Signed on: 1 November 2017
AGREEMENT

BETWEEN
THE UNITED ARAB EMIRATES

AND

THE REPUBLIC OF RWANDA
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME

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The Government of the United Arab Emirates and the Government of the Republic of Rwanda
Desiring to promote their mutual economic relations through the conclusion between them of an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income,

Have agreed as follows:

Article 1
Persons covered

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

Article 2
Taxes Covered

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the

alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises.

3. The existing taxes to which this Agreement shall apply are, in particular:

   a) In the case of UAE :

      (1) the income tax;
      (2) the corporate tax
      (Hereinafter referred to as “UAE tax”);

   b) In the case of Rwanda:

      (1) The personal income tax;
      (2) The corporate income tax;
      (3) The withholding taxes; and
      (4) The tax on rent of immovable property

      (Hereinafter referred to as "Rwandan tax")

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

Article 3
Income from Hydrocarbons

Notwithstanding any other provision of this convention 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.

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Article 4
General definition

1. For the purposes of this Agreement, unless the context otherwise requires:
   a) The terms " a Contracting State" and " the other Contracting State" mean United Arab Emirates or Rwanda, 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 "Rwanda" means the Republic of Rwanda and when used in geographical sense, includes all the territory, lakes and any other area in the lakes and the air within which Rwanda may exercise sovereign rights or jurisdiction in accordance with international law;

   d) The term "person" includes an individual, a partnership, an estate, a trust and any other body of persons which is treated as an entity for tax purposes.

   e) The term "national" means:

      (1) any individual possessing the nationality of a Contracting State according to its laws and regulations;
      (2) any legal person, partnership or association or other entity deriving its status as such from the laws in force in a Contracting State;

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f) The term “company” means anybody corporate or any entity that is treated as a body corporate for tax purposes;

g) A pension scheme means any plan , scheme, fund, trust, or other arrangement established in a Contracting, is generally exempt from tax in that State and operated principally either to administer or provide pension or retirement benefit or to earn income for the benefit of one or more such arrangements;

h) 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;

i) The term “international traffic” means any transport by a ship or aircraft operated by an enterprise of a contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

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

k) The term "qualified government entity" means, Central bank of a Contracting State and any person, agency, institution, authority, fund , enterprise , organization, or other entity wholly owned directly or indirectly by a contracting State or any political subdivision or local government thereof.

l) the term “tax” means UAE tax or Rwanda tax, as the context requires;

m) the term “competent authority” means:

(1) In Rwanda, the Minister responsible for Finance or his authorized representative and
(2) In UAE, the Minister of Finance or his authorized representative.

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

Article 5
Resident

1. For the purpose of this Agreement the term "resident of Rwanda" means any person who, under the laws of Rwanda, is liable to tax therein by reason of that person's domicile, residence, place of management or any other criteria or a similar nature, and also includes Rwanda and any political subdivision or local authority thereof. This term, however does not include any person who is liable to tax in Rwanda in respect only of income sources in Rwanda.

2. In case of the United Arab Emirates: an individual who is a national of the United Arab Emirates, provided that the individual has a substantial presence, permanent home or habitual abode in the United Arab Emirates and that individual's personal and economic relations are closer to the United Arab Emirates than to any other State and a company that has its place of effective management in the United Arab Emirates.

3. The term "resident of a Contracting State" also includes:

a) That State, any political subdivision, local authority and a qualified government entity thereof;
b) A pension fund that is recognized and controlled according to the statutory provisions of a Contracting State and the income of which is generally exempt from tax in that State

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

    a. The individual 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 (center of vital interests);

    b. if the Contracting State in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either 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 a habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident only of the contracting State of which he is a national;

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

5. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall endeavor to determine by mutual agreement the Contracting State of which such person shall be deemed to be a resident for the purposes of the Convention, having regard to its place of effective management, the place where

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it is incorporated or otherwise constituted and any other relevant factors.

Article 6
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;
    f) a warehouse, in relation to a person providing storage facilities for others;
    g) a farm, plantation or other place where agricultural, forestry, plantation is carried on.

A mine, an oil or gas well, a quarry or any other place of exploration extraction exploitation of natural resources or any activities related thereof including an offshore drilling site.

3. a building site, a construction, assemble or installation project or supervisory activities in connection there with or drilling rig or ship used for the exploring or exploiting of natural resources constitute a permanent establishment only if such site, project or activities continue for a period of more than 6 months.

4. the furnishing of services, including consultancy or managerial services, by an enterprise of a Contracting State through employees or other personnel engaged by the enterprise for such purpose, in the other Contracting State constitutes a permanent establishment only if activities of that nature continue for a period or periods aggregating more than 6 months in any twelve-month period

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commencing or ending in the fiscal year concerned. (subject to the provisions of Article 20)

5. For an individual, the performing of services in a Contracting State by that individual, but only if the individual's stay in that State, for the purpose of performing those services, is for a period or periods aggregating more than 6 months within any twelve month period commencing or ending in the fiscal year concerned;

6. 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 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;

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

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

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

    f) The maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

7. Notwithstanding the provisions of paragraphs 1 and 2 , where a person-other than an agent of an independent status to whom

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

a) Has, and habitually exercises in the first-mentioned Contracting State, an authority to conclude contracts in the name of such enterprise, unless the activities of such person are limited to those mentioned in paragraph 6 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph;
b) Has no such authority, but habitually maintains in the first-mentioned Contracting State a stock of goods or merchandise belonging to such enterprise from which he regularly delivers goods or merchandise on behalf of such enterprise;

c) Habitually secures orders in the first-mentioned Contracting State, exclusively or almost exclusively for the enterprise itself or for such enterprise and other enterprises, which are controlled by it or have a controlling interest in it.

d) In so acting, he manufactures or processes in that Contracting State for the enterprise goods or merchandise belonging to the enterprise.

8. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall, except in regard to re-insurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks situated therein through a person other than an agent of an independent status to whom paragraph 9 applies.

9. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of an

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independent status, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise and other enterprises, which are controlled by it or have a controlling interest in it, he will not be considered an agent of an independent status within the meaning of this paragraph.

10. Notwithstanding the provision of paragraph 9 of this Article, insurance companies that owned or controlled by a contracting State or its Local Governments or local authorities. Shall be treated differently for tax purposes and shall be subject to tax only in the state of residence.

11. 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 7
Income from Immovable Property

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) is taxable in the Contracting State in which such property is situated.

2. The term "immovable property" shall have the meaning, which it has under the national 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 laws respecting landed property apply, usufruct 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 and aircraft shall not be regarded as immovable property.

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

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

Article 8
Business Profits

1. The 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 in that other Contracting State. If the enterprise carries on or has carried on business in that manner, the profits of the enterprise may be taxed in the other Contracting State but only so much of them as is attributable to:
    a) That permanent establishment;
    b) sales in that other state of goods or merchandise of the same or similar kind as those sold through that permanent establishment;
    c) other business activities carried on in that other state of the same or similar kind as those effected through 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.

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3. In determining the profits of a permanent establishment, there shall be allowed as deductions those deductible expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere, taking into consideration any applicable law or regulations in the concerned Contracting State.

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

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

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

7. Where profits include items of income or gains 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 9
Shipping and Air Transport

Notwithstanding the provisions of Article 8 of this Agreement:

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

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

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

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

    c) selling of tickets on behalf of other airlines;

    d) Income derived from deposits at the bank, stocks, shares and other debentures, provided that such income is incidental to the operation of airlines operating in international traffic.

Article 10
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,
    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

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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 profits subjected to tax. 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 11
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 taxable in that other Contracting State.
2. However, dividends paid by a company which is a resident of a Contracting State may also be taxed in that State according to the laws of that state, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 7.5% percent of the gross amount of the dividends.

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

4. The provisions of paragraph 1 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated in that other Contracting State, , 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 8 shall apply.

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5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting State may not impose any tax on the dividends paid by the company , except insofar as such dividends are paid to a resident of that other Contracting State who is the beneficial owner of the dividends or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment, 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 contracting State.

6. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the shares or other rights in respect of which the dividend is paid to take advantage of this Article by means of that creation or assignment.

Article 12
Interest

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

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

3. 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, as well as income which is

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subjected to the same taxation treatment as income from money lent by the taxation laws of the Contracting State in which the income arises.

4. The provisions of paragraph 1 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated in that other Contracting State, or performs in that other Contracting State independent personal services from a fixed base situated in that other Contracting State, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 8 shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

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

7. The provisions of paragraph 3, 4 and 5 shall not be applied if the beneficial owner of the interest being the state itself, political subdivision, local Government or local authority or their financial

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institutions. Such income shall be taxable only at the state of residence.

8. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment.

Article 13
Royalties

1. Royalties 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 royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the royalties.

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

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

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establishment or fixed base . In such case the provisions of Article 8 shall apply.

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

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

7. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment.

Article 14
Management or professional fees

1. Management or professional fees arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such management or professional fees arising in a Contracting State may also be taxed in that State according to the

laws of that State, but if the beneficial owner of the management or professional fees is a resident of the other Contracting State, the tax so charged shall not exceed 10% per cent of the gross amount of the technical fees.

3. The term "management or professional fees" as used in this Article means payments of any kind to any person, other than to an employee of the person making the payments, in consideration for any service of a technical, managerial, professional or consultancy nature, unless the payment is the reimbursement of actual expenses incurred by that person with respect to the service.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the management or professional fees, being a resident of a Contracting State, carries on business in the other Contracting State in which the technical fees arise, through a permanent establishment situated therein and the management or professional fees are effectively connected with such permanent establishment. In such case, the provisions of Article 8 shall apply.

5. Technical fees shall be deemed to arise in a contracting state when the payer is a resident of that state. Where, however, the person paying the management or professional fees, whether that person is a resident of a contracting state or not, has in a Contracting State a permanent establishment in connection with which the obligation to pay the management or professional fees was incurred, and such management or professional are borne by the permanent establishment, such management or professional fees shall be deemed to arise in the State in which the Permanent establishment 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 management or professional fees 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

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according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

7. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which management fees are paid to take advantage of this Article by means of that creation or assignment.

Article 15
Capital Gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 7 and situated in the other Contracting State may be taxed 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), may be taxable in in that State.

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

4. Gains derived by a resident of a Contracting State from the alienation of shares deriving more than 50 percent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.

5. Gains other than to which paragraph 4 applies, derived by a resident of a Contracting State from the alienation of shares of a company which is a resident of the other Contracting State, may be taxed in that other Contracting State.

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6. However, paragraphs 4 and 5 shall not apply if shares alienated are listed on a recognized stock exchange market.

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

Article 16
Income from employment

1. Subject to the provisions of Articles 17, 19, 20, 21 and 22, 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 there from may be taxed in that other Contracting State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State shall be taxable only in the first-mentioned Contracting State if all the following conditions are met:

    a) The recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183days in 12 month period commencing or ending in the fiscal year concerned;

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

    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 or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that Contracting State.

4. An individual who is both a national of a Contracting State and an employee of an enterprise of that Contracting State the principal

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business of which consists of the operation of aircraft in international traffic and who derives remuneration in respect of duties performed in the other Contracting State shall be taxable only in that Contracting State on remuneration derived from his employment with that enterprise.

Article 17
Directors' Fees and remuneration of Top-Level Managerial Officials

1. Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or other similar organ of a company, which is a resident of the other Contracting State, shall be taxable only in the first-mentioned Contracting State.

2. Salaries, wages and other similar remuneration derived by a resident of a Contracting State in the individuals capacity as an official in a top-level managerial position of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 18
Artists and Sportsmen

1. Notwithstanding the provisions of Articles 8 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State , may be taxed in that other Contracting State.

2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 8 and 15 be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

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3. The provisions of paragraphs 1 and 2 shall not apply to income derived by entertainers or sportsmen who are residents of a Contracting State from personal activities as such exercised in the other Contracting State if their visit to that other Contracting State is substantially supported from the public funds of the first-mentioned Contracting State, including those of any political subdivision, a local authority or statutory body thereof, nor to income derived by a non-profit making organization in respect of such activities provided no part of its income is payable to , or is otherwise available for the personal benefit of its proprietors, founders or members.

Article 19
Pensions and Annuities

1. Subject to the provisions of paragraph 2 of Article 20, pensions and other similar remuneration and annuities paid to an individual who is a resident of a Contracting State in consideration of past employment may be taxed in that Contracting State.

2. As used in this Article:

   a) The terms "pensions and other similar remuneration" mean periodic payments made after retirement in consideration of past employment or by way of compensations for injuries received in connection with past employment;

   b) The term "annuity" means a stated sum payable to an individual periodically at stated times during life, or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

3. Notwithstanding the provisions of paragraph 1, pensions paid and other payments made under a public scheme which is part of the

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social security system of a Contracting State, a political subdivision or a local authority thereof shall be taxable only in that State.

4. Notwithstanding any provision of this Agreement, any amount paid from a pension scheme to a resident of a Contracting State which arises from sources in the other Contracting State shall be exempt from tax in the first-mentioned State if that pension or other amount would be exempt from tax in the other State if the recipient were a resident of that other State.

Article 20
Government Service

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

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

   (1) is a national of that Contracting State;

   (2) Did not become a resident of that Contracting State solely for 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 Contracting State or subdivision or authority shall be taxable only in that Contracting State.

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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 Contracting State.

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

Article 21
Teachers and Researchers

1. An individual who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who at the invitation of the Government of the first-mentioned Contracting State or of a university college, school, museum or other cultural institution in that first-mentioned Contracting State or under an official programme of cultural exchange is present in that Contracting State for a period not exceeding two consecutive years solely for .the purpose of teaching giving lectures or carrying out research at such institution shall be exempt from tax in that Contracting State on his remuneration for such activity provided that such remuneration is derived by him from outside that State.

2. the provisions of this Article shall not apply to income from research if such research is undertaken not in public's interest but wholly or mainly for the private benefit of a specific person or persons.

Article 22
Students and Trainees

1. Payments which a student or business trainee 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 arise from sources outside that Contracting State.

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2. In respect of grants, scholarships and remuneration from employment not covered by paragraph 1, a student or business trainee described in paragraph 1 shall , in addition, be entitled during such education or training to the same exemptions, relief's or reductions in respect of taxes available to residents of the Contracting State which he is visiting.

Article 23
Other Income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt within the foregoing Articles of this Agreement shall be taxable only in that Contracting 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 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 8 shall apply

3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of the Agreement and arising in the other Contracting State may also be taxed in that other State, with due consideration of provisions of Article 24.

Article 24
Elimination of Double Taxation

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

(a) in United Arab Emirates:

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

a) as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in that other State;
b) as a deduction from the tax on the capital of that resident, 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.

(b) in Rwanda:

> UAE tax paid by a resident of Rwanda in respect of income taxable in UAE, in accordance with the provisions of this Agreement, shall be deducted from taxes due in accordance with Rwandan Tax Law (which shall not affect the general principle hereof). Such deduction shall not, however, exceed the tax payable in Rwanda that would otherwise be payable on the income taxable in UAE.

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.

3. For the purposes of paragraph 1, the terms "Rwanda tax paid" and "UAE tax paid" shall be deemed to include the amount of tax which would have been paid in Rwanda or UAE as the case may be, but for an exemption or reduction granted in accordance with laws which establish schemes for the promotion of economic development in Rwanda or UAE, as the case may be, such schemes

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having been mutually agreed by the competent authorities of the Contracting States as qualifying for the purposes of this paragraph.

Article 25
Mutual Agreement Procedure

1. Where a person considers that the actions of one or both of the Contracting State 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 State, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provision of this Agreement.

2. The competent authority shall endeavor, 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 Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting State.

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

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

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Article 26
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 of the Contracting State concerning taxes covered by this Agreement imposed on behalf of a Contracting States, or of their political subdivisions or local authorities, insofar as the taxation there under is not contrary to this Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that 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, 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.

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

   a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
   b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
   c) to supply information which would disclose any trade, business, industrial , commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (order public).

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4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

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

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Article 27
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 the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of article 1, also apply to persons who are not residents of one or both of the Contracting States.

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

3. Except where the provisions of paragraph 1 of Article 10, paragraph 5 of Article 12 or paragraph 5 of Article 13 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.

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

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

Article 28
Miscellaneous Rules

The provisions of this Agreement shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded:

a) by the laws of a Contracting State in the determination of the tax imposed by that Contracting State;
b) By any other special arrangement on taxation between the Contracting States or between one of the Contracting States and residents of the other Contracting State.

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Article 29
Income of Government

1. Notwithstanding the provisions of paragraph 2 of Article 11, paragraph 2 of Article 12 and paragraph 2 of Article 14, dividends, interests and management or professional fees paid by a resident of a Contracting State to the Government of the other Contracting State or political subdivision or local authority thereof shall be exempt from tax in the first-mentioned State.

2. For the purposes of paragraph 1, the term "Government" shall include:

(a) In the case of United Arab Emirates:

(i) The Government of the United Arab Emirates;
(ii) A local government of the United Arab Emirates (Abu Dhabi, Dubai, Sharjah, Ras al Khaima, Fujairah, Umm al Qaiwain and Ajman)
(iii) The following financial institutions particularly but not exclusively:

1) Central Bank of the United Arab Emirates;
2) Abu Dhabi Investment Authority;
3) Abu Dhabi Investment Council;
4) Emirates Investment Authority;
5) Mubadala Investment Company;
6) Mubadala Development Company and its successors and assigns;
7) International Petroleum Investment Company (IPIC) and its successors and assigns;
8) Dubai World;
9) Investment Corporation of Dubai;
10) Abu Dhabi National Energy Company (TAQA)
11) the Abu Dhabi Retirement Pensions and Benefits Fund;
12) the General Pension and Social Security Authority; and

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13) Any other statutory body or institution or instrumentality wholly owned by the Government of United Arab Emirates, as may be agreed from time to time between the competent authorities of the Contracting States.

(b) In case of Rwanda:

(i) The Government of Rwanda;
(ii) A local Government of Rwanda;
(iii) The following financial institutions particularly but not exclusively:

1. The Central Bank of Rwanda;
2. The Government institution having pension in its attribution;
3. The Rwanda Development Bank
4. Any other statutory body or institution or instrumentality wholly owned by the Government of Rwanda, as may be agreed from time to time between the competent authorities of the Contracting States.

Article 30
Members of Diplomatic Missions and Consular Posts

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

Article 31
Entry into Force

Each of the Contracting States shall notify to the other in writing the completion of its constitutional procedures for the entry into force of

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this Agreement. This agreement shall enter into force on the date of receipt of the latter of these notifications and its provisions shall thereupon have effect in both Contracting States:

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

Article 32
Termination

The Agreement shall remain in force indefinitely but either of the Contracting States may terminate the Agreement through diplomatic channel, by giving to the other Contracting State written notice of termination not later than 30th June of any calendar year starting five years after the year in which the Agreement entered into force. . In such event, this Agreement shall cease to have effect in both Contracting States:

a) in respect of taxes withheld at source, for amounts paid or credited on or after the first day of January of the year next following that in which the notice of termination is given;
b) in respect of other taxes, for taxable periods beginning on or after the first day of January of the year next following that in which the notice of termination is given.

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