

Income Tax (Singapore — People's Republic of China) (Avoidance of Double Taxation Agreement) (Supplementary) Order 1996

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Enacting Formula

THE SCHEDULE

No. S 407

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (SINGAPORE — PEOPLE'S REPUBLIC OF CHINA) (AVOIDANCE
OF DOUBLE TAXATION AGREEMENT) (SUPPLEMENTARY) ORDER 1996**

It is hereby notified for general information that the Government of the Republic of Singapore and the Government of the People's Republic of China have agreed to amend paragraph 3 of Article 2 and paragraph 4 of Article 24 of the Agreement between the Government of the Republic of Singapore and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on 18th April 1986. The amendments are to reflect the changes in the tax laws of the People's Republic of China which are covered by the Agreement and to provide for continuing the allowance of the tax sparing credit on income derived from the People's Republic of China which has been exempted from People's Republic of China tax or taxed at reduced rates under specified incentives set out in the Agreement.

The exchange of notes constituting the agreement for the amendments is set out in the Schedule to this Order.

THE SCHEDULE

HE Mr Cheng Tong Fatt

Ambassador Extraordinary and Plenipotentiary
of the Republic of Singapore
to the People's Republic of China

Excellency,

I have the honour to refer to the Agreement between the Government of the People's Republic of China 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 signed at Singapore on 18th April 1986 (hereinafter referred to as "the Agreement") and to propose on behalf of the Government of the People's Republic of China the following arrangement:

1. sub-paragraph (a) of paragraph 3 of Article 2 of the Agreement shall be deleted and replaced by the following:

(a) in the People's Republic of China:

- (i) the individual income tax;
- (ii) the income tax for enterprises with foreign investment and foreign enterprises;
and
- (iii) the local income tax.

(hereinafter referred to as "Chinese Tax")

2. sub-paragraphs (a) and (b) of paragraph 4 of Article 24 of the Agreement shall be deleted and replaced by the following:

(a) the provisions of Articles 7, 8, 9 and 10 of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises and the provisions of Article 73, 75 and 81 of the Detailed Rules and Regulations for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises.

3. sub-paragraphs (c) and (d) of paragraph 4 of Article 24 of the Agreement shall be read as (b) and (c) respectively.

I have the honour to propose that this Note and Your Excellency's Note in reply confirming the acceptance by the Government of the Republic of Singapore of the above proposal shall be regarded as constituting an agreement between the two Governments under paragraph 4 of Article 2 and sub-paragraph (d) of paragraph 4 of Article 24 of the Agreement, which will enter into force on the date of Your Excellency's reply and shall have effect in respect of income derived on or after July first, 1991.

Done in the Chinese and English languages, both texts being equally authentic.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

Done at Beijing this 29th day of July 1996.

XIANG HUAICHENG
*Vice Commissioner of the State Administration
of Taxation of the People's Republic of China.*