مملكة تايلاند

Kingdom of Thailand



Article 1

PERSONAL SCOPE

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

Article 2

TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State, or its political subdivisions, local authorities or local governments 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 alienation of movable or immovable property as well as taxes on capital appreciation.

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

(a) In the case of the United Arab Emirates:
(i) Income Tax
(ii) Corporation Tax

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

(b) In the case of the Kingdom of Thailand:
(i) Income tax
(ii) Petroleum income tax

(hereinafter referred to as " THAI tax")

4. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes referred to in paragraph 3. The competent authorities of the Contracting States shall notify each other of any substantial changes which are made in their respective taxation laws within a reasonable period of time after such changes.

Article 3

GENERAL DEFINITIONS

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

(a) the terms "a Contracting State " and "the other Contracting State" mean the United Arab Emirates or the Kingdom of Thailand as the context requires;

(b) the term " Thailand" means the Kingdom of Thailand and includes any area adjacent to the territorial waters of the Kingdom of Thailand which by Thai legislations and in accordance with the international law has been or may hereafter be designated as an area within which the rights of the Kingdom of Thailand with respect to the seabed and subsoil and their natural resources may be exercised;

(c) the term "United Arab Emirates" means the territory of the United Arab Emirates including its territorial waters, islands,airspace, seabed, subsoil and their natural

resources over which the United Arab Emirates exercises its sovereign rights in accordance with the United Arab Emirates legislations and the international law.

(d) the term "tax" means U.A.E. tax or THAI tax as the context requires;

(e) the term "person" includes an individual, a company and any other body of persons as well as any entity treated as a taxable unit under the taxation laws in force in either Contracting State;

(f) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

(g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

(h) the term "national" means all individuals possessing the nationality of a Contracting State and all legal persons, partnerships, associations and any other entity deriving their status as such from the laws in force in a Contracting State.

2. 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.

3. The term "competent authority" means:

(a) in the case of the United Arab Emirates, the Minister of Finance and Industry or his authorized representative; and
(b) in the case of the Kingdom of Thailand, the Minister of Finance or his authorized representative.

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

Article 4

RESIDENT

1. For the purposes of this Agreement, the term "resident of a Contracting State" means a person who is under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar nature but this term does not include any person who is liable to tax in that State in respect only of income from sources in that State.

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

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

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

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

(d) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall endeavor to settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then the competent authorities of the Contracting States shall settle the question by mutual agreement.

Article 5

PERMANENT ESTABLISHMENT

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

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

(a) a place of management;
(b) a branch;
(c) an office;
(d) a factory ;
(e) a workshop;
(f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;
(g) a farm or plantation ;
(h) a permanent warehouse, in relation to a person providing storage facilities for others.

3. The term "permanent establishment" likewise encompasses:

(a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period of more than 6 months.
(b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel in the other Contracting State, provided that such activities continue for the same project or a connected project for a period or periods aggregating more than 6 months.

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

(a) the use of facilities solely for the purpose of storage or 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 or 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 for collecting information for the enterprise ;

(e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

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

(a) has and habitually exercises in the first-mention State, an authority to conclude contracts on behalf of the a enterprise unless his activities are limited to the purchase of goods or merchandise for the enterprise ;

(b) has no such authority, but habitually maintains in the first-mentioned State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders or makes deliveries on behalf of the enterprise ; or

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

6. 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 State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise or 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 independent status within the meaning of this paragraph.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State

(whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

INCOME FROM IMMOVABLE PROPERTY

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

2. The term "immovable property" shall have the meaning which it has under the laws of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft 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 paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall only be taxable in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein.

If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to :

(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 ; or
(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.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the business of the permanent establishment, including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

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

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

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

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

Article 8

INTERNATIONAL TRANSPORT

1. Income or profits derived by an enterprise of a Contracting State from the operation of aircraft in international traffic shall be taxable only in that Contracting State.

2. Income or profits derived by an enterprise of a Contracting State from the operation of ships in international traffic may be taxed in the other Contracting State, but the tax imposed in that other State shall be reduced by an amount equal to 50 per cent thereof.

3. Income or profits of an enterprise of a Contracting State from the use, demurrage or rental of containers (including trailers, barges and related equipment for the transport of containers) and the rental of chartered or leased aircraft that are incidental to income from the operation of ships or aircraft in international traffic shall be treated for the purposes of paragraphs 1 and 2 as income from the operation of ships or aircraft in international traffic.

4. The provisions of paragraphs 1, 2 and 3 shall apply to profits from the participation in a pool, a joint business or an international operating agency but only to so much of the income or profits so derived as is attributable to the participant, which is an enterprise of a Contracting State, in proportion to its share in the joint operation.

5. With respect to income derived by Gulf Air, the provisions of paragraphs 1 and 4 shall apply to only part of those income which is attributable under its constitutive contract to the Government of the United Arab Emirates.

Article 9

ASSOCIATED ENTERPRISES

(1) Where

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

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

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

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

Article 10

DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such dividends may also be taxed in the Contracting State in which the company paying the dividends is a resident and 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 10 per cent of the gross amount of the dividends.

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

4. 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 subject 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.

5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment or fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or 14, as the case may be, shall apply.

6. 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 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 Contracting State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 11

INTEREST

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

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the

beneficial owner of the interest is a resident of the other Contracting State, then the tax so charged shall not exceed :

(a) 10 per cent of the gross amount of the interest if it is received by any financial institution (including an insurance company) ;

(b) 15 per cent of the gross amount of the interest in other cases.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to the Government of the other Contracting State and interest on loans guaranteed or insured by the Government of the other Contracting State or any governmental institution or other entity thereof, as defined in paragraph 1 of Protocol to this Agreement. shall be exempt from tax in the first-mentioned State.

For the purposes of this paragraph, the term "Government" means

(a) in the case of Thailand, means the Government of the Kingdom of Thailand and shall include :

(i) the Bank of Thailand ;
(ii) the Export-Import Bank of Thailand;
(iii) the local authorities ;
(iv) such institutions, the capital of which is wholly owned by the Government of the Kingdom of Thailand or any local authority as may be agreed from time to time between the competent authorities of the two Contracting States ;
(v) a bank or other financial institution which is a resident of the Kingdom of Thailand and whose interest is majority controlled or the capital of which is wholly owned, by the Government of the Kingdom of Thailand or a

governmental entity or other entity thereof, as defined in paragraph 1 of Protocol to this Agreement; or

(b) in the case of the United Arab Emirates means the Government of the United Arab Emirates, and shall include:

(i) the political subdivisions, the local authorities, the local administration, and the local Governments;

(ii) the Central bank of the United Arab Emirates, Abu Dhabi Investment Authority and Abu Dhabi Fund for Economic Development;

(iii) any such institution or body as may be agreed from time to time between the Contracting State;

(iv) a bank or other financial institution which is a resident of the United Arab Emirates and whose interest is majority controlled or the capital of which is wholly owned, by the Government of the United Arab Emirates or governmental entity or other entity thereof, as defined in paragraph 1 of Protocol to this Agreement.

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

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

(a) such permanent establishment or fixed base; or with

(b) business activities referred to under (c) of paragraph 1 of Article 7

In such case the provisions of Article 7 or Article 14 , as the case may be, shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivisions, a local authority or 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 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 State in which the permanent establishment or fixed base is situated.

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

Article 12

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State 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, then the tax so charged shall not exceed 15 per cent 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 copy right of literary, artistic, or scientific work including cinematograph films, any patent, trade mark, design or model, plan secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience.

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 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 royalties are paid is directly connected with such permanent establishment or fixed base or with:

(a) such permanent establishment or fixed base; or with
(b) business activities referred to under (c) or paragraph 1 of Article 7.

In such case the provisions of Article 7 or 14, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority thereof or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, or 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 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 given to the other provisions of this Agreement.

Article 13

CAPITAL GAINS

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

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment or a fixed base which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such a fixed base, may be taxed in that other 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 from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14

INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State except in the following circumstances, when such income may also be taxed in the other Contracting State :

(a) if he has a fixed base available to him in the other Contracting State for the purpose of performing his activities, for a period or periods amounting to or exceeding in the aggregate 183 days within any twelve-month period; in thatcase, only so much of the income as is attributable to that fixed base may be taxed in that other State; or

(b) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days within any twelve-month period; in that case, only so much of the income as is derived from his activities performed in that other State may be taxed in that other State; or

(c) if the remuneration for his activities in the other Contracting State is paid by a resident of that Contracting State or is borne by a permanent establishment or a fixed base situated in that Contracting State; in that case, only so much of the remuneration as is derived there from may be taxed in that other State.

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

Article 15

DEPENDENT PERSONAL SERVICES

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

Article 16

TEACHERS AND RESEARCHERS

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

Article 17

STUDENTS AND TRAINEES

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

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

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

2. An individual who, immediately before visiting a Contracting State is or was resident of the other Contracting State and who is temporarily present in the first-mentioned State primarily for the purpose

of studying, researching or training as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organization or under a technical assistance program entered into by the Government of a Contracting State shall, from the date of his arrival in the first-mentioned State in connection with that visit, be exempt from tax in the State for a period not exceeding the period of the grant.

Article 18

ARTISTES AND SPORTSMEN

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

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

3. The provisions of paragraph 1 and 2 of this Article shall not apply to remuneration or profits, salaries, wages and other similar income derived from activities performed in a Contracting State by an entertainer or a sportsman if the visit to that Contracting State is substantially supported by public funds of the other Contracting State, including any political subdivisions, local authorities, local governments or statutory body thereof.

4. Notwithstanding the provisions of Article 7, where the activities mentioned in paragraph 1 of this Article are provided in a Contracting State by an enterprise of the other Contracting State, the profits derived from providing these activities by such an enterprise may be taxed in the first-mentioned Contracting State unless the visit to the other Contracting State of the enterprise is substantially supported from the public funds of the other Contracting State, including any political subdivisions, local authorities, local governments or statutory body thereof, in connection with the provisions of such activities.

Article 19

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 of a company which is a resident of the other Contracting State may be taxed in that other State. In determining a taxable income of a director, there shall be allowed such deduction as expenses, allowances, and other expenses as provided under the domestic laws of that Contracting State.

Article 20

PENSIONS AND ANNUITIES

1. Subject to the provisions of paragraph 2 of Article 21, pensions, and annuities 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 payments made under a public scheme which is part of the social security system of a Contracting State, political subdivisions, local authorities or local governments thereof shall be taxable only in that State.

Article 21

GOVERNMENT SERVICES

1. (a) Remuneration, other than a pension, paid by a Contracting State or political subdivisions or local authorities thereof to an individual in respect of services rendered to that State, political subdivisions, local authorities or local governments shall be taxable only in that State.

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

(i) is a national of that state; or
(ii) did not become a resident of that State solely for the purpose of rendering the services.

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

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

3. The provisions of Articles 15, 19 and 20 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article 22

OTHER INCOME

Items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Agreement may be taxed in the State where the income arises.

Article 23

EXEMPTION AND CREDIT METHODS

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, subject to the provisions of paragraph 2, exempt such income from tax but may, in calculating tax on the remaining income of that person, apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

2. Where a resident of a Contracting State derives income which, in accordance with the provisions of paragraph 2 of Article 10, 11 and 12, 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 person an amount equal to the tax paid in that other State. Such deduction shall not, however, exceed that part of the tax as computed before the deduction is given which is appropriate to the income which is subject to tax in that other State.

3. For the purposes of paragraph 2 of this Article, the term "tax paid in that other State" shall be deemed to include the amount of tax which would have been paid in that other State if it had not been exempted or reduced in accordance with the special incentive laws designed to promote economic development in that other State, effective on the date of signature of this Agreement or which may be introduced hereafter in modification of, or in addition to, the existing laws.

Article 24

NON-DISCRIMINATION

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than that which the nationals of the other State in the same circumstances are or may be subjected.

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

3. (a) This Article shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes an account of civil status or family responsibility which it grants to its own residents.

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

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

connected requirement to which the similar enterprises of that first-mentioned State are subjected.

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

Article 25

MUTUAL AGREEMENT PROCEDURE

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

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

3. The competent authorities of the Contracting States shall 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 elimination of double taxation in cases not provided for in this Agreement.

4. The competent authorities of the Contracting States shall, when necessary, communicate with each other directly for the purpose of

applying this Agreement and reaching an agreement in the sense of the preceding paragraphs.

Article 26

EXCHANGE OF INFORMATION

1 The competent authorities of the Contracting State shall exchange such information as is necessary for carrying out the provisions of this Agreement. Any information so exchanged by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

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

(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.

Article 27

DIPLOMATIC AND CONSULAR OFFICIALS

Nothing in this Agreement shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special Agreements.

Article 28

ENTRY INTO FORCE

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

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

(a) in respect of taxes withheld at source, for amounts paid or credited on or after the first day of the second month next following the date on which the Agreement enters into force;

(b) in respect of other taxes, for taxable periods 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 continue in effect indefinitely but either Contracting State may, on or before the thirtieth day of June of any calendar year beginning after the expiration of a period of five years from

the date of its entry into force, give to the other Contracting State, through the diplomatic channel, written notice of termination and, in such event, this Agreement shall cease to have effect:

(a) in the case of United Arab Emirates:
as regards income for any taxable year beginning on or after the first day of January of the calendar year next following that in which the notice of termination is given; and

(b) in the case of Thailand:

(i) in respect of taxes withheld at the source, on amounts paid or remitted to non-residents on or after the first day of January of the calendar year next following that in which the notice of termination is given;

(ii) in respect of other taxes on income for taxable years or accounting period beginning on or after the first day of January of the calendar year next following that in which the notice of termination is given.

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

Done at Dubai on Wednesday of 1/3/2000 corresponding to 25/Dhu'l qa'da 1420 H. in duplicate in the Thai , Arabic and English languages, all texts being equally authentic.

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



PROTOCOL

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

1. Ad Article 4:

It is understood that the term "resident of a Contracting State" used in the first sentence of paragraph 1 includes that State itself, any political subdivisions, local authorities or local governments thereof as well as any financial institution of, and controlled by, that State, political subdivision, local authorities or local governments.

2. Ad Article 7:

(1) Subject to provisions of Article 23 of this Agreement, any other provisions shall not affect the right of the Government of a Contracting State, its political subdivisions, local authorities or local governments to apply its own laws related to the taxation of income derived from the petroleum and natural resources. Such activities will be taxed according to the law of that State.

(2) With reference to paragraphs 1, 5, 6 and 7, it is understood that the term "profits" refers to income or profits.

(3) The provisions of paragraph 3 are applicable irrespective of the limitation provided by the internal laws if the expenses so incurred are directly incidental to the business of the permanent establishment and are deductible expenses under the General Accepted Accounting Principles (GAAP).

3. Ad Article 8, 10 and 11:

(1) It is agreed that if under any Convention or Agreement or Protocol to a Convention or Agreement signed after the signature of this Agreement between Thailand and any member or the State of the Cooperation Council of the Gulf Arab States, or a third State, Thai accords, as regards to the provisions of paragraph 2 of Article 8,paragraphs 2 and 7 of Article 10 and paragraph 2 of Article 11, a treatment more favorable than that accorded to residents of the United Arab Emirates under this Agreement, then as from the date on which the relevant Thai Convention or Agreement or Protocol enters into force the same favorable treatment shall automatically apply to residents of the United Arab Emirates Under this Agreement.

(2) In case that Thai law has been amended after the signature of this Agreement to a lesser rate, such rate shall be applied to the residents of the United Arab Emirates.

4. With reference to Article 12, the term "Royalties" does not include payments made to the Government of the Contracting States under the concession of mine or quarries or exploitation of natural resources.

5. It is understood that non-profits organizations of a Contracting State shall be exempted from taxes from the other Contracting State. The determination of the non-profit organization shall be in accordance with the domestic law of the other Contracting State.

