity paid to such a resident, shall be taxable only in that State.
2. The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth.
3. The term "pension" means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

## **ARTICLE 19 – GOVERNMENTAL FUNCTIONS**

1. Remuneration, including pensions, paid by, or out of funds created by, one of the States or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or local authority thereof in the discharge of functions of a governmental nature may be taxed in that State.

2. However, the provisions of Articles 15, 16 and 18 shall apply to remuneration or pensions in respect of services rendered in connection with any trade or business carried on by one of the States or a political subdivision or a local authority thereof.

3. Paragraph 1 shall not apply in so far as services are rendered to a State in the other State by a resident of that other State who is not a citizen or national of the first-mentioned State.

## ARTICLE 20 – STUDENTS

1. An individual who immediately before visiting one of the States is a resident of the other State and is temporarily present in the first-mentioned State for the primary purpose of -

- (a) studying at a recognised university, college or school in that first-mentioned State; or
- (b) securing training as a business apprentice,

shall be exempt from tax in the first-mentioned State in respect of -

- (i) all remittances from abroad for the purpose of his maintenance, education or training; and
- (ii) any remuneration for personal services performed in the first-mentioned State in an amount not in excess of 3,000 Singapore dollars or 3,600 guilders, as the case may be, for any taxable year.

The benefits under this paragraph shall only extend for such period of time as may be reasonable or customarily required to effectuate the purpose of the visit.

2. An individual who immediately before visiting one of the States is a resident of the other State and is temporarily present in the first-mentioned 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 States, a political subdivision or a local authority thereof shall be exempt from tax in the first-mentioned State on -

- (a) the amount of such grant, allowance or award; and
- (b) any remuneration for personal services performed in the first-mentioned State provided such services are in connection with his study, research or training or are incidental thereto, in an amount not in excess of 3,000 Singapore dollars or 3,600 guilders, as the case may be, for any taxable year.

3. An individual who immediately before visiting one of the States is a resident of the other State and is temporarily present in the first-mentioned State for a period not exceeding twelve months as an employee of, or under contract with, the last-mentioned State, a political subdivision or a local authority thereof, or an enterprise of the last-mentioned State, for the purpose of acquiring technical, professional or business experience from a person other than a company 50 per cent or more of the voting stock of which is owned by the sending State, political subdivision, local authority or enterprise, shall be exempt from tax in the first-mentioned State on -

- (a) all remittances from the last-mentioned State for the purpose of his maintenance, education or training; and
- (b) any remuneration for personal services performed in the first-mentioned State, provided such services are in connection with his study or training or are incidental thereto, in an amount not in excess of 12,500 Singapore dollars or 15,000 guilders, as the case may be.

## **ARTICLE 21 – INCOME NOT EXPRESSLY MENTIONED**

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



## **ARTICLE 22 – CAPITAL**

1. Capital represented by immovable property, as defined in paragraph 2 of Article 6, may be taxed in the State in which such property is situated.
2. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise may be taxed in the State in which the permanent establishment is situated.
3. 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 State of which the person carrying on the enterprise is a resident.
4. All other elements of capital of a resident of one of the States shall be taxable only in that State.

## **ARTICLE 23 – PERSONAL ALLOWANCES**

1. Individuals who are residents of the Netherlands shall be entitled to the same personal allowances, reliefs and reductions for the purposes of Singapore tax as Singapore citizens not resident in Singapore.
2. Individuals who are residents of Singapore shall be entitled to the same personal allowances, reliefs and reductions for the purposes of Netherlands tax as Netherlands nationals resident in Singapore.

## ARTICLE 24 – ELIMINATION OF DOUBLE TAXATION

1. The Netherlands, when imposing tax on its residents, may include in the basis upon which such taxes are imposed the items of income or capital, which according to the provisions of this Convention may be taxed in Singapore.

2. Without prejudice to the application of the provisions concerning the compensation of losses in the unilateral regulations for the avoidance of double taxation the Netherlands shall allow a deduction from the amount of tax computed in conformity with paragraph 1 of this Article equal to such part of that tax which bears the same proportion to the aforesaid tax, as the part of the income or capital which is included in the basis mentioned in paragraph 1 of this Article and may be taxed in Singapore according to Articles 6, 7, 10 (paragraph 6), 11 (paragraph 5), 12 (paragraph 4), 14 (paragraphs 1, 2 and 5), 15 (paragraph 1), 16 (paragraph 1), 17, 19 (paragraph 1) and 22 (paragraphs 1 and 2) of this Convention bears to the total income or capital which forms the basis mentioned in paragraph 1 of this Article.

3.\* Furthermore, the Netherlands shall allow a deduction from Netherlands tax computed in accordance with the preceding paragraphs of this Article with respect to the items of income which according to Articles 11 (paragraph 2) and 14 (paragraph 6) of this Convention may be taxed in Singapore and are included in the basis mentioned in paragraph 1 of this Article. The amount of this deduction shall be equal to the tax paid in Singapore on these items of income, but shall not exceed the amount of the Netherlands tax which bears the same relation to the amount of tax computed in conformity with paragraph 1 of this Article, as the amount of the items of income mentioned in this paragraph bears to the amount of income which forms the basis mentioned in paragraph 1. **[This paragraph is effective as of 1 January 2000.]**

4. Subject to the provisions of the laws of Singapore regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore (which shall not affect the general principle hereof) -

- (a) Netherlands tax payable under the laws of the Netherlands and in accordance with this Convention, whether directly or by deduction in respect of income from sources within the Netherlands, shall be allowed as a credit against Singapore tax payable in respect of that income.
- (b) In the case of a dividend paid by a company which is a resident of the Netherlands to a company which is a resident of Singapore and which owns directly or indirectly at least 25 per cent of the share capital in the first-mentioned company the credit shall take into account (in addition to any Netherlands tax on dividends) the Netherlands company tax payable in respect of its profits by the company paying the dividends.

5. For the purposes of paragraph 4 of this Article, income and gains derived by a resident of Singapore which may be taxed in the Netherlands in accordance with this Convention shall be deemed to arise from sources in the Netherlands.

## **ARTICLE 25 – NON-DISCRIMINATION**

1. The citizens or nationals of one of the States shall not be subjected in the other State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which citizens or nationals of that other State in the same circumstances are or may be subjected.

2. The term "citizens or nationals" means -

- (a) in the case 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; and
- (b) in the case of the Netherlands, all individuals possessing the nationality of the Netherlands and all legal persons, partnerships and associations deriving their status as such from the law in force in the Netherlands.

3. The taxation on a permanent establishment which an enterprise of one of the States has in the other State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

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

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

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

1. Where a resident of one of the States considers that the actions of one or both of the States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the 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 State, with a view to the avoidance of taxation not in accordance with this Convention.
3. The competent authorities of the States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Convention. They may also consult together for the elimination of double taxation in cases not provided for in this Convention.
4. The competent authorities of the States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

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

1. The competent authorities of the States shall exchange such information (being information which is at their disposal under their respective laws in the normal course of administration) as is necessary for carrying out the provisions of this Convention, in particular for the prevention of fraud, or underpayment of tax by reasons other than fraud, or for the administration of statutory provisions against legal avoidance concerning taxes covered by this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those, including a court, concerned with the assessment or collection of, or the determination of appeals in relation to, the taxes which are the subject of this Convention.

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

- (a) to carry out administrative measures at variance with the laws or the administrative practice of that or of the other 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 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 – TERRITORIAL EXTENSION**

1. This Convention may be extended, either in its entirety or with any necessary modifications, to either or both of the countries of Surinam or the Netherlands Antilles, if the country concerned imposes taxes substantially similar in character to those to which this 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 in notes to be exchanged through diplomatic channels.

2. Unless otherwise agreed the termination of this Convention under Article 30 shall not also terminate the application of this Convention to any country to which it has been extended under this Article.

## **ARTICLE 29 – ENTRY INTO FORCE**

This Convention shall come into force on the date on which the respective Governments have notified each other in writing that in their respective States the last of all such things have been done as are necessary to give this Convention the force of law, and shall thereupon have effect -

- (a) in the case of the Netherlands:  
for taxable years and periods beginning on or after the first day of January 1968;
- (b) in the case of Singapore:  
for years of assessment beginning or after the first day of January 1969.



## ARTICLE 30 – TERMINATION

This Convention shall continue in force indefinitely but either State may, on or before the 30th day of June in any calendar year not earlier than the year 1973, give to the other State, through diplomatic channels, written notice of termination and, in such event, this Convention shall cease to be effective -

(a) in the case of the Netherlands:

for taxable years and periods beginning after the end of the calendar year in which the notice is given;

(b) in the case of Singapore:

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

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

DONE in duplicate this 19th day of February, 1971, at Singapore, in the English and Netherlands languages, both texts being equally authentic.

*For the Government of the  
Republic of Singapore:*

HON SUI SEN

*For the Government of the  
Kingdom of the Netherlands:*

R.C. PEKELHARING

## **PROTOCOL (1971)**

At the moment of signing the Convention for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income and on capital, this day concluded between the Government of the Kingdom of the Netherlands and the Government of the Republic of Singapore, the undersigned, duly authorised thereto, have agreed that the following provisions shall form an integral part of the Convention.

I\* [deleted]

### **II. AD ARTICLES 10 AND 11**

Applications for the restitution of tax levied contrary to the provisions of Articles 10 and 11 have to be lodged with the authority concerned of the State having levied the tax within a period of three years after the expiration of the calendar year in which the tax has been levied.

### **III. AD ARTICLE 19**

The income mentioned in paragraph 1 of Article 19 which is paid by the Netherlands or a political subdivision or a local authority thereof, shall be exempt from Singapore tax unless the recipient is a citizen of Singapore who is not also a national of the Netherlands.

### **IV. AD ARTICLE 24\***

It is understood that, insofar as the Netherlands income tax or company tax is concerned, the basis meant in the first paragraph of Article 24 is the "onzuivere inkomen" or "winst" in terms of the Netherlands income tax law or company tax law, respectively.

### **V. AD ARTICLE 27**

The obligation to exchange information does not include information obtained from banks or from institutions assimilated therewith. The term "institutions assimilated therewith" includes insurance companies.

DONE in duplicate this 19th day of February, 1971, at Singapore, in the English and Netherlands languages, both texts being equally authentic.

*For the Government of the  
Republic of Singapore:*

HON SUI SEN

*For the Government of the  
Kingdom of the Netherlands:*

R.C. PEKELHARING

# 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:

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

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 9

Article 9 (Associated Enterprises) of this Convention is amended —

- (a) by numbering the existing provision as paragraph 1; and
- (b) by inserting, immediately after paragraph 1, 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.”.

### 3. Amendment of Article 26

- (a) In paragraph 1 of Article 26 (Mutual Agreement Procedure), the words “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.” are inserted immediately after the words “of which he is a resident.”; and

- (b) In paragraph 2 of Article 26 (Mutual Agreement Procedure), the words “Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.” immediately after the words “not in accordance with this Convention.”.

4. New Articles 26A to 26G (arbitration provisions)

The following articles shall be inserted immediately after Article 26 (Mutual Agreement Procedure). However, the articles shall not apply to this agreement if Netherlands raises an objection under Article 28(2)(b) of the MLI to the reservations that had been made by Singapore under Article 28(2)(a) of the MLI by 20 December 2019.

**“ARTICLE 26A – MANDATORY BINDING ARBITRATION**

1. Where:

- (a) under Article 26 (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 26 (Mutual Agreement Procedure) within a period of two years beginning on the start date referred to in paragraph 8 or 9, as the case may be (unless, prior to the expiration of that period the competent authorities of the Contracting States have agreed to a different time period with respect to that case and have notified the person who presented the case of such agreement),

any unresolved issues arising from the case shall, if the person so requests in writing, be submitted to arbitration in the manner described in this Article and Articles 26B to 26G, 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 26C (Confidentiality of Arbitration Proceedings) and 26F (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 26 (Mutual Agreement Procedure)) settle the mode of application of the provisions contained in this Article and Articles 26B to 26G, 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 26B to 26G shall not apply to any case involving the application of Singapore's general anti-avoidance rules contained in section 33 of the Act, case law or juridical doctrines, and any subsequent provisions (as notified by Singapore to the Depository of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting done at Paris on 24 November 2016 (as amended from time to time)) that replace, amend or update these anti-avoidance rules.
13. This Article and Articles 26B to 26G —
  - (a) shall have effect with respect to cases presented to the competent authority of a Contracting State under Article 26 (Mutual Agreement Procedure) on or after 1 July 2019; and
  - (b) shall apply to a case presented to the competent authority of a Contracting State under Article 26 prior to 1 July 2019 only to the extent that the competent authorities of both Contracting States agree that it will apply to that specific case.

#### **ARTICLE 26B – 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 26A to 26G.
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 26A (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 26C – CONFIDENTIALITY OF ARBITRATION PROCEEDINGS**

1. Solely for the purposes of the application of Articles 26A to 26G and 27 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 27 (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 27 (Exchange of Information) and under the applicable laws of the Contracting States.

#### **ARTICLE 26D – RESOLUTION OF A CASE PRIOR TO THE CONCLUSION OF THE ARBITRATION**

For the purposes of Articles 26 and 26A to 26G, 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 26E – 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 26A to 26G:
  - (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 26, as well as the arbitration proceeding under Articles 26A to 26G, 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 26F – COSTS OF ARBITRATION PROCEEDINGS**

In an arbitration proceeding under Articles 26A to 26G, 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 26G – 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 26A to 26F 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 26A to 26F 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.”.

### 5. New Article 27A

The following new Article 27A is inserted immediately after Article 27 (Exchange of Information):

#### **“ARTICLE 27A – PREVENTION OF TREATY ABUSE**

1. 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 the relevant provisions of this Convention.
2. Where a benefit under this Convention is denied to a person under provisions of this Convention that deny all or part of the benefits that would otherwise be provided under this Convention where the principal purpose or one of the principal purposes of any arrangement or transaction, or of any person concerned with an arrangement or transaction, was to obtain those benefits, the competent authority of the Contracting State that would otherwise have granted this benefit shall nevertheless treat that person as being entitled to this benefit, or to different benefits with respect to a specific item of income or capital, if such competent authority, upon request from that person and after consideration of the relevant facts and circumstances, determines that such benefits would have been granted to that person in the absence of the transaction or arrangement. The competent authority of the Contracting State to which a request has been made under this paragraph by a resident of the other Contracting State shall consult with the competent authority of that other Contracting State before rejecting the request.”.

### 6. Entry into effect

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

- (a) for paragraph 3 of this Annex, on the amendment of Article 26 (Mutual Agreement Procedure), for a case presented on or after 1 July 2019, without regard to the basis period to which the case relates. However, paragraph 3 of

this Annex shall not apply to a case that was not eligible to be presented immediately before 1 July 2019;

- (b) for paragraph 4 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 July 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 January 2020.

# **ANNEX B**

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

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

DESIRING to conclude a Protocol to amend the Convention between the Government of the Republic of Singapore and the Government of the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, with Protocol, signed at Singapore on 19 February 1971, as amended by the Protocol signed at Singapore on 28 February 1994 (hereinafter referred to as “the Convention”),

Have agreed as follows:

## **Article 1**

Article 27 shall be deleted and replaced by:

“Article 27 – Exchange of information

1. The competent authorities of the 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 States, or of their political subdivisions or 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 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 State the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other 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 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 State in accordance with this Article, the other 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 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 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**

Article V (Ad Article 27) of the Protocol to the Convention, signed at Singapore on 19 February 1971, shall be deleted.

### **Article 3**

Each of the States shall notify to the other the completion of the procedures required by its law for the bringing into force of this Protocol. This Protocol shall enter into force on the first day of the second month after the date of the latter of these notifications and its provisions shall have effect from the date of entry into force.

### **Article 4**

This Protocol, which shall form an integral part of the Convention, shall remain in force as long as the Convention remains in force and shall apply as long as the Convention itself is applicable.

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

DONE in duplicate at The Hague on this 25<sup>th</sup> day of August 2009, in the English and the Netherlands languages, both texts being equally authentic.

For the Government of the  
Republic of Singapore

For the Government of the  
Kingdom of the Netherlands

Tharman SHANMUGARATNAM  
Minister for Finance

Jan Kees DE JAGER  
State Secretary for Finance

The Hague, 25 August 2009

H.E. Mr Tharman Shanmugaratnam  
Minister for Finance  
Republic of Singapore

Excellency,

I have the honour to refer to the Convention between the Government of the Kingdom of the Netherlands and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, with Protocol, signed at Singapore on 19 February 1971, as amended by the Protocol signed at Singapore on 28 February 1994 and the Protocol signed today (hereinafter referred to as "the Convention") and to propose on behalf of the Government of the Kingdom of the Netherlands the following understanding:

Upon the entry into force of the Protocol signed today, it is understood that the provisions of Article 27 (Exchange of Information) of the Convention shall have effect without regard to the taxable period to which the matter relates.

I have the further honour to propose that this Note and your Excellency's reply confirming on behalf of your Government the foregoing understanding shall constitute an agreement between the two Governments and which shall come into effect on the date of entry into force of the Protocol signed today.

Accept, Your Excellency, the expression of my highest consideration.

Jan Kees de Jager  
State Secretary of Finance of The Netherlands

The Hague, 25 August 2009

H.E. Mr Jan Kees de Jager  
State Secretary of Finance  
The Kingdom of the Netherlands

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of the 25<sup>th</sup> of August 2009, which reads as follows:

"I have the honour to refer to the Convention between the Government of the Kingdom of the Netherlands and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, with Protocol, signed at Singapore on 19 February 1971, as amended by the Protocol signed at Singapore on 28 February 1994 and the Protocol signed today (hereinafter referred to as "the Convention") and to propose on behalf of the Government of the Kingdom of the Netherlands the following understanding:

Upon the entry into force of the Protocol signed today, it is understood that the provisions of Article 27 (Exchange of Information) of the Convention shall have effect without regard to the taxable period to which the matter relates.

I have the further honour to propose that this Note and your Excellency's reply confirming on behalf of your Government the foregoing understanding shall constitute an agreement between the two Governments and which shall come into effect on the date of entry into force of the Protocol signed today.

Accept, Your Excellency, the expression of my highest consideration."

I have the honour to inform you that the Government of the Republic of Singapore confirms the above mentioned understanding and that Your Excellency's Note and this Note in reply shall be regarded as constituting an agreement between the two Governments, which shall come into effect on the date of entry into force of the Protocol signed today.

Accept, Your Excellency, the expression of my highest consideration.

Tharman Shanmugaratnam  
Minister for Finance of the Republic of Singapore



# ANNEX C

## ARTICLE 8 - SHIPPING AND AIR TRANSPORT

1. Notwithstanding the provisions of paragraphs 1 to 4 of Article 7, profits of an enterprise of one of the States from the operation of ships or aircraft in international traffic may be taxed in the other State, but only in so far as such profits are derived from that other State.

However, the rate of the tax chargeable under the law of that other State on such profits shall be reduced by 50 per cent thereof.

2. For the purposes of this Article -

- (a) profits derived from the other State mean profits from the carriage of passengers, mails, livestock or goods shipped, or loaded into an aircraft in that State (excluding the profits accruing from passengers, mails, livestock or goods which are brought to that other State solely for transshipment, or for transfer from one aircraft to another or from an aircraft to a ship or from a ship to an aircraft);
- (b) the amount of the profits so derived shall not exceed 5 per cent of the sums receivable in respect of the carriage of passengers, mails, livestock or goods shipped, or loaded into an aircraft in that State.

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

## ARTICLE 24 - ELIMINATION OF DOUBLE TAXATION

3. Further the Netherlands shall allow deductions from the tax computed in accordance with the preceding paragraphs of this Article with respect to -

- (a) the items of income which may be taxed in Singapore according to Articles 8, 11 (paragraph 2) and 14 (paragraph 6) and are included in the basis mentioned in paragraph 1 of this Article; and
- (b) royalties as defined in Article 12 (paragraph 3) and which arise in Singapore.

4. Subject to the provisions of paragraph 5 of this Article, the amount of the deductions mentioned in paragraph 3 shall be -

- (a) with respect to the items of income which may be taxed in Singapore according to Articles 8 and 14 (paragraph 6) an amount equal to the Singapore tax thereon;

- (b) with respect to interest arising in Singapore an amount equal to the amount of tax which Singapore actually has levied thereon increased by twice the difference between this amount and 10 per cent of the amount of the interest;
- (c) with respect to royalties arising in Singapore an amount equal to 20 percent of the amount of the royalties.

However, the deductions mentioned in subparagraphs (b) and (c) shall not exceed 50 per cent of the amount of the tax on the interest or the royalties, respectively, which Singapore would have levied according to its laws in the absence of this Convention and in the absence of the specific measures provided for in Parts V and VI of the Economic Expansion Incentives (Relief from Income Tax) Act, 1967, or any other provision which may subsequently be made granting relief which is agreed by the competent authorities to be of a substantially similar character.

5. The amount of the deductions mentioned in paragraph 3 of this Article shall not exceed the amount of the Netherlands tax which bears the same proportion to the amount of tax computed in conformity with paragraph 1 of this Article, as the amount of the items of income mentioned in paragraph 3 bears to the amount of income which forms the basis mentioned in paragraph 1.

#### **I. AD ARTICLE 8**

Singapore shall continue to determine the profits, derived from it by a Netherlands enterprise, on the basis of a certificate issued by the Netherlands tax authority of the place of residence of that enterprise, as provided for in sections 27 and 28 of the Singapore Income Tax Ordinance as in force on the date of signature of the Convention.

#### **IV. AD ARTICLE 24**

1. Within 10 years after the entry into force of the Convention the competent authorities shall consult each other in order to determine whether it is opportune to amend the provisions of paragraphs 3 and 4 of article 24 of the Convention.