Agreement

Between

The Government of the United Arab Emirates

And

The Government of the Principality of Monaco

For the elimination of double taxation with Respect to Taxes on Income

and the prevention of tax evasion and avoidance

The Government of the United Arab Emirates and the Government of the Principality of Monaco, hereinafter only "Contracting States",

Desiring to further develop their economic relationship and to enhance their cooperation in tax matters, and

Intending to conclude an Agreement for the elimination of double taxation with respect to the taxes on income taxes on income without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance, including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States,

Have agreed as follows:

Article 1

Persons Covered

(1) This Agreement shall apply to persons who are residents of one or both of the Contracting States.
(2) For the purposes of this Agreement, income derived by or through an entity or arrangement that is treated as wholly or partly fiscally transparent under the tax law of either Contracting State shall be considered to be income of a resident of a Contracting State but only to the extent that the income is treated, for purposes of taxation by that State, as the income of a resident of that State.

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 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,.

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

a) in the United Arab Emirates:

i. income tax

ii. corporate tax

b) in the Principality of Monaco:

i. the profit tax on commercial income levied from individual persons,

ii. the profit tax levied from companies.

(4) The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the taxes listed in paragraph 1 of this Article. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their taxation laws.

Article 3

General Definitions

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

a) the terms "a Contracting State" and "the other Contracting State" mean the United Arab Emirates or the Principality of Monaco as the context requires;

b) The term "United Arab Emirates" when used in a geographical sense, means the territory of the United Arab Emirates which is under its sovereignty as well as the area outside the territorial water, airspace and submarine areas over which the United Arab Emirates exercises, sovereign and jurisdictional rights in respect of any activity carried on in its water, sea bed, sup soil, in connection with the exploration for or the exploitation of natural resources by virtue of its law and international law;

c) the term "the Principality of Monaco", means the Principality of Monaco's lands, internal waters, territorial sea including its bed and subsoil, the air space over them, the exclusive economic zone and the continental shelf, over which the Principality of Monaco exercises sovereign rights and jurisdiction in accordance with the provisions of international law and the Principality of Monaco's national laws;

d) the term "person" includes an individual, a company, a collective investment scheme and any other body of persons;

e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

f) the term "enterprise" applies to the carrying on of any business;

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 or aircraft, railway or road vehicle operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft, railway or road vehicle is operated solely between places in the other Contracting State;

i) the term "competent authority" means:

(i) in the United Arab Emirates, Minister of Finance or its authorized representative,

(ii) in Monaco, the Minister for Finance and Economy ("Conseiller de Gouvernement-Ministre des Finances et de l'Economie") or his authorized representative;

j) the term "national", in relation to a Contracting State, means:

(i) any individual possessing the nationality or citizenship of that Contracting State; and

(ii) any legal person, partnership, association or foundation deriving its status as such from the laws in force in that Contracting State;

k) the term "recognized pension fund" of a State means an entity or arrangement established in

that State that is treated as a separate person under the taxation laws of that State, and:

(i) that is established and operated exclusively or almost exclusively to administer or provide retirement benefits and ancillary or incidental benefits to individuals and that is regulated as such by that State or one of its political subdivision or local authorities; or

(ii) that is established and operated exclusively or almost exclusively to invest funds for the benefit of entities or arrangements referred to in subdivision (i).

l) the term "business" includes the performance of professional services and of other activities of an independent character.

(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 Contracting State prevailing over a meaning given to the term under other laws of that Contracting State.

Article 4

Resident

(1) For the purposes of this Agreement, the term "Resident of a Contracting State" means:

a) in the case of the United Arab Emirates:

i) an individual who under the laws of the United Arab Emirates is a national of the United Arab Emirates or any other individual who is domiciled or has his habitual abode or centre of vital interest in the United Arab Emirates; and

ii) any person other than an individual that is incorporated or otherwise recognized under the laws of the United Arab Emirates or any political subdivision or local government thereof

b) in the case of "Monaco": any person who, under the laws of the Principality of Monaco, has in Monaco his domicile, residence, habitual abode or place of management, and also includes the State of Monaco, State owned entities or any local authorities thereof.

(2) Where by reason of the provisions of paragraph 1 of this Article 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 Contracting States he shall be deemed to be a resident only of the Contracting State with which his personal and economic relations are closer (centre of vital interests);

b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident 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 he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

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

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 and extraction of natural resources.

(3) A building site or construction or installation project constitutes a permanent establishment only if it lasts more than twelve 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 such activity or in the case of subparagraph f) 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 but subject to the provisions of paragraph 6, where a person – other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise 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, 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 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 shall be taxable only in that other Contracting State.

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

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

Article 7

Business Profits

(1) Profits of an enterprise of a Contracting State shall be taxable only in that Contracting 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 that are attributable to the permanent establishment 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 expenses which are incurred for the purposes of the permanent establishment,

including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

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

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

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

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

Article 8

International shipping and Air Transport

(1) Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

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

(3) In this Article:

a) the term "profits" includes:

(i) gross receipts and revenues derived directly from the operation of ships or aircraft in international traffic; and

(ii) interest that is incidental to the operation of ships or aircraft in international traffic;

( ) selling of tickets on behalf of other airlines;

(i) investment income from bonds, stocks, shares or loans provided that such investment that generates the income is made as an integral part of the operating airlines in international traffic.

b) the term "operation of ships or aircraft in international traffic" by an enterprise, includes:

(i) the charter or rental of ships or aircraft;

(ii) the rental of containers and related equipment; and

(iii) the alienation of ships, aircraft, containers and related equipment, by that enterprise provided that such charter, rental or alienation is incidental to the operation by that enterprise of ships or aircraft in international traffic.

Article 9

Associated Enterprises

(1) Where

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

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

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

(2) Where a Contracting State includes in the profits of an enterprise of that Contracting State – and taxes accordingly – profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Contracting State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this

Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

Article 10

Dividends

(1) Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State shall be taxable only in that other State, provided that the beneficial owner of the dividends is a resident of the other State.

(2) 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 laws of the Contracting State of which the company making the distribution is a resident.

(3) 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 therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

(4) Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of

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

Article 11

Interest

(1) Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, provided that the beneficial owner of the interest is a resident of the other State.

(2) 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.

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

(4) 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 beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.

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

(3) The provisions of paragraphs 1 of this Article shall not apply if the beneficial owner of the royalties, is a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

(4) 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 shall be taxable only in that other Contracting 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, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), shall be taxable only in that other Contracting State.

(3) Gains from the alienation of ships or aircraft, railway or road vehicle operated in international traffic, boats engaged in inland waterways transport or movable property pertaining to the operation of such ships or aircraft, or boats railway or road vehicle, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

(4) Gains derived by a resident of a Contracting State from the alienation of shares deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other Contracting State shall be taxable in that other Contracting State, unless such alienation is through a recognized Stock Market.

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

Article 14

Income from Employment

(1) Subject to the provisions of Articles 15, 17 and 18, 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 Contracting 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 of this Article, 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 Contracting State if:

a) the recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and

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

c) the remuneration is not borne by a permanent establishment which the employer has in the other Contracting 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, or aboard a boat engaged in inland waterways transport, may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

(4) The term "employer" mentioned in sub-paragraph b) of paragraph 2 of this Article means any person giving instructions and orders connected with the performance of work and bearing risk and responsibility for the work performed.

Article 15

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 any similar organ of a company which has its seat or place of management in the other Contracting State shall be taxable only in that other State.

Article 16

Entertainers and Sportspersons

(1) Notwithstanding the provisions of Articles 7 and 14, 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, as a sportsperson, or as a model, from that resident's personal activities as such exercised in the other Contracting State, may be taxed in that other Contracting State.

(2) Where income in respect of personal activities exercised by an entertainer or a sportsperson acting as such accrues not to the entertainer or sportsperson but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Contracting State in which the activities of the entertainer or sportsperson or the model are exercised.

(3) The provisions of paragraphs 1 and 2 of this Article shall not apply to income derived from activities exercised by an entertainer or a sportsperson or a model in a Contracting State if the visit to that Contracting State is wholly or mainly supported by public funds of the other Contracting State, a political subdivision, a local authority thereof. In such a case, the income or profits is taxable only in the Contracting State in which the entertainer or the sportsperson or a model is a resident.

Article 17

Pensions

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

Article 18

Government Service

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

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

a) is a national of that Contracting State; or

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

(3) Notwithstanding the provisions of paragraph 1 and 2 of this Article, pensions and other similar remuneration(including lump-sum payments) paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof or some other legal entity under public law of that State to an individual to an individual in respect of services rendered to that Contracting State or subdivision or authority or other legal entity under public law of that State shall be taxable only in that Contracting State.

(4) However, such pensions and other similar remuneration shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that Contracting State.

(5) The provisions of Articles 14, 15, 16, and 17 shall apply to salaries, wages, pensions, and other similar remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article 19

Students

Payments or scholarships 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 Contracting 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 Contracting State, provided that such payments or scholarships arise from sources outside that Contracting State.

Article 20

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 Contracting State.

(2) The provisions of paragraph 1 of this Article 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 and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

Article 21

Elimination of Double Taxation

1. Double Taxation shall be eliminated in the Contracting States as follows:

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, an 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 Convention income derived or capital owned by a resident of a Contracting State is exempt from tax in that State, such State may nevertheless, in calculating the amount of tax on the remaining income or capital of that resident, take into account the exempted income or capital.

Article 22

Non-Discrimination

(1) Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other Contracting State in the same circumstances, in particular with respect to residence, are or may be subjected. 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) Stateless persons who are residents of a Contracting State shall not be subjected in either 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 the Contracting State concerned in the same circumstances, in particular with respect to residence, are or may be subjected.

(3) The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

(4) Except where the provisions of paragraph 1 of Article 9, paragraph 4 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 State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

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

(6) Each Contracting Party shall not apply prejudicial or restrictive measures based on harmful tax practices to residents or nationals of either Contracting Party, such measures including, without limitation, the inclusion on a discriminatory list in an arbitrary manner.

(7) This Article shall apply, notwithstanding the provisions of Article 2, to taxes of every kind and description.

Article 23

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 Contracting 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 22, 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 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. Any agreement reached shall be implemented within five (5) years.

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

(4) The competent authorities of the Contracting States may communicate with each other, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 24

Exchange of Information

(1) The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

(3)Any information received under paragraph 1 of this Article by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that Contracting 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 of this Article, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting State shall not be used for other purposes when such information may be used for such other purposes under the laws of both Contracting States and the competent authority of the supplying Contracting State unless the Contracting State providing the information authorises such use.

(3) In no case shall the provisions of paragraphs 1 and 2 of this Article 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 Contracting 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 of this Article 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 25

Members of Diplomatic Missions and Consular Posts

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

Article 26

Entitlement to benefits

(1) 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. In case a resident of a Contracting State is denied such benefits in the other Contracting State by reason of the preceding sentence, the competent authority of the other State shall notify the competent authority of the first-mentioned State of this fact.

(2) The competent authorities of the Contracting States mays consult each other with regards to the application of this Article.

Article 27

Income from Government controlled financial institutions or companies

The Government of one Contracting State shall be exempt from tax, including corporate income tax and capital gains tax, in the other Contracting State in respect of any income derived by such Government controlled institutions or companies (as listed in the Protocol) from that other Contracting State.

Article 28

Income from Hydrocarbons

Notwithstanding any other provision of this Agreement nothing shall affect the right of either one of the Contracting States, or of any of their local Governments or local authorities thereof to apply their domestic laws and regulations related to the taxation of income and profits derived from hydrocarbons and its associated activities situated in the territory of the respective Contracting State, as the case may be.

Article 29

Entry into Force

(1) The Contracting States shall notify each other in writing, through diplomatic channels, that the procedures required by its law for the entry into force of this Agreement have been satisfied. This Convention shall enter into force 30 days after the date of receipt of the last notification.

(2) This Agreement shall have effect:

a) in respect of taxes withheld at source, to income paid or credited on or after 1 January of the calendar year next following the year in which this Agreement enters into force;

b) in respect of other taxes on income and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which this Agreement enters into force;

Article 30

Termination

(1) This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year following the tenth year after the entry into force. In such event, the Agreement shall cease to have effect:

a) in respect of taxes withheld at source, to income paid or credited on or after 1 January of the calendar year next following the year in which the notice is given;

b) in respect of other taxes on income and taxes on capital, to taxes chargeable for any taxable year beginning on or after 1 January of the calendar year next following the year in which the notice is given.

(3) The Contracting States shall remain bound by the confidentiality provisions as outlined in paragraph 2 of Article 24 with respect to any information obtained under this Agreement.

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

Done in duplicate at Dubai this 13/11 day of 2021 each in the, French, Arabic and English languages. In the case of any divergence of interpretation between the texts, the English text shall prevail.

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Protocol

At the signing today of the Agreement between the United Arab Emirates and the Principality of Monaco for the elimination of double taxation with respect to taxes on income, the undersigned have agreed that the following provisions shall form an integral part of the Convention.

1. With reference to paragraph 1 of Article 4 (Resident): It is understood that

a) investment funds and pension funds of a Contracting State are considered to be residents of that State;

b) the competent authorities may agree that collective investment vehicles and pension funds which are established under legislation introduced after the date of signature of the Convention are to be considered as residents;

c) Monaco and the United Arab Emirates associations are considered as resident;

d) an entity or organization that is established and is operated exclusively for charitable, religious, humanitarian, scientific, cultural, or similar purposes (or for more than one of those purposes) and that is resident of that State according to its laws is considered as resident of that State, notwithstanding that all or part of its income or gains may be exempt from tax under the domestic law of that State. This includes in Monaco approved charities.

2. With reference to paragraph 4 of Article 13 of the Convention, it is understood that the term "recognized stock market" means:

in the case of the United Arab Emirates:

1) Dubai Financial Market;

2) Abu Dhabi Securities Exchange; and

3) Nasdaq Dubai.

in the case of the Principality of Monaco any stock exchange recognized by the Monaco Competent Authority.

any other stock exchange which the competent authorities of the Contracting States agree to recognise for the purposes of that Article.

3. With reference to Article 24 (Exchange of Information):

It is understood that for the purposes of the Agreement that:

a) the information exchanged must not be disclosed to any other State or sovereign territory not party to this Agreement;

b) personal data may be processed and transmitted to the extent necessary for the exchange of information according to Article 24;

c) any request for information shall be in writing.

4. As far as exchange of information upon request under Article 24 is concerned, the competent authority of the requesting Party shall provide the following information in writing to the competent authority of the requested Party to demonstrate the foreseeable relevance of the information to the request:

a) the Identity of the person under examination or investigation;

b) a statement of the information sought including its nature and the form in which the requesting Party wishes to receive the information from the requested Party;

c) the period for which the information is sought;

d) the tax purpose for which the information is sought;

e) the reasons for which the information requested is foreseeably relevant for carrying out the provisions of the Convention or to the administration or enforcement of the tax laws of the requesting State;

f) grounds for believing that the information requested is held in the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;

g) to the extent known, the name and address of any person believed to be in possession of the requested information;

h) a statement that the request is in conformity with the law and administrative practices of the requesting Party, that if the requested information was within the jurisdiction of the requesting Party then the competent authority of the requesting Party would be able to, obtain the information under the laws of the requesting Party or in the normal course of administrative practice and that it is in conformity with this Agreement;

i) a statement that the requesting Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

5. With respect to paragraph 2 of Article 24, it is understood that exchange of information for non-tax purposes can be exchanged only if the following conditions are cumulatively met:

a) The "other purposes" shall accord with an existing international agreement or protocol to which both Contracting States are party relating to mutual legal assistance;

b) In seeking the authorization of the competent authority of the supplying State, the requesting State shall specify the other non-tax purposes for which it wishes to use the information;

c) The requesting State shall identify the legal agencies or judicial authorities with whom it will share the information; and

d) It will be necessary to obtain the prior consent of the authority of the supplying State which signed the agreement or protocol in accordance with which the information will be used.

6. With respect to Article 27, the term "Government controlled institutions or companies" shall mean any entity or institution, which is wholly owned directly or indirectly, by the federal or local government, a political subdivision, or a local authority thereof and shall include the following entities:

a) in the case of the United Arab Emirates:

(i) Central Bank of the United Arab Emirates,

(ii) Emirates Investment Authority,

(iii) Abu Dhabi Investment Authority,

(iv) Abu Dhabi Investment Council,

(v) Investment Corporation of Dubai,

(vi) Mubadala Investment Company,

(vii) Abu Dhabi Developmental Holding Company (ADQ),

(viii) International Petroleum Investment Company (IPIC),

(ix) the Abu Dhabi Retirement Pensions and Benefits Fund,

(x) the General Pension and Social Security Authority;

(xi) any entity the capital of which is wholly owned directly or indirectly, by the United Arab Emirates, by the federal or local government, a political subdivision, or a local authority thereof, as shall be exchanged from time to time for prior authorization between the Contracting States through notifications by the competent authorities.

b) in the case of the Principality Monaco:

Entities controlled by the Government of the Principality of Monaco.

7. The competent authority of the requested Party shall forward the requested information as promptly as possible. If the requested Party is unable to obtain the information, it shall inform the requesting Party within 90 days from receipt of the request.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Protocol.

DONE in duplicate at this 13 day of November 2021, in the Arabic, French and English languages, all texts being equally authentic. In case of divergence between the texts, the English text shall prevail.

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