

**Income Tax (Singapore — India) (Avoidance of Double Taxation Agreement)  
Order 1982**

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**INCOME TAX (SINGAPORE — INDIA)  
(AVOIDANCE OF DOUBLE TAXATION AGREEMENT)  
ORDER 1982**

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**REVISED EDITION 1990**

(25th March 1992)

[8th January 1982]

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 the 20th day of April 1981, between the Government of the Republic of Singapore and the Government of the Republic of India, 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 Republic of India; 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 REPUBLIC OF INDIA

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 Republic of India,

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:

## CHAPTER I

### SCOPE OF THE AGREEMENT

#### ARTICLE 1

##### PERSONAL SCOPE

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

#### ARTICLE 2

## TAXES COVERED

### 1. The taxes to which this Agreement shall apply are:

#### (a) in the case of India:

- (i) the income-tax and any surcharge on income-tax imposed under the Income-tax Act, 1961 (43 of 1961);
  - (ii) the surtax imposed under the Companies (Profits) Surtax Act, 1964 (7 of 1964);
- (hereinafter referred to as “Indian tax”);

#### (b) in the case of Singapore:

the income tax (hereinafter referred to as “Singapore tax”).

2. This Agreement shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the taxes referred to in paragraph 1 of this Article.

3. The competent authorities of the Contracting States shall notify to each other, within reasonable time, any significant changes which have been made in their respective taxation laws and furnish copies of relevant enactments.

## CHAPTER II

### DEFINITIONS

#### ARTICLE 3

##### GENERAL DEFINITIONS

### 1. In this Agreement, unless the context otherwise requires:

- (a) the terms “a Contracting State” and “the other Contracting State” mean India or Singapore, as the context requires;
- (b) the term “tax” means Indian tax or Singapore tax, as the context requires;
- (c) the term “person” includes an individual, a company and any other entity which is treated as a taxable unit under the taxation laws of the respective Contracting States;
- (d) the term “company” means any body corporate or any entity which is treated as a company under the taxation laws of the respective Contracting States;
- (e) 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;
- (f) the term “competent authority” means, in the case of India, the Central Government in the Ministry of Finance (Department of Revenue); and in the case of Singapore, the Minister for Finance or his authorised representative;

- (g) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise which has its control and management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State.

2. In the application of the provisions of this Agreement by either Contracting State, any term not defined herein shall, unless the context otherwise requires, have the meaning which it has under the laws in force in that State relating to the taxes to which this Agreement applies.

## ARTICLE 4

### FISCAL DOMICILE

1. For the purposes of this Agreement, the term “resident of a Contracting State” means any person who is a resident of a Contracting State in accordance with the taxation laws of that State.

2. Where by reason of the provisions of paragraph 1 of this Article, an individual is a resident of both Contracting States, then his residential status for the purposes of this Agreement shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident of the Contracting 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;
- (b) if the Contracting State with which his personal and economic relations are closer cannot be determined, or if he has not 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, the competent authorities of the Contracting States shall determine the question by mutual agreement.

3. Where 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 of the Contracting State in which its place of effective management is situated.

## ARTICLE 5

### PERMANENT ESTABLISHMENT

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

2. The term “permanent establishment” shall include:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;

- (e) a workshop;
- (f) a mine, a quarry, an oil well or other place of extraction of natural resources;
- (g) a farm or a plantation;
- (h) a building site or a construction or installation or assembly project which exists for more than six months.

3. The term “permanent establishment” shall not be deemed 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 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 enterprise;
- (d) the maintenance of a fixed place of business solely for 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.

4. An enterprise of a Contracting State, notwithstanding it has no fixed place of business in the other Contracting State, shall be deemed to have a permanent establishment in that other Contracting State if —

- (a) it carries on supervisory activities in that other Contracting State for more than six months in connection with a construction or installation or assembly project which is being undertaken therein; or
- (b) it provides the services of public entertainers (such as stage, motion picture, radio or television artistes and musicians) or athletes in that other Contracting State unless the enterprise is supported, wholly or substantially, from the public funds of the Government of the first-mentioned Contracting State in connection with the provision of such services. For the purposes of this sub-paragraph, the term “Government” shall include a State Government, a political sub-division, or a local or statutory authority of either Contracting State.

5. Subject to the provisions of paragraph 6 of this Article, a person acting in a Contracting State for or on behalf of an enterprise of the other Contracting State shall be deemed to be a permanent establishment of that enterprise in the first-mentioned State if:

- (i) he has, and habitually exercise in that State, an authority to conclude contracts for or on behalf of the enterprise, unless the activities of the persons are limited to the purchase of goods or merchandise for the enterprise; or
- (ii) he maintains in the first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders for or on behalf of the enterprise; or