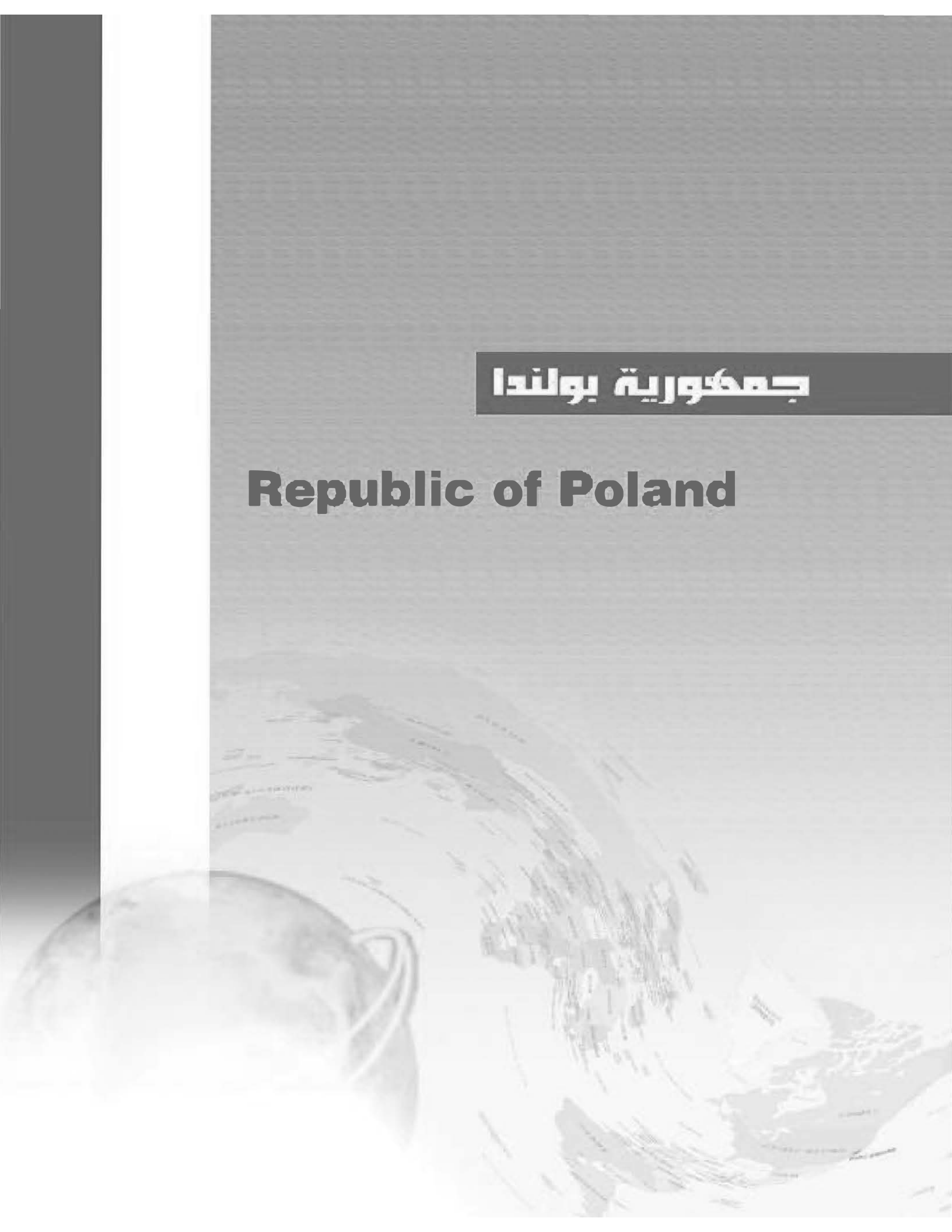
جمهورية بولندا

Republic of Poland



AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED ARAB EMIRATES

AND

THE GOVERNMENT OF THE REPUBLIC OF POLAND

FOR THE AVOIDANCE OF

DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION

WITH RESPECT TO TAXES ON INCOME AND CAPITAL

The Government of the United Arab Emirates and the Government of the Republic of Poland desiring to promote and strengthen the economic relations by concluding an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital, have agreed as follows:-

Article (1)

PERSONAL SCOPE

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

Article (2)

TAXES COVERED

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State, or its political subdivisions or local authorities or by administrative territorial units 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 capital, including taxes on gains from alienation of movable or immovable property as well as taxes on capital appreciation.

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

   (a) In the case of the United Arab Emirates:-

      (i) Income Tax.

      (ii) Corporation Tax.

      (hereinafter referred to as "U.A.E tax");

(b) in The case of Poland:

(i) the personal income tax/podatek dochodowy od osob fizycznych/;

(ii) the corporate income tax/ podatek dochodowy od osob prawnych/;

(iii) the agriculture tax/podatek rolny/;

(hereinafter referred to as "Polish tax").

4. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes referred to in paragraph 2. The competent authorities of the Contracting States shall notify each other of any substantial changes which are made in their respective taxation laws within a reasonable period of time after such changes.

Article (3)

GENERAL DEFINITIONS

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

(a) the term a "Contracting State" and "the other Contracting State" mean, as the context requires, the Republic of Poland or the United Arab Emirates.

(b) the term "Poland" means the Republic of Poland and, when used in a geographical sense, means the territory of the Republic of Poland including any area beyond its territorial waters within which under the laws of Poland and in accordance with international law, Poland may exercise its sovereign rights over the sea-bed, its subsoil and their natural resources.

(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 "tax" means U.A.E tax or Polish tax as the context requires;

(e) the term "person" includes an individual, a company, or any other body of persons Legally setted up in either of the Contracting States;

(f) the term "company" means any body corporate or any entity which 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 "national" means:-

all individuals possessing the nationality of a Contracting State and all legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State.

2. The term "international traffic" means any transport by ships, boats, road vehicles or aircraft operated by an enterprise which has its place of management in either of

the Contracting States, except when the ship, boat, road vehicle or aircraft is operated solely between places in the other Contracting State.

3. The term "competent authority" means:

(i) in the case of U.A.E. The Minister of Finance and Industry or his authorised representative; and

(ii) in case of Poland the Minister of Finance or his authorised representative.

4. In the application of this Agreement by either of the Contracting States, any term not defined therein shall-unless the context otherwise requires-have the meaning which it has under the laws of that State concerning the taxes to which the Agreement applies.

Article (4)

RESIDENT

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

2. For the purpose of pharagraph 1 above the term "resident" shall include:

   a) the Government of a Contracting State or any political subdivision or local authority thereof .

   b) any Governmental institution created under public law such as the Central Bank, funds, corporations, authorities, foundations, agencies or any other similar entities established in a Contracting State;

   c) any intergovernmental entity established in the United Arab Emirates in whose capital the United Arab Emirates subscribes together with other States.

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

(i) he shall be deemed to be a resident of the State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (centre of vital interests);

(ii) if the Contractig State in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him in either Contracting States, he shall be deemed to be a resident of the Contracting State in which he has an habitual abode;

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

(iv) 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.

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

Article (5)

PERMANENT ESTABLISHMENT

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

2. The term "permanent establishment" shall include specifically:-

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

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

(g) a farm or plantation.

3. The term "permanent establishment" likewise encompasses:

(a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period of more than twelve months.

(b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel in the other Contracting State, provided that such activities

continue for the same project or a connected project for a period or periods aggregating more than twelve months.

4. Notwithstanding the provisions of paragraphs 1 to 3, 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 maintainance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

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

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

(e) the maintainance 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 sale of goods or merchandise belonging to the enterprise displayed in the frame of an occasional temporary fare or exhibition after the closing of the said fare or exhibition; provided that involving parties or companies fulfill all requirements in either Contracting States.

5. Notwithstanding the provision of paragraph 1 and 2 a person acting in a Contracting State on behalf of an enterprise of the other Contracting State-other than an agent of an independent status to whom paragraph 6 applies shall be deemed to be a permanent establishment in the first-mentioned State if:

a) he has in the first-mentioned State a general authority to negotiate and conclude contracts for or on behalf of such enterprise,

b) he maintains in the first-mentioned State a stock of goods or merchandise from which he regularly sells goods or merchandise for or on behalf of such enterprises.

6. A broker, a commission agent or other agent of genuinely independent status who merely acts as an intermediary between an enterprise of one of the Contracting States and a prospective customer in the other Contracting State shall not be deemed to be a permanent establishment in that other Contracting State and 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, he will not be considered an agent of an independent status within the meaning of this paragraph.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State or

which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article (6)

INCOME FROM IMMOVABLE PROPERTY

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

2. The term "immovable property" shall have the meaning which it has under the laws 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, buildings, usefruct of

immovable property and rights to variable or fixed payments as consideration for the working of, or the right of work; mineral deposits, sources and other natural resources; ships, boats, road vehicles and aircraft shall not be regarded as immovable property.

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

4. The provisions of paragraph 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 only be taxable in that State unless the enterprise

carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

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

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incured for the purposes of the permanent establishment, including executive and general administrative expenses so incured, whether in the State in which the permanent establishment is situated or elsewhere. This provision is applicable irrespective of the limitation provided by the internal laws.

4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permenant establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in this Article shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary, the methods 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 permenant establishment by reason of the mere purchase by the permenant establishment of goods or merchandise for the enterprise.

6. For the purpose 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 a 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 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. Profits from the operation of boats engaged in inland waterways transport shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

3. If the place of effective management of a shipping enterprise or of an inland waterways transport enterprise is aboard a ship or boat then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship or boat is situated, or , if there is no such home harbour ,in the Contracting State of which the operator of the ship or boat is a resident.

4. Profits from the operation of road transport vehicles in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated, unless the enterprise carries on activities referred to in this

paragraph in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the provision of Article 7 shall apply.

5. The provisions of paragraph 1 to 4 shall likewise apply to:

a) Profits from the operation, in international traffic, of ships, boats, aircraft, or road transport vehicles leased;

b) Profits from the operation in international traffic of

1) containers in sea, road, and air transport,

2) lighters operated in the lighters-aboard ship system, or

3) other equipment related to transports by ships, boats aircraft or road-transport vehicles,

irrespective of whether such equipment is owned or leased by the enterprise;

c) Profits from the participation in a pool , a joint business or in an international operating agency.

d) interest on deposits generated directly from the operation of ships, boats, road vehicles or aircraft in international traffic provided that such interest is incidental to the operation.

Article (9)
ASSOCIATED ENTERPRISES

(1) Where -

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

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

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

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

2. However such dividends may also be taxed in the Contracting State in which the company paying the dividend is a resident and according to the laws of that state ; but if the recipient is the beneficial owner of the dividend,the tax so charged shall not exceed 5% (five percent) of the gross amount of the dividend.

3. Notwithstanding the provisions of paragraphs 1 and 2 dividends paid by a company which is a resident of either Contracting State shall not be taxable if the beneficial owner of the dividends is :

(a) the Government of any Contracting State or any governmental institutions or entity thereof;

(b) a company which is a resident of either Contracting State the capital of which is owned directly or indirectly at least 25% (twenty five percent) by the government or governmental institutions of either Contracting States.

4. The provisions of paragraphs 2 and 3 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid with due consideration to the law for foreign investment.

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

6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment or fixed

base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or 14 shall apply.

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

Article (11)
INTEREST

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

2. However, such interest may be taxed in the Contracting State in which it arises and according to the law of that State, but if the recepient is the beneficial owner of the interest, the tax so charged shall not exceed 5% (five percent) of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2 interest arising in a Contracting State and derived by the government of the other Contracting State including local authorities thereof, the central bank or any financial institution controlled by that Government, or interest derived on loans guaranteed by that Government shall be exempted from tax in the first mentioned State.

4. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures including the premium and prizes attaching to such securities, bonds, or debentures . Penalty charges for late payments shall not be regarded as interest for the purpose of this article.

5. 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 or fixed base situated therein, or the person that performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base, in such case the provision of Article 7 or 14 as the case may be shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is the Government of that State, a political subdivision, a local authority or administrative territorail units thereof, or a resident of that State. Where however, the person paying the interest, whether he is 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 incured, and such interest is borne by such permanent establishment or fixed base then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

7. Where, by reason of a special relatioship 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 abscence 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 given to the other provisions of this Agreement.

Article (12)

Royalties

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

2. However,such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State ,but if the recepient is the beneficial owner of the royalties then 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 payment of any kind received as a consideration for the use of, or the right to use any copy right of literary, artistic, or scientific work including cinematograph films, any patent, trade mark, design or model, plan secret formula or process or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience but does not include payment in respect of the operation of mines or quaries or exploitation of natural recourses.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State carries on business in the other Contracting State in which the royalties arise, through a permenant establishment located therein or performs in that

other state independant personal services from a fixed base situated therein and the right of property in respect of which the royalties are paid is directly connected with such permenant establishment or fixed base. In such case the provisions of Article 7 or 14 as the case may be shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself,a political subdivision,a local authority or administrative territorial units, thereof or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or 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 a fixed base then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or a fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the abscence 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 given to the other provisions of this agreement.

Article (13)

GAINS FROM THE ALIENATION OF PROPERTY

1. Gains derived by a resident of a Contracting State from the alienation of immovable property, as defined in paragraph 2 of Article 6,and situated in the other Contracting State may be taxed in the Contracting State in which such property is situated.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment or a fixed base 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 together with the whole enterprise) or of such a fixed base may be taxed in that other State.

3. Gains from the alienation of ships boats, road vehicles or aircraft operated in international traffic and movable property pertaining to the operation of such ships, boats, road vehicles or aircraft shall be taxable only in the

Contracting State in which the place of effective management of the enterprise is situated.

4. Gains from the alienation of any property other than that referred to in paragraphs 1 to 3, shall be taxable only in the Contacting 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 independent activities of a similar charachter may be taxed by that Contracting State, unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities ; if he has such a fixed base , the income may be taxed in the other Contracting State, but only as much as it is attributable to that fixed base.

2. The term "proffessional services" include especially independant scientific, literary and artistic education or teaching activities as well as the independant activities of physicians, lawyers, engineers, architects, accountants, and dentists.

Article (15)
DEPENDENT PERSONAL SERVICES

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

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
   a) the recipient is present in the other 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 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 , boat, road vehicle or aircraft operated in

international traffic shall be taxed only in the Contracting State in which the place of effective management of the enterprise is situated.

Article (16)
TEACHERS AND RESEARCHES

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any university, college, school or other similar educational institution or scientific research institution visits that other State for a period not exceeding three years solely for the purpose of teaching or research or both at such educational institution or scientific research institution shall be exempted from tax for a period not exceeding three years in that other State on any remuneration for such teaching or research which is subject to tax in the first mentioned State.

ARTICLE (17)
STUDENTS AND TRAINEES

1. A student or business apprentice who, immediately before visiting a Contracting State is or was a resident of the other Contracting State and who is present in the first mentioned Contracting State for the purpose of his education or training shall be exempt from tax in that first-mentioned Contracting State on:

(a) payments made to him by persons residing outside that first-mentioned Contracting State for the purpose of his maintainance, education or training; and

(b) remuneration from employment in that first-mentioned Contracting State, provided that such employment being a full time employment, lasts not more than 183 days in the year of assessment.

2. An individual who, immediately before visiting a Contracting State is or was resident of the other Contracting State and who is temporarly present in the first-mentioned State primarily for the purpose of study, research or training as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organisation or under a technical assisstance programme entered into by the Government of a Contracting State shall, from the date of his arrival in the first - mentioned State in connection with that visit, be exempt from tax in the State, for a period not exceeding the period of the grant.

Article (18)

ARTISTS AND ATHLETES

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as a public entertainer, such as a theatre, motion picture,

radio or television artists, or a musician, or as an athlete, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State in which these activities are performed.

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

3. Income derived from such activities performed within the frame work of cultural agreements concluded between the Contracting States are reciprocally exempted from tax only if such activities are sponsored by the Government of a Contracting State and the activities are not carried out for the purpose of profits.

Article (19)
DIRECTORS' FEES

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

Article (20)
PENSIONS AND ANNUITIES

1. Subject to the provision of paragraph (2) of Article 21 pensions, annuities and other similar remuneration paid to the resident of a Contracting State in consideration of past employment shall be taxable only in that State.

2. The term pensions, annuities and other similar remuneration as used in this article means periodic payments made after retirement in consideration of past employment or by way of the compensation for injuries recieved in connection with past employment.

Article (21)
GOVERNMENT SERVICES

1. a) 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 shall be taxable only in that State.

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

(i) is a national of that State; or

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

2. a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision 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, 19 and 20 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article (22)
OTHER INCOME

1. Items of income of a resident of a Contracting State, wherever arising, which are not expressly 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 fixed 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 provisons of Article 7 or Article 14, as the case may be, shall apply.

Article (23)
CAPITAL

1. Capital represented by immovable property as defined in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in the Contracting State in which the property is situated.

2. Capital represented by 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 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

the Contracting State in which the permanent establishment or fixed base is situated.

3. Capital represented by ships , boats, road vehicles and aircraft operated in international traffic and by movable property pertaining to the operation of such ships, boats, road vehicles or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated .

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that state .

Article (24)

METHODS OF ELIMINATION OF DOUBLE TAXATION

1. In the case of Poland, double taxation shall be avoided as follows:
   a. where a resident of Poland derives income or owns capital which, in accordance with the provisions of this Convention may be taxed in the United Arab Emirates, Poland shall subject to the provision of sub paragraph b), exempt such income or capital from tax but may in calculating tax on the remaining income or capital of that resident, apply the rate of tax which would have been applicable if the exempted income or capital had not been so exempted.

b. where a resident of a Poland derives income which, in accordance with the provisions of Articles 10,11 and 12 of this Agreement may be taxed in the United Arab Emirates, Poland shall allow as a deduction from the tax on the income of that person an amount equal to the income tax paid in the United Arab Emirates.Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is appropriate to the income which may be taxed in the United Arab Emirates.

2. In the case of the United Arab Emirates, the elimination of double taxation will be done according to the legislation of the United Arab Emirates taking into account the general principle of avoidance of double taxation.

Article (25)
NON - DISCRIMINATION

1. The 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 that which the nationals of the other State in same circumustances are or may be subjected.

2. The taxation or relief of 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 in the same circumstances and under the same methods.

3. (a) this article 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 an account of civil status or family responsibility which it grants to its own residents.

(b) nothing in this Article shall be construed as imposing a legal obligation on a Contracting State to extend to the residents of the other Contracting State, the benefit of any treatment, preference or privilege which may be accorded to any other State or its residents by virtue of the formation of a customs union, economic union, a free trade area or by virtue of any regional or sub-regional arrangement relating wholly or mainly to taxation, to which the first-mentioned State may be a party pursuant to the practice of either Contracting State.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State shall not be subject in the first-mentioned Contracting State to any taxation or any

requirement connected therewith which is other or more burdensome than that to which other similar enterprises of that first mentioned State are subjected.

5. In this article the term "taxation" means taxes of every kind and description which are the subject of this Agreement.

Article (26)
MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this convention, he may, without prejudice to the remedies provided by the national laws of those States, address to the competent authority of the Contracting State of which he is a resident an application in writing stating the grounds for claiming the revision of such taxation. To be admissible, the said application must be submitted within three years from the first notification of the action resulting in taxation not in accordance with this Agreement.

2. The competent authority of the Contracting State shall endeavour, if the objection appears to it to be justified and if it is not by itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with this Agreement.

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 elemination of double taxation in cases not provided for in this Agreement.

4. The competent authorities of the Contracting States shall , when necessary , communicate with each other directly for the purpose of applying this Agreement and reaching an agreement in the sense of the preceedings paragraphs.

Article (27)
EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out the provisions of this Agreement. Any information so exchanged by a Contracting State shall be treated as secret in the same manner as information obtained under the

domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by 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 one of the Contracting States the obligations:

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

(b) to supply information which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

(c) to supply information which would disclose any industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy or public order.

Article (28)

DIPLOMATIC AND CONSULAR OFFICIALS

Nothing in this Agreement shall affect the fiscal privileges of diplomatic or consular officials under the

general rules of international law or under the provisions of special agreements.

Article (29)
ENTRY INTO FORCE

1. The Governments of the Contracting States shall notify to each other that the domestic laws requirements for the entry into force of this Agreement have been complied with.

2. The Agreement shall enter into force thirty days after the date of the latter of the notifications referred to in paragraph 1 of this Article and its provisions shall have effect:

(i) in respect of withholding tax on income and taxes on capital gains derived by a non - resident, in relation to income and capital gains derived on or after 1st January in the calendar year immediately following that in which the Agreement enters into force.

(ii) in respect of other taxes, in relation to income of any fiscal year beginning on or after 1st January in the calendar year immediately following that in which the Agreement enters into force.

Article (30)
TERMINATION

This agreement shall continue in effect unless either of the Contracting State deliver a written notification through the diplomatic channel for its desire to terminate this Agreement; such a written notification must be given on or before the 30th of June in any calendar year beginning after the expiration of a period of ten years from the date of its entry into force.In such event this Agreement shall cease to have effect:

(i) in respect of withholding tax on income and taxes on capital gains derived by a non - resident, in relation to income and capital gains derived on or after 1st January in the calendar year immediately following that in which the notice of termination is given;

(ii) in respect of other taxes, in relation to income of any fiscal year beginning on or after 1st January in the calendar year immediately following that in which the notice of termination is given.

In witness whereof the undersigned, duly authorised thereto, by their respective Governments, have signed this Agreement.

Done at Abu Dhabi on 31st of January 1993 corresponding to eighth Shaban 1413 H. in duplicate in the Arabic, Polish and English languages, all texts being equally authentic.

In the case there is any divergence of interpretation of the provisions of this Agreement the English text shall prevail.

FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES

FOR THE GOVERNMENT OF THE REPUBLIC OF POLAND



PROTOCOL

At the signing today of the Agreement between the Government of the United Arab Emirates and the Government of the Republic of Poland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income and capital, the undersigned have agreed upon the following provisions which shall form an integral part of this Agreement:

1. Nothing in this Agreement shall affect the right of the Govrnment of the United Arab Emirates, its political subdivision or local authorities to apply its own laws related to the taxation of income derived from the petroluem and natural resources. Such activities will be taxed according to the law of the United Arab Emirates.

2. Without prejudice to the provisions of this Agreement the competent authority of a Contracting State shall, according to the provisions of its internal laws, consider with sympathy any request of a resident of the other Contracting State regarding other tax relief or tax holidays pertinent to income derived from investment made in the territory of the first mentioned Contracting State.

In witness whereof the undersigned, duly authorised thereto, by their respective Governments have signed this protocol.

Done at Abu DHabi this 31st of January 1993 corresponding to 8th of Shaban 1413 H., in duplicate in Arabic, Polish and English languages, all texts being equally authentic.

In the case there is any divergence of interpretation of this Protocol, the English text shall prevail.

FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES

FOR THE GOVERNMENT OF THE REPUBLIC OF POLAND

