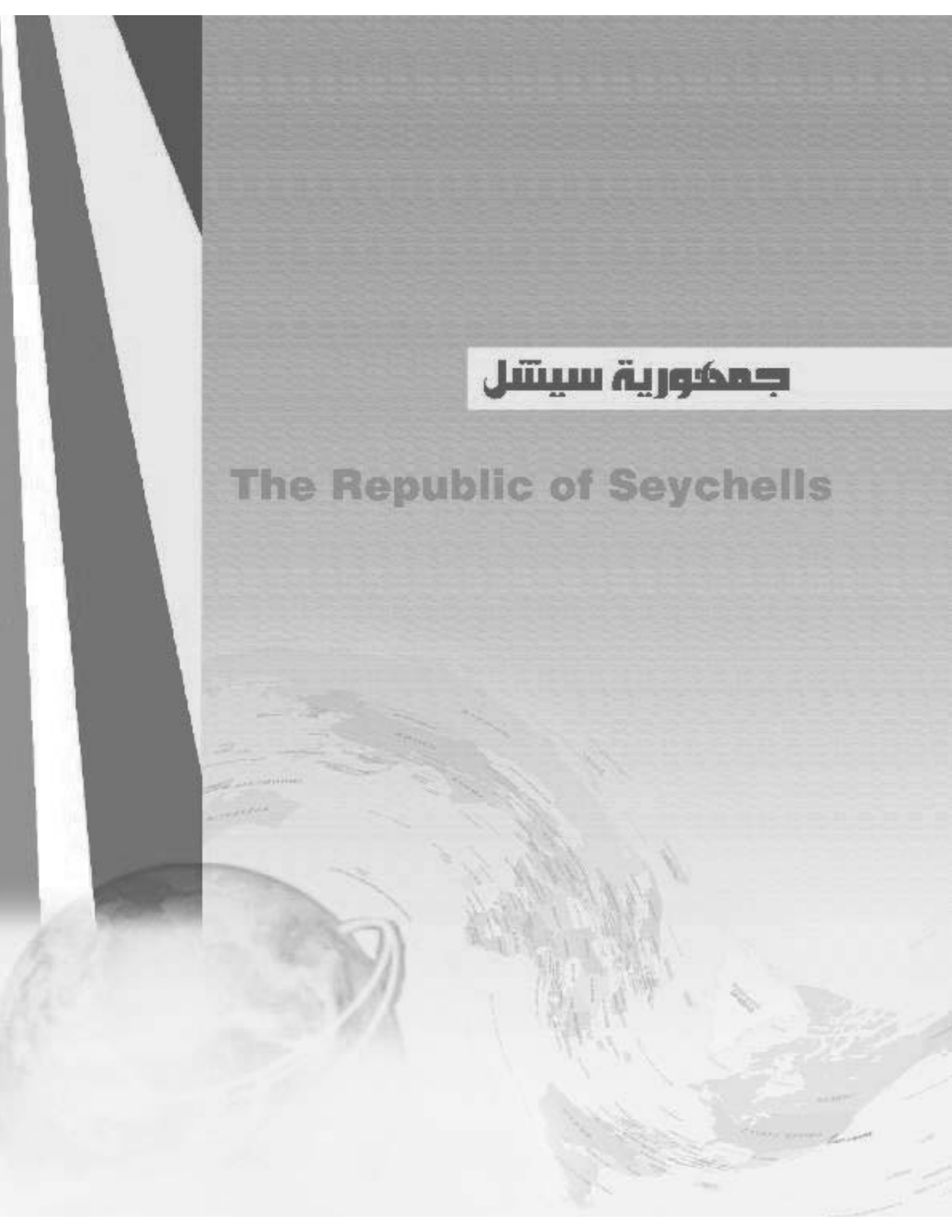
جمهورية سيشل

The Republic of Seychells



AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED ARAB EMIRATES

AND

THE GOVERMENT OF THE REPUBLIC OF SEYCHELLS

FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE

PREVENTION OF FISCAL EVASION WITH RESPECT TO

TAXES ON INCOME AND ON CPITAL

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

Article 1
Persons covered

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

Article 2
Taxes covered

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

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

3. the existing taxes to which this agreements shall apply are:

a) in the case of the United Arab Emirates:

(i) the income tax; and

(ii) corporation tax:

(Hereinafter referred to as "United Arab Emirates tax");

b) in the case of the Republic of Seychelles:

(i) the business tax; a

(ii) the petroleum income tax;

(Hereinafter referred to as "Seychelles 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. The competent authorities of the Contracting States shall notify each other of any significant changes, which have been made in the 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 the United Arab Emirates or the Republic of Seychelles as the context requires;

b) The term "Seychelles" means the territory of the Republic of Seychelles including its exclusive economic zone and continental shelf where Seychelles exercise sovereign rights and jurisdiction in conformity with the provisions of the United Nations Convention on the Law of the Sea;

c) The term "United Arab Emirates" means the United Arab Emirates and when used in a geographical sense, means the area in which the territory is under its sovereignty as well as its territorial sea, airspace and submarine areas over which the United Arab Emirates exercise, in conformity with international law and the law of the United Arab Emirates sovereign rights, including the mainland and islands under its jurisdiction in respect of any activity carried on in connection with the exploration for or the exploration of the natural resources.

d) The term "person" includes any individual, a company, a trust, a fund, a financial institution, or any other body of persons;

e) The term "company" means any body corporate or any entity which is treated as body corporate.

f) The terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting and an enterprise carried on by a resident of the other Contracting State.

g) 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;

h) The term "national" means:
In the case of the United Arab Emirates. All individuals possessing the nationality of the United Arab Emirates and any legal person, partnership and other body corporate deriving its status as such from United Arab Emirates laws;

ii) Any legal person partnership or associations deriving its status as such from the Laws in force in a Contracting State;

i) the term "competent authority" means :

i) in the case of the United Arab Emirates, the Minister of finance and industry or his authorized representative ; and

ii) in the case of the Republic of Seychelles, the Minister of finance or his authorized representative ;

j) The term "tax" means United Arab Emirates tax or Seychelles tax as the context require.

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 under the law of that State for the purposes of the taxes to which the Agreement applies.

Article 4
Resident

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

2. for the purpose of paragraph 1 above, the term "resident" in the case of the

A) United Arab Emirates shall include:

i) United Arab Emirates national any person who under the laws of the United Arab Emirates is considered a resident thereof and any company or other legal entity which is created under the laws of the united Arab Emirate and has its place of effective management thereof;

a) The Government of the United Arab Emirates 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 the United Arab Emirates ;

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

B) Republic of Seychelles shall include:

a) the Government of the Republic of Seychelles or any political subdivisions or local authority thereof;

b) any Government institution created under public law such as the central bank, a fund, an authority, a corporation, a foundation, an agency or any other similar entity established in the Republic of Seychelles;

c) any entity established in all the Republic of Seychelles all the capital of which has been provided by the Republic of Seychelles or any of its political subdivisions or local authorities thereof or any of its Government institutions as defined in subparagraph b)

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

a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relation 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 State, he shall be deemed to be a resident only of the State in which he has an habitual abode;

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

d) If the status of the resident cannot be determined by reason of subparagraphs a) to c) in that sequence, the competent authorities of the Contracting States shall settle the question by mutual agreement.

4. Why by reason of the provisions of paragraph 1 of this Article a person other than an individual is a resident of both Contracting States. Then it shall be deemed to be a resident only of the State in which its place its place of effective management is situated.

Article 5
Permanent establishment

1. For the purpose 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 mine an oil or gas well a quarry or any other place of extraction of natural resources;
g) A building site or construction or assembly or installations project or supervisory activities connected therewith constitute a permanent establishment only if such site project or activities continue for a period of more than eighteen months;

h) The furnishing of services, including consultancy services, by an enterprise through employees or other personal engaged by the enterprise for such purpose, but only where activities of that nature continue for the same or a connected project within the Contracting State for a period or periods aggregating more than fifteen months within any twenty four month period.

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

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

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

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

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 including preparation of a construction site for development projects;

f) The maintenance of 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 preparatory or auxiliary character.

4. Not withstanding the provisions of paragraph 1 and 2, where a person – other than an agent of an independent status to whom paragraph 5 applies-

is acting in a Contracting State on behalf of an enterprise of the other Contracting State, the 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 that State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 3 which if exercised through a fixed place of business, would not make this place of business a permanent establishment under the provisions of that paragraph ; or

b) has no such authority, but habitually maintain in the first mentioned State a stock of goods or merchandise from which he delivers goods or merchandise on behalf of the enterprise.

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

6. 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 but the tax so charged shall be reduced to such concessionary rate as provided for in accordance with any tax incentive granted under the laws of that Contracting State and which are designed to promote economic development.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply. Usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources shall also be considered as "immovable property" ships, boats and air craft 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.

5. For the purpose of this Article the term "agriculture" includes fish farming processing breeding and raising aquatic species including specifically prawns, crayfish, oysters and shellfish.

Article 7
Business profits

1. The profits of an enterprise of a Contracting state shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributed to that permanent establishment.

2. Subject to the provisions of paragraph 3 of this Article , where an enterprise of a Contracting state caries 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 the determination of the profits of a permanent establishment , there shall be allowed as deductions expanses which are incurred for the purpose of the business of the permanent establishment including executive and general administrative expenses so incurred whether in the State in which the permanent establishment is situated or elsewhere , however no such deductions shall be allowed in respect of amounts if any paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or any of its other offices , by way of royalties , fees or other similar payments in return for the use of patents or other rights , or by way of commission , for specific services performed or for management or except in the case of a banking enterprise by way of interest on money lent to the permanent establishment.

4. insofar as it has been customary in a Contracting 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 be in accordance with the principles contained in this Article.

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

6. For the purpose of the preceding paragraph, 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
SHIPPING AND AIR TRANSPORT

1. Notwithstanding the provisions of Article 7, Profits of an enterprise of a Contracting from the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State.

2. For the purpose 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 aircrafts; and

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; where such rental or where such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic.

3. For the purpose of this Article, interests on funds directly connected with the operation of ships or aircraft in international traffic shall be regarded as income or profits derived from the operation of such ships or aircraft, and the provisions of Article 11 shall not apply in relation to such interest.

4. The provisions of paragraph 1, 2 and 3 of this Article and paragraph 3 of Article 13 shall also apply to profits derived from the participation in a pool, a joint business or in an international operating agency.

5. The term "operation of ships or aircraft" means business of transportation by sea or by air of passengers, mail, livestock or goods carried on by the owners, lessees or charters of ships or aircraft, including the sale of tickets for such transportation on behalf of other enterprises, the incidental lease of ships or aircraft in international traffic and any other activity directly connected with such transportation such as income from hotels directly owned by the enterprise.

6. For the purpose of this Article and notwithstanding the provisions of paragraph 1(f) of Article 3, the term "enterprise of a Contracting" means:

(a) In the case of the United Arab Emirates, Emirates Airlines, Aletihad Airlines, Al Arabia Airlines, Gulf Air Company and any other air transport service managed and controlled in the United Arab Emirates and carried on either by an individual resident in the United Arab Emirates and not resident in Seychelles, or by a partnership or corporation created or organized under the laws of the United Arab Emirates:

(b) In the case of the Republic of Seychelles, Air Seychelles Ltd and any other air transport enterprise managed and controlled in Seychelles and carried on either by an individual resident in Seychelles and not resident in the United Arab Emirates, or by a partnership or corporation created or organized under the laws of Seychelles.

Article 9
ASSOCIATED ENTERPRISES

1. Where

a) an enterprise of a Contracting 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 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, any profits which would, but for those conditions, have occurred to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting state includes, in accordance with the provisions of paragraph 1, in the profits of an enterprise of that State – and taxes accordingly – profits on which an enterprise of the other Contracting State has been charged to tax in the other State, and where the competent authorities of the Contracting State agree, upon consultation, that all or part

of the profits so included are profits which would have accrued to the enterprise of the first-mentioned State is the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State may make an appropriate adjustment to the amount of the tax charged therein on those agreed profits. In determining such adjustments, due regard shall be had to the other provisions of the Agreement.

Article 10
DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "dividends" as used in this Article means income from shares or other rights, participating in profits not being debt-claims, 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.

3. The provisions of paragraph 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting , carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15, as the case may be, shall apply (unless such income is derived by the Government of either Contracting States).

4. Where a company which is a resident of a Contracting derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State (unless such income is derived by the Government of either Contracting States) , 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.

5. The provisions of this Article shall not apply 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 dividends is paid to take advantage of this Article by means of that creation or assignment.

Article 11
INTEREST

1. Interest arising in a Contracting state and paid to a resident of the other Contracting State shall be taxable only in that other State.

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

3. The provisions of paragraph1 shall not apply if the beneficial owner of the interest, being a resident of a Contracting state carries on business in the other Contracting State, in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

4. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on the 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.

5. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of the this Article shall apply only to the last mentioned amount of interest. 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.

6. The provisions of this Article shall not apply 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 12
ROYALTIES

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

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed five per cent of the gross amount of the 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 copyright of literary, artistic or scientific work (including computer software, cinematograph films, or films or tapes or discs used for radio or television broadcasting), any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for the information concerning industrial, commercial or scientific experience. The term "royalties" however, does not include royalties on oil or hydrocarbons or royalties on scientific equipment, formula or other such royalties related to hydrocarbon industries or investments.

4. The provisions of paragraph 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting States , carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 15, as the case may be, shall apply.



5. Royalties shall be deemed to arise in a Contracting state when the payer is 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 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 that State in which the permanent establishment or fixed base is situated.

6. Where, by reason of special relationship between the payer and the beneficial owner or between both of then and some other person, the amount of 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 of royalties. In such case, the excess part of 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 this Article shall not apply if it was the main purpose 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 13
CAPITAL GAINS

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

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

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

Article 14
INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State 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 State but only so much of it as is attributable to that fixed base.

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

Article 15
DEPENDENET PERSONAL SERVICES

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

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting state in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and
b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
c) the remuneration is not borne by permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding paragraph off this Article, remuneration derived in respect of an employment exercised aboard a ship or in aircraft in international traffic and ground staff shall be taxable only in the Contracting State of which the enterprise operating the ship or aircraft is a resident.

Article 16
DIRECTORS' FEES

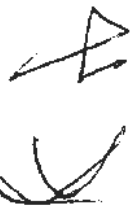
Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or similar body of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 17
ENTERTAINERS AND SPORTSPERSONS

1. Notwithstanding the provisions of Articles 7, 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

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

3. Income derived by an entertainer or a sportsperson from activities exercised in a Contracting state shall be exempt from tax in that State, if the visit to that State is supported wholly or mainly by public funds of the other Contracting State or a local authority thereof, or takes place under a cultural agreement or arrangement between the Governments of the Contracting State.



Article 18
PENSIONS

1. Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid to a resident of a Contracting state in consideration of past employment shall be taxable only in that State.
2. Notwithstanding the provisions of paragraph 1, pensions and other similar payments made under social security system of a Contracting state, shall be taxable only in that State.

Article 19
GOVERNMENT SERVICE

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

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

   i) is a national of that State, or ii) did not become a resident of that State solely for the purpose of rendering the services.
2. a) Any pension paid by, or out of funds created by, a Contracting state or a local authority or statutory body thereof to any individual in respect of services rendered to that State or authority or body 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 other State.

3. The provisions of Article 15, 16, 17 and 18 of this Agreement 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 local authority or a statutory body thereof.

Article 20
PROFESSORS AND TEACHERS

1. A professor or teacher who is or was a resident of a Contracting State immediately before visiting the other Contracting State for the purpose of teaching or engaging in research or both, at an approved university, college or school or other approved educational or scientific research institution in that other Contracting State shall be exempt from tax in that other Contracting State on any remuneration for such teaching or research for a period not exceeding two years from the date of his arrival in that other Contracting State.
2. This Article shall not apply to income from research if such research is undertaken primarily for the private benefit of a specific person or persons.
3. The term "approved" in paragraph 1 means an approval given by the Contracting State in which the university, college, school or institution is situated.

Article 21
STUDENTS AND APPRENTCES

Payments which a student or business apprentice who or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside the State.



Article 22
OTHER INCOME

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 and 5 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 of property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case, the provision of Article 7 or Article 14, as the case may be, shall apply.
3. Notwithstanding the provisions of paragraph 1 and 2, items of income of a resident of a Contracting State not dealt with the foregoing Articles of this Agreement and arising in the other Contracting State mat also be taxed in that other State.

Article 23
ELIMINATION OF DOUBLE TAXATION

1. Where a resident of a Contracting State derives income which, in accordance with the provisions of this Agreement, may be taxed in the other Contracting State, the first mentioned State shall allow, as a deduction from the tax on the income of that resident, an amount equal to income tax paid in that other State. Such deduction in either case shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable, as the case may be, to the income which may be taxed in that other State.

2. The tax payable in a Contracting State mentioned in paragraph 1 shall be deemed to include the tax which would have been payable but for the tax incentives granted under the laws of that Contracting State and which are designed to promote economic development.

Article 24
NON-DISCRIMNATION

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the circumstances, in particular with respect to residence, are or more subjected.

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

3. Except where the provisions of paragraph 1 of Article 9, paragraphs 8 and 9 of Article 11, paragraphs 6 and 7 of Article 12 of this Agreement apply, interest, royalties and other disbursement 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.

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 that the taxation and connected requirements to which

other similar enterprises of the first-mentioned State are or may be subjected.

5. Nothing contained in this Article shall be construed as obliging either Contracting State to grant to individuals not resident in that State any of the personal allowances, relief's and reductions for tax purposes which are granted to its own individuals so resident.

6. The provisions of this Article shall apply to the taxes which are the subject of this Agreement.

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 States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24, to that of the Contracting State of which he is a national. The case must be presented within two years from the first notification of the action resulting in taxation not in the accordance with the provisions of the 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 the 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 endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the 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 paragraph.

Article 26
EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting State concerning taxes covered by this Agreement insofar as the taxation thereunder is not contrary to the Agreement as well as to prevent fiscal evasion. The exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated as a secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceeding or in judicial decisions. The competent authorities shall, through consultations, develop appropriate methods and techniques concerning the matters in respect of which such exchanges of information shall be made.
2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting the obligation:
3. a) to carry out administrative measures at variance with the laws and the administrative practice of that or of the other Contracting State.

d) 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.

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

Article 27
MEMBERS OF DIPLOMATIC MISSIONS AND CONSULARPOSTS

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

Article 28
ENTRY INTO FORCE

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

a) in the case of the United Arab Emirates

i) In respect of taxes withheld at source for amounts paid or credited on or after the first day of January next following the date on which this Agreement enters into force.

j) in respect of other taxes for any taxable year commencing on or after the first day of January next following the date on which this Agreement enters into force.

b) in the case of Republic of Seychelles:

i) With regard to taxes withheld at source in respect of amounts paid or credited on or after the first day of January in the year next following the date on which this agreements enters into force.

ii) With regard to other taxes in respect of taxable years beginning on or after the first day of January next following the date on which the agreement enters into force.

Article 29
Termination

This Agreement shall be in force until terminated by one of the Contracting States. Either Contracting State may terminate the agreement, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the period of ten years from the date on which the agreement enters into force. In such event the agreement shall cease to have effect as follows:

A. in the case of the United Arab Emirates

i.) in respect of taxes withheld at source: for amounts paid or credited on or after the first day of January in the calendar year immediately following that in which the notice of such termination is given.

ii.)in respect of other taxes: for any tax year commencing on or after the first day of January in the calendar year immediately following that in which the notice of such a termination is given.

B. in the case of the Republic of Seychelles:

i. With regard to taxes withheld at source, in respect of amounts paid or credited after the end of the calendar year in which such notice is given.

ii. With regard to other taxes, in respect of taxable years beginning after the end of the calendar year in which such notice is given.

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

Done at Singapore the Tuesday day 26 of Shaaban 1427 AH, corresponding to 19 day of Sept 2006 AD in duplicate, each in the Arabic and English languages, both texts being equally authoritative. In case of divergence interpretation of the texts of this Agreement, the English text shall prevail.

[redacted]