

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

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Enacting Formula

THE SCHEDULE Protocol to amend the agreement between the Government of the Russian Federation and the Government of the Republic of Singapore for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income

No. S 603

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (SINGAPORE — RUSSIA)
(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 have effect in relation to tax under the Act notwithstanding anything in any written law:

AND WHEREAS by an Agreement dated 9 September 2002, between the Government of the Republic of Singapore and the Government of the Russian Federation, arrangements were made, amongst other things, for the avoidance of double taxation:

AND WHEREAS by a Protocol dated 17 November 2015, between the Government of the Republic of Singapore and the Government of the Russian Federation, the arrangements set out in the said Agreement were modified as prescribed in the said Protocol:

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

- (a) that the arrangements, as modified by the said Protocol specified in the Schedule to this Order, have been made with the Government of the Russian Federation; and
- (b) that it is expedient that those arrangements should have effect notwithstanding anything in any written law.

THE SCHEDULE

PROTOCOL

TO AMEND THE AGREEMENT BETWEEN

THE GOVERNMENT OF THE RUSSIAN FEDERATION

AND

THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

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

The Government of the Russian Federation and the Government of the Republic of Singapore, desiring to conclude a Protocol to amend the Agreement between the Government of the Russian Federation and the Government of the Republic of Singapore for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with Protocol, signed at Moscow on 9th September 2002 (hereinafter referred to as “the Agreement”),

have agreed as follows:

ARTICLE I

With respect to Article 2 “Taxes Covered” of the Agreement, paragraph 3a) shall be deleted and replaced by the following:

“

- a) in the case of the Russian Federation:
 - (i) the tax on profit of organisations;
 - (ii) the tax on income of individuals(hereinafter referred to as “Russian tax”);

”

ARTICLE II

With respect to Article 3 “General Definitions” of the Agreement, paragraph 1c) shall be deleted and replaced by the following:

- “c) 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;”

ARTICLE III

With respect to Article 5 “Permanent Establishment” of the Agreement, paragraphs 2g) and 2h) shall be deleted and replaced by the following:

- “g) a building site, construction, installation or assembly project or supervisory activities in connection therewith, but only if such site, project or activities lasts more than 12 months;
- h) 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 if 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 183 days in any 12-month period.”

ARTICLE IV

Article 10 “Dividends” of the Agreement shall be deleted and replaced by the following:

“ARTICLE 10 — DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State or distributions paid by a real estate investment fund established under the laws of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, dividends paid by a company which is a resident of a Contracting State or distributions paid by a real estate investment fund established under the laws of a Contracting State may also be taxed in that State according to the laws of that State, but if the beneficial owner of the dividends or distributions is a resident of the other Contracting State, the tax so charged shall not exceed:

- a) in the case of dividends:
 - (i) 5 per cent of the gross amount of the dividends if the beneficial owner of the dividends is a company which holds directly at least 15 per cent of the capital of the company paying the dividends;
 - (ii) 10 per cent of the gross amount of the dividends in all other cases;
- b) in the case of distributions paid by the real estate investment fund:

10 per cent of the gross amount of the distributions.

3. Notwithstanding the provisions of paragraph 2, dividends or distributions arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

4. For the purpose of paragraph 3, the term “Government” includes:

- a) in the case of Singapore:
 - (i) the Monetary Authority of Singapore;
 - (ii) GIC Private Limited; and
 - (iii) any statutory body or any institution wholly or mainly owned by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting States;
- b) in the case of the Russian Federation:
 - (i) the Central Bank of the Russian Federation and institutions wholly or mainly owned by the Central Bank of the Russian Federation; and
 - (ii) any statutory body or any institution wholly or mainly owned by the Government of the Russian Federation as may be agreed from time to time between the competent authorities of the Contracting States.

5. The term “dividends” as used in this Article means income from shares, or other rights, not being debt claims, participating in profits, as well as income from other corporate rights which is

subjected to the same taxation treatment as income from shares by the taxation laws of the Contracting State of which the company making the distribution is a resident. The term “shares” as used in this Article shall include depository receipts thereof. For the purposes of paragraphs 7, 8 and 9 of this Article, the term “dividends” also includes distributions within the meaning of subparagraph b) of paragraph 2 of this Article and reference to a company shall be read as including reference to a real estate investment fund as appropriate.

6. The term “real estate investment fund” as used in this Article means:

- a) in the case of Singapore, a trust that is constituted as a collective investment scheme authorised under section 286 of the Securities and Futures Act (Cap. 289) and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets;
- b) in the case of the Russian Federation, a mutual investment fund organised in the Russian Federation primarily for the purpose of investing in immovable property situated in the Russian Federation.

7. 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 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 is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14 of this Agreement, as the case may be, shall apply.

8. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of 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, nor subject the company’s undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in that other State.

9. The provisions of this Article shall not apply if it was the main purpose of any person concerned with the creation or assignment of the shares, units or other rights in respect of which the dividend is paid to take advantage of this Article by means of that creation or assignment.”

ARTICLE V

Article 11 “Interest” of the Agreement shall be deleted and replaced by the following:

“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, and in particular, income from government securities, bonds or debentures, including premiums and