

**Income Tax (Singapore — Laos) (Avoidance of Double Taxation Agreement)  
Order 2016**

**Table of Contents**

**Enacting Formula**

**THE SCHEDULE Agreement between the Government of the Republic of  
Singapore and the Government of the Lao People's Democratic Republic for the  
avoidance of double taxation and the prevention of fiscal evasion with respect to  
taxes on income**

**No. S 578**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX  
(SINGAPORE — LAOS)  
(AVOIDANCE OF DOUBLE TAXATION AGREEMENT)  
ORDER 2016**

WHEREAS it is provided by section 49 of the Income Tax Act that if the Minister by order declares that arrangements specified in the order have been made with the government of any country outside Singapore with a view to affording relief from double taxation in relation to tax under the Act and any tax of a similar character imposed by the laws of that country, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to tax under the Act notwithstanding anything in any written law:

AND WHEREAS by an Agreement dated 21 February 2014, between the Government of the Republic of Singapore and the Government of the Lao People's Democratic Republic, arrangements were made, amongst other things, for the avoidance

of double taxation:

NOW, THEREFORE, it is hereby declared by the Minister for Finance —

- (a) that the arrangements specified in the Schedule to this Order have been made with the Government of the Lao People's Democratic Republic; and
- (b) that it is expedient that those arrangements should have effect notwithstanding anything in any written law.

## THE SCHEDULE

### AGREEMENT

### BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

### AND

THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC  
REPUBLIC

### FOR

THE AVOIDANCE OF DOUBLE TAXATION

### AND

THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME

The Government of the Republic of Singapore and the Government of the Lao People's Democratic Republic,

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows:

## ARTICLE 1

### PERSONS COVERED

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

## ARTICLE 2

### TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property.
3. The existing taxes to which the Agreement shall apply are in particular:
  - (a) in the case of Lao People's Democratic Republic (hereinafter referred to as "Lao PDR"):
    - the tax on profits (income) of enterprises and organisations; and
    - the tax on income of individuals;(hereinafter referred to as "Lao tax");
  - (b) in the case of Singapore:
    - the income tax(hereinafter referred to as "Singapore tax").
4. The Agreement shall apply also to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes referred to in paragraph 3 above. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

## ARTICLE 3

### GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
  - (a) the term "Lao PDR" means the territory of the Lao People's Democratic Republic; when used in a geographical sense, it means all its national territory, including its territorial water and any area beyond its territorial waters within which Lao PDR, by the Lao PDR legislation and in accordance with international law, has sovereign rights of exploration for and exploitation of natural resources of riverbed and its subsoil and superjacent water resources;
  - (b) the term "Singapore" means the Republic of Singapore and, when used in a geographical sense, includes its land territory, internal waters and territorial sea, as well as any maritime area situated beyond the territorial sea which has been or might in the future be designated under its national law, in accordance with international law, as an area within which Singapore may exercise sovereign rights or jurisdiction with regards to the sea, the sea-bed, the subsoil and the natural resources;
  - (c) the terms "a Contracting State" and "the other Contracting State" mean Lao PDR or Singapore as the context requires;
  - (d) the term "person" includes an individual, a company and any other body of persons;

- (e) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (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 State and an enterprise carried on by a resident of the other Contracting State;
- (g) the term “national” means:
  - (i) any individual possessing the nationality or citizenship of a Contracting State;
  - (ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State;
- (h) the term “international traffic” means any transport by a ship, aircraft or vehicle operated by an enterprise of a Contracting State, except when the ship, aircraft or vehicle is operated solely between places in the other Contracting State;
- (i) the term “competent authority” means:
  - (i) in the case of Lao PDR, the Minister of Finance or his authorised representative;
  - (ii) in the case of Singapore, the Minister for Finance or his authorised representative.

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

3. For the purposes of Articles 10, 11 and 12, a trustee liable to tax in a Contracting State in respect of dividends, interest or royalties shall be deemed to be the beneficial owner of that interest or those dividends or royalties.

## ARTICLE 4

### RESIDENT

1. For the purposes 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 or any other criterion of a similar nature, and also includes that State and any political subdivision, local authority or statutory body thereof.

2. 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 relations are closer (centre of vital interests);

- (b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- (d) in any other case, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated. If its place of effective management cannot be determined, 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” 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; and
- (g) a farm or plantation.

3. The term “permanent establishment” also includes:

- (a) a building site, a construction, installation or assembly project, or supervisory activities connected therewith, but only where such site, project or activities lasts for more than 12 months;
- (b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel engaged by the enterprise for such purpose, but only where activities of that nature continue (for the same or a connected project) within the other Contracting State for a period or periods aggregating more than 300 days within any 12-month period.

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

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