جمهورية أرمينيا

Republic of Armenia



AGREEMENT

BETWEEN THE GOVERNMENT OF THE UNITED ARAB EMIRATES THE

AND
GOVERNMENT OF THE REPUBLIC OF ARMENIA

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 United Arab Emirates and The Government of the Republic of Armenia,

Desiring to conclude an Agreement 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
Persons covered

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

Article 2
Taxes covered

1. This Agreement shall apply to taxes on income and on capital 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 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, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which this Agreement shall apply are in particular:
a) In the case of the Republic of Armenia:
i) the profit tax;
ii) the income tax;
iii) the property tax;

iv) the land tax;
(hereinafter referred to as "Armenian tax");
b) In the case of the United Arab Emirates:
i) corporate tax;
ii) income tax;
iii) surcharges;
(hereinafter referred to as "United Arab Emirates tax").

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

Article 3
General Definitions

1. For the purposes of this Agreement:
a) The term "a Contracting State" and "the other Contracting State" mean the Republic of Armenia or the United Arab Emirates, as the context requires;
b) The term "Armenia" means the Republic of Armenia;
c) The term "United Arab Emirates", when used in a geographical sense, means the territory of the United Arab Emirates including its territorial waters, islands, airspace, sea-bed, subsoil and their natural resources over which the United Arab Emirates exercises in conformity with international law its sovereign rights;
d) The term "person" includes an individual, a company and any other body of persons;
e) The term "national" means:
i) any individual possessing the nationality of a Contracting State;
ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State;
f) The term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
g) 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;

h) The term "international traffic" means any transport by a ship, aircraft or road vehicle operated by an enterprise of a Contracting State, except when the ship, aircraft or road vehicle operated solely between places in the other Contracting State;

i) The term "tax" means "Armenian tax" or "United Arab Emirates tax", as the context requires;

j) The term "competent authority" means:

i) in the case of Armenia, the Minister of Finance and Economy or his authorized representative;

ii) in the case of the United Arab Emirates, the Minister of Finance and Industry or his authorized representative.

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

Article 4
Resident

1. For the purposes of this Agreement, the term "resident of a Contracting State" means:

a) In the case of Armenia: any person who, under the tax laws of Armenia, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature;

b) In the case of the United Arab Emirates: any individual who has his domicile in the United Arab Emirates or possesses the nationality of the United Arab Emirates and a company which is incorporated in the United Arab Emirates.

2. For the purpose of paragraph 1, the term "a resident of a Contracting State" shall include:

a) The government of that Contracting State and any political subdivision, local authority or financial institutions thereof;

b) Any governmental institution created in that Contracting State under public law of that State.

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

a) He shall be deemed to be a resident only of the Contracting State in which he has a permanent home available to him; if he has a permanent home available to him in both States," he shall

be deemed to be a resident only of the State with which his personal and economic relations are closer (center of vital interests);

b) If the State in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the Contracting State in which he has an habitual abode;

c) If he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident only of the Contracting State of which he is a national;

d) If his status cannot be determined under the provisions of subparagraph c) the competent authorities of the Contracting States shall settle the question by mutual agreement.

4. Where by reason of the provisions of paragraphs 1 and 2 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the Contracting State under the law of which it is incorporated.

Article 5
Permanent Establishment

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

2. The term "permanent establishment" includes especially:

a) a place of management;

b) a branch;

c) an office;

d) a factory;

e) a workshop; and

f) a mine, an oil or gas well, a quarry or any other place of exploration or extraction of natural resources.

3. A building site, a construction, assembly or installation project or supervisory activities in connection therewith constitutes a permanent establishment, but only where such site, project or activities continue for a period of more than nine months.

4. The furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purpose constitutes a permanent establishment, but only where activities of that nature continue (for the same or a connected project) within the country for a period or periods aggregating more than six months within any 12-month period.

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

a) The use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

c) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) The maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;

e) The maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise any other activity of a preparatory or auxiliary character;

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 8 applies - is acting in a Contracting State on behalf of an enterprise of the other Contracting State, that enterprise shall be deemed to have a permanent establishment in the first-mentioned Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person:

a) Has, and habitually exercises in the first-mentioned Contracting State, an authority to conclude contracts in on behalf of such enterprise, unless the activities of such person are limited "to those mentioned in paragraph 5 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph;

b) Has no such authority, but habitually maintains in the first-mentioned State a stock of goods or merchandise belonging to such enterprise from which he regularly delivers goods or merchandise on behalf of such enterprise;

c) Has no such authority, but habitually secures orders in the first-mentioned State, wholly or almost wholly for the enterprise or for such enterprise and other enterprises which are controlled by it or have a controlling interest in it;

d) In so acting, manufactures or processes in first-mentioned State for such enterprise goods or merchandise belonging to such enterprise.

7. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall, except in regard to re-insurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks situated therein through a person other than an agent of an independent status to whom paragraph 8 applies.
8. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commissions agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise or other enterprises, which are controlled by it or have a controlling interest in it, he will not be considered as an agent of an independent status within the meaning of this paragraph.
9. 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 Contracting 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 Contracting State, but the tax so charged shall be reduced by an amount equal to 50% of such tax.
2. The term "immovable property" shall have the meaning, which it has under the law of the Contracting State in which the property is question is situated. The term shall in any case include property accessory[7] to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property[7] and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, aircraft and road vehicles 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. Notwithstanding the provisions of paragraph 1 of this Article rental income derived from immovable property by the government of a

contracting state, its political subdivision, local authority or financial institution thereof such income shall be taxable only at the state of residence.

5. 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 w[h]ere 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 profit of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the business 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, taking into consideration any applicable law or regulation in the concerned Contracting State. However, no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or to any of its other offices by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the permanent establishment. Likewise, no account shall be taken, in the determination of the profits of a permanent establishment for amounts charged (otherwise than towards reimbursement of actual expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents

or other rights, or by way of commission for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the head office of the enterprise or to any of its other offices.

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. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.

6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

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

Article 8
International Traffic

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

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

a) Profits from the rental on a bareboat basis of ships or aircraft;

b) Profits from the use, maintenance or rental of containers including trailers and related equipment for the transport of containers, used for the transport of goods or merchandise;

c) Profits from selling of tickets on behalf of other enterprise;

d) Interest from deposits at the bank, which is related directly to the enterprise;

e) Profits derived from rendering technical engineer services to a third party;

where such profits derived from activities, which are related to the operation of ships or aircraft in international traffic.

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

Article 9
Association Enterprises

1. Where:

a) An enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or

b) The same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

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

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

Article 1O
Dividends

1. Dividends paid by a company, which is a resident of a Contracting State to a resident of the other Contracting State who is the beneficial owner of such dividends, may be taxed in that other Contracting State. However, such dividends may also be taxed in the Contracting State in which they arise and according to the laws of that State, but the tax so charged shall not exceed 3 % (three percent) of the gross amount of such dividends.

2. Notwithstanding the provisions of paragraphs 1 and 3 of this Article dividends paid to the government of the other Contracting State, a political subdivision or financial institution thereof shall be exempt from tax on dividends.
3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights", mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the taxation laws of the Contracting State of which the company making the distribution is a resident.
4. The provisions of paragraph 1 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 in that other Contracting State, or performs in that other Contracting State independent personal services from a fixed base situated in that other Contracting State, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.
5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting 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 who is the beneficial owner of the dividends or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment of a fixed place situated in that other Contracting State.

Article 11
Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State who is the beneficial owner of such interest shall be taxable only in that other Contracting State.
2. The term "interest" as used in this Article means income from debt-claims of every kind, whether or 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, as well as income which is subjected to the same taxation treatment as income from money lent by the taxation laws of the Contracting State in which the income arises. Penalty charges for

late payment shall not be regarded as interest for the purpose of this Article.

3. The provisions of paragraph 1 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 in that other Contracting State, or performs in that other Contracting State independent personal services from a fixed base situated in that other Contracting State, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base.

4. Interest shall deem to arise in a Contracting State when the payer is a resident of that Contracting State. Where, however, the person paying the interest, whether be 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 in borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

5. Where, by reason of a special relationship between the payer and the beneficial owner of the interest, 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 Contracting State may be taxed in that other Contracting State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State the tax so charged shall not exceed 5 % (five percent) of the gross amount of such royalties.

3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use any copyright of literary, artistic or scientific work including cinematography

films and works on films, tapes or other means of reproduction for use in connection with television or radio broadcasting any patent, trade mark, design or model plan, secret formula or process or for information (know-how) concerning industrial, commercial or scientific experience.
4. The provisions of paragraph 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated in that other Contracting State, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base.
5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting State. Where however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment" or fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.
6. Where, by reason of a special relationship between the payer and the beneficial owner of the royalties 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, shall be taxable only in that State.

3. Gains derived by an enterprise of a Contracting State from the alienation of ships, aircraft or road vehicles operated in international traffic or movable property pertaining to the operation of such ships, aircraft or road vehicles, 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 Contracting State of which the alienator is a resident.

Article 14
Independent Personal Services

1. Income derived by 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 of any of following circumstances, when such income may also be taxed in the other Contracting State:

a) If be has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; in that case only so much of the income as is attributable to that fixed base may be taxed in that other Contracting State; or

b) If he stays in the other Contracting State for a period or periods amounting to or exceeding in the aggregate 183 days in the fiscal year concerned; in that case only so much of the income as is derived in that other Contracting State during the aforesaid period or periods may be taxed in that other State.

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

Article 15
Dependent Personal Services

1. Subject to the provisions of Articles 16, 18, 19, 20 and 21 salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other Contracting State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment

exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) The recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned; and

b) The remuneration is paid by, or on behalf of, an employer who is not a resident of the other Contracting State; and

c) The remuneration is not borne by a permanent establishment or a fixed base that the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship, aircraft or road vehicle operated in international traffic may be taxed in that State.

4. A resident of a Contracting State which is an employee of an enterprise of that State the principal business of which consists of the operation of aircraft in international traffic and who derives remuneration in respect of duties performed in the other Contracting State shall not be taxed in that other State on remuneration derived for such duties.

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 or other similar organ of a company which is a resident of the other Contracting State may be taxable in that other State.

Article 17
Artistes and Sportsmen

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

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

3. Notwithstanding the provisions of paragraphs 1 and 2, income derived by a resident of a Contracting State from his personal activities as an entertainer or as a sportsman shall be taxable only in that State if the activities

are exercised in the other Contracting State within the framework of a cultural or sports exchange programs approved by both Contracting States.

Article 18
Pensions and Annuities

Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration and annuities paid to an individual who is a resident of a Contracting State in consideration of past employment shall be taxable only in that Contracting State.

Article 19
Government Service

1.

a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority should be taxable only in that State.

b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:

i) is a national of that State; or

ii) did not become a resident of that State solely for the purpose of rendering the services.

2.

a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State;

b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.

3. The provisions of Articles 15, 16, 17 and 18 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article 20
Professors and Researchers

1. An individual who visits a Contracting State for the purpose of teaching or carrying out research at a University, College, school or other recognized 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 taxation 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, provided that such remuneration arise from sources outside that State.
2. The provisions of paragraph 1 of this Article shall not apply to remuneration 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 21
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. In respect of grants, scholarships and remuneration from employment not covered by paragraph 1, a student or business apprentice described in paragraph 1 shall, in addition, be entitled during such education or training to the same exemptions, relief or reductions in respect of taxes available to residents of the Contracting State, which he is visiting.

Article 22
Other Income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fix base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be shall apply.

Article 23
Capital

1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.
2. Capital represented by movable property forming part of immovable property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or by 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, may be taxed in that other State.
3. Capital represented by ships, aircraft and road vehicles operated in international traffic, and by movable property pertaining to the operation of such ships, aircraft and road vehicles, shall be taxable only in the Contracting State of which the enterprise owing such capital is a resident.
4. Capital represented by shares or other corporate rights in a company the assets of which consist mainly of immovable property situated in a Contracting State may be taxed in that State.
5. The provisions of this Article shall not apply if the beneficial owner of capital is the other Contracting State, political subdivision, local authority or financial institution thereof such income shall be taxable only at the state of residence.
6. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 24
Elimination of Double Taxation

1. Where a resident of a Contracting State derives income or owns capital, which, in accordance with the provisions of this Agreement, may be taxed in the other Contracting State, the first-mentioned State shall allow:

a) As a deduction from the tax on the income of that resident, an amount equal to the income tax paid in that other State;
b) As a deduction from the tax on the capital of that resident, amount equal to the capital tax paid in that other State.
Such deduction in either case shall not, however, exceed that part of the income tax or capital tax, as computed before the deduction is given, which is attributable, as the case may be, to the income or the capital which may be taxed in that other State.

2. Where in accordance with any provision of the Agreement income derived or capital owned by a resident of a Contracting State is exempt from tax or there is reduction of income tax or capital tax in that State, such State may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital, as well as reduced amount of tax.

Article 25
Non-Discrimination

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.
2. The taxation on a permanent establishment, which an enterprise of a Contracting State has in the other Contracting State, shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other State carrying on the same activities. This provision snail not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, relief and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Enterprises of a Contracting State, the capital of which is wholly or partly owned or which is 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.
4. Except where the provisions of paragraph 1 of Article 9, paragraph 6 of Article 11, or paragraph 4 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under

the same conditions as if they had been contracted to a resident of the first-mentioned State.
5. The provisions of this article shall apply to taxes covered by this Agreement.

Article 26
Mutual Agreement Procedure

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of this 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 that is not in accordance with this Agreement. Any Agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.
3. The competent authorities of the Contracting States shall endeavour to resolve by -mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement. They may also consult together for the elimination of double taxation in cases not provided for in this 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 this Agreement insofar as the taxation there under is not contrary[7] to this Agreement. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be

disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relations to, the taxes covered by this Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

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

a) To carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) To supply information which is not obtained 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 (order public).

Article 28
Members of Diplomatic Missions and Consular Posts

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

Article 29
Special Provisions

Any income or profits derived by the resident of a Contracting State as defined in paragraph 2 of Article 4 from the other Contracting State, including gains from the alienation of movable or immovable property situated in that other State, shall be taxable only in the first-mentioned State.

Article 30
Entry into Force

1. The Contracting States shall notify to each other in writing, through the diplomatic channels, for the completion of procedures requires by their domestic laws for entry into force of this Agreement.

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

a) In respect of taxes withheld at source, for amounts paid or credited on or after the first day of January of the calendar year in which this Agreement enters into force;

b) In respect of taxes on income and on capital, for taxable periods beginning on or after the first day of January of the calendar year in which this Agreement enters into force.

Article 31
Duration and Termination

This Agreement shall remain in force for a period of five years and shall continue in force thereafter indefinitely unless either Contracting State notifies the other in writing, at least six months before the expiry of current calendar year of its intention to terminate this Agreement. In such an event, this Agreement shall cease to have effect in both Contracting States:

a) In respect of taxes withheld at source, for amounts paid or credited on or after the first day of January of the calendar year next following that in which the notice of termination is given;

b) In respect of taxes on income and on capital, for taxable periods beginning on or after the first day of January of the calendar year next following that in which the notice of termination is given.

IN WITNESS WHEREOF the respective plenipotentiaries of both Contracting States have signed this Agreement.

Done in Abu Dhabi on April 2002 in two originals, in the Armenian, Arabic and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.

For the Government of
the United Arab Emirates

Hamdan Bin Rashid Al-Maktoum
Deputy Ruler of Dubai
Minister of Finance & Industry

For the Government of
the Republic of Armenia

Karen Chshmaritian
Minister of Trade
and Economic Development

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

a) In respect of taxes withheld at source, for amounts paid or credited on or after the first day of January of the calendar year in which this Agreement enters into force;

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For the Government of
the United Arab Emirates

Dr. Mohammed Khalfan Bin Khirbash
Minister of state
For Finance and Industry

For the Government of
the Republic of Armenia

Karen Chshmaritian
Minister of Trade
and Economic Development

PROTOCOL

At the moment of signing the Agreement between the Republic of Armenia and the United Arab Emirates for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, the undersigned have agreed that the following shall form an integral part of the Agreement.

Ad Article 2.

It is understood that the term "political subdivision" means in case of United Arab Emirates the seven individual Emirates and the local governments thereof.

Ad Article 11, paragraph 3.

It is understood that in case of paragraph 3 the interest paid by the Contracting State shall be taxed by that State according to the laws of that State after deductions of all expenses uncovered.

Ad Article 11.

It is understood that interest from deposits of accounts of diplomatic missions and consular posts is exempt from tax in the Contracting State where such mission or post are located.

Ad Article 12, paragraph 4.

It is understood that in case of paragraph 4 the royalties paid by the Contracting State shall be taxed by that State according to the laws of that State after deductions of all expenses uncovered.

Ad Article 29.

The list of entities to which provisions of this Article apply shall be agreed upon by the Contracting States from time to time.

IN WITNESS WHEREOF the respective plenipotentiaries of both Contracting States have signed this Protocol.

Done in Abu Dhabi on April 2002 in two originals, in the Armenian, Arabic and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.



IN WITNESS WHEREOF the respective plenipotentiaries of both Contracting States have signed this Protocol.

Done in Abu Dhabi on April 2002 in two originals, in the Armenian, Arabic and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.

