

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

Date of Conclusion: 2 March 1994.

Entry into Force: 9 September 1994.

Effective Date: 1 January 1993.

NOTE

Singapore and Vietnam 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 and 9 February 2022 respectively. Singapore and Vietnam ratified the MLI on 21 December 2018 and 23 May 2023 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 – Vietnam) (Avoidance of Double Taxation Agreement) (Modifications to Implement Multilateral Instrument) Order 2023, which has entered into force on 1 September 2023, implements the applicable provisions of the MLI to the articles of this Agreement. For informational purposes, details of the amendments to this Agreement are shown in Annex A.

NOTE

The 2nd protocol signed on 12 September 2012 has entered into force on 11 January 2013. It is effective as of 1 January 2014 unless otherwise indicated.

The text of the 2nd protocol signed on 12 September 2012 is shown in Annex B.

The Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam,

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

Have agreed as follows:

ARTICLE 1 - PERSONAL SCOPE

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

ARTICLE 2 - TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property.

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

(a) in Vietnam:

- (i) the personal income tax;
- (ii) the profit tax;
- (iii) the profit remittance tax;
- (iv) the foreign petroleum sub-contractor tax; and
- (v) the foreign contractor tax

(hereinafter referred to as "Vietnamese tax");

(b) in Singapore:

the income tax

(hereinafter referred to as "Singapore tax").

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

ARTICLE 3 - GENERAL DEFINITIONS

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

- (a) the term "Vietnam" means the Socialist Republic of Vietnam;
- (b) the term "Singapore" means the Republic of Singapore;
- (c) the terms "a Contracting State" and "the other Contracting State" mean Vietnam or Singapore as the context requires;

- (d) the term "person" includes an individual, a company, a body of persons or any other entity which is treated as a person for tax purposes;
- (e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- (g) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership and association deriving its status as such from the laws in force in a Contracting State;
- (h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in other Contracting State;
- (i) the term "competent authority" means:
 - (i) in the case of Vietnam, the Minister of Finance or his authorised representative; and
 - (ii) in the case of Singapore, the Minister for Finance or his authorised representative;
- (j) the term "tax" means Vietnamese tax or Singapore tax as the context requires; and
- (k) the term "fixed base" means a permanent place for the purpose of performing professional services or other activities of an independent nature.

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

ARTICLE 4 - RESIDENT

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature.

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

- (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him;

- (b) 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 (centre of vital interests);
- (c) if the State in which he has his centre of vital interests cannot be determined, or if he has no 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;
- (d) if the status of resident cannot be determined according to subparagraphs (a) to (c), 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 State in which its place of effective management is situated. If its place of effective management cannot be determined, the competent authorities of the Contracting States shall settle the question by mutual agreement.

ARTICLE 5 - PERMANENT ESTABLISHMENT

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

2. The term "permanent establishment" includes especially:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than 6 months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

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

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

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

ARTICLE 6 - INCOME FROM IMMOVABLE PROPERTY

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

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. Ships and aircraft shall not be regarded as immovable property.

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

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

ARTICLE 7 - BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits

of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

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

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

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

ARTICLE 8 - SHIPPING AND AIR TRANSPORT

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

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

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

- (a) income from the lease of ships or aircraft; and
- (b) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers);

where such lease or such use, maintenance or rental, as the case may be, is incidental to 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 the other Contracting State, or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

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

ARTICLE 10 - DIVIDENDS

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

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

- (a) 5% of the gross amount of the dividends if the beneficial owner has contributed, directly or indirectly, more than 50% of the capital of the company paying the dividends or more than US\$10 million;
- (b) 7% of the gross amount of the dividends if the beneficial owner has contributed, directly or indirectly, between 25% and 50% of the capital of the company paying the dividends;
- (c) 12.5% of the gross amount of the dividends in all other cases.

3. Notwithstanding the provisions of paragraphs 1 and 2, dividends paid by a company which is a resident of Vietnam to the Government of Singapore shall be exempt from Vietnamese tax.

4. For the purposes of paragraph 3, the term "Government of Singapore" shall have the same meaning as in paragraph 4(a) of Article 11.

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

6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

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

8. Notwithstanding the provisions of paragraph 2 of this Article, as long as Singapore does not impose a tax on dividends in addition to the tax chargeable on the profits or income of a company, dividends paid by a company which is a resident of Singapore to a resident of Vietnam shall be exempt from any tax in Singapore which may be chargeable on dividends in addition to the tax chargeable on the profits or income of the company.

ARTICLE 11 - INTEREST

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

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 10% of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

4. For the purpose of paragraph 3, the term Government:

(a) in the case of Singapore means the Government of Singapore, and shall include:

- (i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
- (ii) the Government of Singapore Investment Corporation Pte Ltd;
- (iii) a statutory body; and
- (iv) any institution wholly or mainly owned by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting States;

(b) in the case of Vietnam, means the Government of the Socialist Republic of Vietnam and shall include:

- (i) the State Bank of Vietnam;
- (ii) the local authorities; and
- (iii) a statutory body, or any institution the capital of which is wholly or mainly owned by the Government of the Socialist Republic of Vietnam, as may be agreed from time to time between the competent authorities of the Contracting States.

5. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage, 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.

6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

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

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

ARTICLE 12 - ROYALTIES

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

2. However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that Contracting State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed:

(a) 5% of the gross amount of the royalties in respect of payments of any kind received as a consideration for the use of, or the right to use, any patent, 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;

(b) 15% of the gross amount of royalties in all other cases.

3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with

such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

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

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

ARTICLE 13 - CAPITAL GAINS

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

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

3. Gains derived by an enterprise of a Contracting State from the alienation of ships or aircraft operated in international traffic, or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that State.

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

ARTICLE 14 - INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other Contracting State but only so much of it as is attributable to that fixed base.

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

ARTICLE 15 - DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
 - (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned; and
 - (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State; and
 - (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that State.

ARTICLE 16 - DIRECTORS' FEES

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

ARTICLE 17 - ARTISTES AND ATHLETES

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as an athlete, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.
2. Where income in respect of personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.
3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, income derived in respect of the activities referred to in paragraph 1 of this Article within the framework of any cultural or sports exchange programme agreed to by both Contracting States shall be exempt from tax in the Contracting State in which these activities are exercised.

ARTICLE 18 - PENSIONS

Subject to the provisions of paragraph 2 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 - GOVERNMENT SERVICE

1. (a) Remuneration, other than a pension, paid by a Contracting State or a political subdivision, a local authority or statutory body thereof to an individual in respect of services rendered to that State or political subdivision, local authority or statutory body thereof shall be taxable only in that State.
 - (b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
 - (i) is a national of that State; or
 - (ii) did not become a resident of that State solely for the purpose of rendering the services.
2. (a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that State or political subdivision, local authority or statutory body thereof shall be taxable only in that State.
 - (b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.
3. The provisions of Articles 15, 16 and 18 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision, a local authority or a statutory body thereof.

ARTICLE 20 - STUDENTS

1. Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.
2. Notwithstanding the provisions of Articles 14 and 15, remuneration for services rendered by a student or business apprentice in a Contracting State shall not be taxed in that State, provided that such services are in connection with his studies or training and the amount of remuneration does not exceed US\$2,500 per year.

ARTICLE 21 - TEACHERS AND RESEARCHERS

1. An individual who visits a Contracting State for the purpose of teaching or carrying out research at a university, college or other recognised educational institution in that State and who is or was immediately before that visit a resident of the other Contracting State, shall be exempt from tax in the first-mentioned State on remuneration for such teaching or research for a period not exceeding two years from the date of his first visit for that purpose.

2. The provisions of paragraph 1 of this Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

ARTICLE 22 - OTHER INCOME

Items of income which are not expressly mentioned in the foregoing Articles of this Agreement shall be taxable according to the taxation laws of the respective Contracting States.

ARTICLE 23 - LIMITATION OF RELIEF

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

2. However, this limitation does not apply to income derived by the Government of Singapore or any person approved by the competent authority of Singapore for the purpose of this paragraph. The term "Government of Singapore" shall have the same meaning as in paragraph 4(a) of Article 11.

ARTICLE 24 - ELIMINATION OF DOUBLE TAXATION

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

2. (a) Where a resident of Vietnam derives income, which in accordance with the provisions of this Agreement, may be taxed in Singapore, Vietnam shall allow as a deduction from the Vietnamese tax on the income of that resident an amount equal to the tax paid in Singapore. Where such income is a dividend paid by a company which is a resident of Singapore to a resident of Vietnam which is a company owning directly or indirectly not less than 10% of the share capital of the first-mentioned company, the deduction shall take into account the Singapore tax paid by that company on the portion of its profits out of which the dividend is paid. The deduction shall not, however, exceed that part of the Vietnamese tax, as computed before the deduction is given, which is attributed to that income.

(b) For the purposes of subparagraph (a) above, the term "tax paid in Singapore" shall be deemed to include the amount of Singapore tax which, under the laws of Singapore and in accordance with this Agreement, would have been paid had the Singapore tax not been exempted or reduced in accordance with:

(i) the provisions of the sections 13(2), 13A, 13B, 13F, 43A and 43C to 43K of the Income Tax Act, 1947 (As Amended) and the provisions of the Economic Expansion Incentives (Relief from Income Tax) Act, 1967 (As Amended), together with the respective connected regulations, as are effective on the date

of signature of this Agreement or have been modified only in minor aspects after the date of signature of this Agreement; or

- (ii) any other special incentive measure designed to promote economic development in Singapore which may be introduced hereafter in modification of, or in addition to, the existing laws, as may be agreed between the two competent authorities.
3. (a) Where a resident of Singapore derives income from Vietnam or receives such income in Singapore which, in accordance with the provisions of this Agreement, may be taxed in Vietnam, Singapore shall, subject to its laws regarding the allowance as a credit against Singapore tax of tax paid in any country other than Singapore, allow the Vietnamese tax paid, whether directly or by deduction, as a credit against the Singapore tax payable on the income of that resident. Where such income is a dividend paid by a company which is a resident of Vietnam to a resident of Singapore which is a company owning directly or indirectly not less than 10% of the share capital of the first-mentioned company, the deduction shall take into account the Vietnamese tax paid by that company on the portion of its profits out of which the dividend is paid.
- (b) For the purposes of subparagraph (a) above, the term "tax paid in Vietnam" shall be deemed to include the amount of Vietnamese tax which, under the laws of Vietnam and in accordance with this Agreement, would have been paid had the Vietnamese tax not been exempted or reduced in accordance with:
- (i) the provisions of the Articles 26, 27, 28, 32 or 33 of the Law on Foreign Investment in Vietnam (1987) and connected regulations, as are effective on the date of signature of this Agreement or have been modified only in minor aspects after the date of signature of this Agreement; or
 - (ii) any other special incentive measures designed to promote economic development in Vietnam which may be introduced hereafter in modification of, or in addition to, the existing laws, as may be agreed between the two competent authorities.
4. For the purposes of the credit referred to in paragraphs 2(a) and 3(a) of this Article, the tax imposed on the following items of income shall be deemed to be 10% of the gross amount of the income where the tax paid is less than 10% of the gross amount of such income:
- (a) in the case of income derived from Singapore, income under Articles 11 and 12;
 - (b) in the case of income derived from Vietnam, income under Articles 10, 11, 12 and profits subject to Profits Remittance Tax.

ARTICLE 25 - NON-DISCRIMINATION

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

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than

the taxation levied on enterprises of that other State carrying out the same activities, provided that this paragraph shall not:

- (a) prevent Vietnam from imposing on the profits attributable to a permanent establishment in Vietnam of a company which is a resident of Singapore further tax not exceeding 10% on such profits as far as they are remitted from the permanent establishment to the head office;
 - (b) apply to the taxation of permanent establishments in Vietnam of Singaporean enterprises in respect of oil exploration or production activities which in the case of Vietnamese enterprises are subject to tax under the Law on Agriculture Land-Use Tax.
3. Nothing in this Article shall be construed as obliging a Contracting state to grant to:
 - (a) residents of the other Contracting State any personal allowances, reliefs and reductions for tax purposes which it grants to its own residents; or
 - (b) nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own nationals who are not resident in that Contracting State or to such other persons as may be specified in the taxation laws of that Contracting State.
4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.
5. Where a Contracting State grants tax incentives to its nationals designed to promote economic development in accordance with its national policy and criteria, it shall not be construed as discrimination under this Article.
6. The provisions of this Article shall apply only to taxes which are the subject of this Agreement.

ARTICLE 26 - MUTUAL AGREEMENT PROCEDURE

1. Where a person who is a resident of a Contracting State considers that the actions of the competent authority of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which the person is a resident. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement.
3. The competent authorities of the Contracting States shall jointly endeavour to resolve any difficulties or doubts arising as to the application of the Agreement.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

ARTICLE 27 - EXCHANGE OF INFORMATION

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

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

- (a) to carry out administrative measures at variance with the law 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.

ARTICLE 28 - DIPLOMATIC AGENTS AND CONSULAR OFFICERS

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

ARTICLE 29 - ENTRY INTO FORCE

Each of the Contracting States shall notify the other Contracting State of the completion of the procedures required by the law of the respective Contracting State for bringing into force this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect:

- (a) in Vietnam:
 - (i) in respect of taxes withheld at source, in relation to taxable amounts paid on or after 1 January 1993;
 - (ii) in respect of other Vietnamese taxes in relation to income, profits or gains arising on or after 1 January 1993;
- (b) in Singapore:

in respect of tax on income for any year of assessment beginning on or after 1 January 1994.

ARTICLE 30 - TERMINATION

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement at any time after five years from the date on which the Agreement enters into force by giving to the other Contracting State notice of termination, through the diplomatic channel, at least six months before the end of any calendar year. In such event the Agreement shall cease to have effect:

- (a) in Vietnam:
 - (i) in respect of taxes withheld at source, in relation to taxable amount paid on or after 1 January in the calendar year immediately following the year in which the notice of termination is given;
 - (ii) in respect of other Vietnamese taxes, in relation to income, profits or gains arising on or after 1 January in the calendar year immediately following the year in which the notice of termination is given;
- (b) in Singapore:

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

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

DONE in duplicate at Hanoi this 2nd day of March of the year one thousand nine hundred and ninety-four in the Vietnamese and English languages, both texts being equally authoritative.

FOR THE GOVERNMENT OF
THE REPUBLIC OF
SINGAPORE

COMMODORE (NS) TEO CHEE HEAN
MINISTER OF STATE FOR FINANCE
AND COMMUNICATIONS

FOR THE GOVERNMENT OF
THE SOCIALIST REPUBLIC
OF VIETNAM

H.E. HO TE
MINISTER OF FINANCE

PROTOCOL (1994)

At the time of signing the Agreement between the Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, both Governments have agreed that the following provisions shall form an integral part of the Agreement.

1. The exemption provided under paragraph 3 of Article 10 shall not apply to dividends derived by the Government of Singapore from the carrying on of commercial activities.
2. To the extent that profits or income may be taxed in Vietnam in accordance with the provisions of this Agreement and such profits or income is subject to a remittance tax under the taxation laws of Vietnam, the rate of the remittance tax shall not exceed:
 - (a) the rates provided under paragraph 2 of Article 10 in the case of dividends;
 - (b) 10% in the cases of profits remitted by a permanent establishment to its head office.
3. Notwithstanding the provisions of paragraph 2, the Government of Singapore shall be exempt from profits remittance tax in Vietnam. The term "Government of Singapore" shall have the same meaning as in paragraph 4(a) of Article 11.
4. With respect to the taxation of interest as provided under paragraph 2 of Article 11, if Vietnam, in any agreement for the avoidance of double taxation with any other State, provides for a rate of less than 10% on the gross amount of interest, the same lower rate shall apply for the purposes of paragraph 2 of Article 11.
5. For so long as Vietnam continues to grant to investors licences under the Law on Foreign Investment in Vietnam, which specify the taxation to which the investor shall be subject, the imposition of such taxation shall not be regarded as breaching the terms of paragraph 2 of Article 25.
6. In relation to subparagraph (b) of paragraph 2 of the Article 25, the activities which in the case of Vietnamese enterprises are subject to tax under the Law on Agriculture Land-Use Tax shall be deemed, for the period commencing 1st January 1993 to 31st December 1993, to include the activities which in the case of Vietnamese enterprises are subject to tax under the Ordinance on Agriculture Tax as is effective up to 31st December 1993.

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

DONE in duplicate at Hanoi this 2nd day of March of the year one thousand nine hundred and ninety-four in the Vietnamese and English languages, both texts being equally authoritative.

FOR THE GOVERNMENT OF
THE REPUBLIC OF
SINGAPORE

COMMODORE (NS) TEO CHEE HEAN
MINISTER OF STATE FOR FINANCE
AND COMMUNICATIONS

FOR THE GOVERNMENT OF
THE SOCIALIST REPUBLIC
OF VIETNAM

H.E. HO TE
MINISTER OF FINANCE

ANNEX A

Effects of the MLI on this Agreement

1. Replacement of Preamble

The Preamble of this Agreement is replaced with the following Preamble:

“The Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam,

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 Agreement without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third jurisdictions),

Have agreed as follows:”.

2. Amendment of Article 26

(a) In paragraph 2 of Article 26 (Mutual Agreement Procedure) of the Agreement, the words “Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting Jurisdictions.” are inserted at the end of the paragraph.

(b) Paragraph 3 of Article 26 (Mutual Agreement Procedure) of the Agreement is replaced with the following paragraph:

“3. The competent authorities of the Contracting Jurisdictions shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.”.

3. New Article 28A

The following new Article 28A is inserted after Article 28 (Diplomatic Agents and Consular Officers):

“ARTICLE 28A - PREVENTION OF TREATY ABUSE

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

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

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

- (a) 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 2024; and
- (b) 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 March 2024.

ANNEX B

**SECOND PROTOCOL AMENDING THE AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE
AND
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME
SIGNED AT HANOI ON 2 MARCH 1994**

The Government of the Socialist Republic of Vietnam and the Government of the Republic of Singapore,

Desiring to amend the Agreement between the Government of the Republic of Singapore and the Government of the Socialist Republic of Vietnam for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed at Hanoi on 2 March 1994 (hereinafter referred to as “the Agreement”),

Have agreed as follows:

ARTICLE I

With respect to Article 2 (Taxes Covered) of the Agreement:

1. Paragraph 3(a) shall be deleted and replaced by the following:

“(a) in Vietnam:

- (i) the personal income tax; and
- (ii) business income tax;

(hereinafter referred to as “Vietnamese tax”);”

ARTICLE II

With respect to Article 5 (Permanent Establishment) of the Agreement:

Paragraph 3 shall be deleted and replaced by the following:

“3. The term “permanent establishment” also encompasses:

- (a) A building site or construction or installation project constitutes a permanent establishment only if it lasts more than 6 months; and

- (b) The furnishing of services, including consultancy services, by an enterprise 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 a Contracting State for a period or periods aggregating more than 183 days within any twelve month period;”

ARTICLE III

Article 9 (Associated Enterprises) of the Agreement shall be deleted and replaced by the following:

“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 accordance with the provisions of paragraph 1, 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 where the competent authorities of the Contracting States agree, upon consultation, that all or part of 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 Agreement.”

ARTICLE IV

With respect to Article 10 (Dividends) of the Agreement:

- 1. A new Paragraph 9 shall be inserted:

“The exemption provided under paragraph 3 of Article 10 shall not apply to dividends derived by the Government of Singapore from the carrying on of commercial activities.”

ARTICLE V

With respect to Article 11 (Interest) of the Agreement:

- 1. Paragraph 4(a)(i) shall be deleted and replaced by the following:

“(i) the Monetary Authority of Singapore;”

2. A new Paragraph 9 shall be inserted:

“With respect to the taxation of interest as provided under paragraph 2 of Article 11, if Vietnam, in any agreement for the avoidance of double taxation with any other State, provides for a rate of less than 10 per cent on the gross amount of interest, the same lower rate shall apply for the purposes of paragraph 2 of Article 11.”

ARTICLE VI

With respect to Article 12 (Royalties) of the Agreement:

1. Paragraph 2(b) shall be deleted and replaced by the following:

“(b) 10% of the gross amount of royalties in all other cases.”

ARTICLE VII

With respect to Article 13 (Capital Gains) of the Agreement:

Paragraph 4 shall be deleted and replaced by the following:

- “4. Gains derived by a resident of a Contracting State from the alienation of shares, other than shares of a company quoted on a recognized stock exchange of one or both Contracting States, deriving more than 50% of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.
5. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4 shall be taxable only in the State of which the alienator is a resident.”

ARTICLE VIII

With respect to Article 14 (Independent Personal Services) of the Agreement:

Paragraph 1 shall be deleted and replaced by the following:

- “1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State except in the following circumstances when such income may also be taxed in the other Contracting State:
 - (a) if he has a fixed base regularly available to him in the other State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or
 - (b) if his stay in the other State is for a period or periods exceeding in the aggregate 183 days within any twelve month period; in that case, only so much of the income as is derived from his activities performed in that other State may be taxed in that other State;”

ARTICLE IX

Article 23 (Limitation of Relief) of the Agreement shall be deleted and the subsequent Articles shall not be renumbered.

ARTICLE X

With respect to Article 25 (Non-Discrimination) of the Agreement:

1. Paragraph 2 shall be deleted and replaced by the following:
 - “2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying out the same activities.”
2. Paragraph 5 shall be deleted and replaced by the following:
 - “5. Where a Contracting State grants tax incentives to its nationals designed to promote economic or social development in accordance with its national policy and criteria, it shall not be construed as discrimination under this Article.”

ARTICLE XI

Article 27 (Exchange of Information) of the Agreement shall be deleted and replaced by the following:

- “1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.
2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:
 - (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
 - (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
 - (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (*ordre public*).
4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 of this Article but in no case

shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

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

ARTICLE XII

The Protocol (1994) of the Agreement shall be deleted.

ARTICLE XIII

Each of the Contracting States shall notify the other Contracting State of the completion of the procedures required by the law of the respective Contracting State for bringing into force this Protocol. This Protocol shall enter into force on the date of the later of these notifications and shall thereupon have effect:

- (a) in Vietnam:
 - (i) in respect of taxes withheld at source, in relation to taxable amounts as derived on or after the first day of January following the calendar year in which the Protocol enters into force, and in subsequent calendar years;
 - (ii) in respect of other Vietnamese taxes, in relation to income, profits, gains or capital arising on or after the first day of January following the calendar year in which the Protocol enters into force, and in subsequent calendar years; and
 - (iii) in respect of Article XI, to request made on or after the date of entry into force of the Protocol;
- (b) in Singapore:
 - (i) in respect of tax chargeable for any year of assessment beginning on or after 1st January in the second calendar year following the year in which the Protocol enters into force;
 - (ii) in respect of Article XI, to request made on or after the date of entry into force of the Protocol.

ARTICLE XIV

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

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

DONE in duplicate at Singapore on this 12th day of September 2012 in the Vietnamese and English language, both texts being equally authoritative.

**FOR THE GOVERNMENT OF
THE REPUBLIC OF SINGAPORE**

**FOR THE GOVERNMENT OF
THE SOCIALIST REPUBLIC OF VIETNAM**

**THARMAN SHANMUGARATNAM
DEPUTY PRIME MINISTER
AND MINISTER FOR FINANCE**

**VUONG DINH HUE
MINISTER OF FINANCE**