Income Tax (Singapore — Norway) (Avoidance of Double Taxation Convention) Order 1985

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INCOME TAX ACT
(CHAPTER 134, SECTION 49)

INCOME TAX (SINGAPORE — NORWAY) (AVOIDANCE OF DOUBLE TAXATION CONVENTION) ORDER 1985

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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 9th September 1966 between the Government of the Republic of Singapore and the Government of the Kingdom of Norway, arrangements were made amongst other things for the avoidance of double

taxation:

AND WHEREAS by a Convention dated 18th October 1984 between the Government of the Republic of Singapore and the Government of the Kingdom of Norway, the arrangements set out in the said Agreement shall terminate upon the entry into force of the said Convention:

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

(*a*) that the arrangements specified in the Schedule have been made with the Government of the Kingdom of Norway to replace the arrangements made under the Agreement dated 9th September 1966;

(*b*) that it is expedient that the arrangements set out in the Schedule shall have effect for the year of assessment 1987 and subsequent years of assessment notwithstanding anything in any written law; and

(*c*) that the Income Tax (Singapore — Norway) (Avoidance of Double Taxation Agreement) Order 1966 [S 196/66] be revoked with effect from the entry into force of the said Convention dated 18th October 1984.

THE SCHEDULE

CONVENTION BETWEEN THE REPUBLIC OF SINGAPORE AND THE KINGDOM OF NORWAY 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 Kingdom of Norway,

Desiring to conclude a Convention for the avoidance of double taxation with respect to taxes on income,

Have agreed as follows:

ARTICLE 1

PERSONAL SCOPE

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

ARTICLE 2

TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of each Contracting State or of

its 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 and taxes on the total amounts of wages or salaries paid by enterprises.

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

(*a*) in Singapore:

the income tax (hereinafter referred to as "Singapore tax");

(*b*) in Norway:

(i) the national tax on income (inntektsskatt til staten);

(ii) the county municipal tax on income (inntektsskatt til fylkeskommunen);

(iii) the municipal tax on income (inntektsskatt til kommunen);

(iv) the national contributions to the Tax Equalisation Fund (fellesskatt til Skattefordelingsfondet);

(v) the national dues on remuneration to non-resident artistes (avgift til staten av honorarer som tilfaller kunstnere bosatt i utlandet);

(vi) the seamen's tax (sjømannsskatt);

(hereinafter referred to as "Norwegian tax").

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes.

5. If by reason of changes made in the taxation law of either Contracting State, it seems desirable to amend any Article of the Convention without affecting the general principles thereof the necessary amendments may be made by mutual consent by means of an exchange of diplomatic notes or in any other manner in accordance with their constitution procedures.

ARTICLE 3

GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:

(*a*) (i) the term "Singapore" means the Republic of Singapore;

(ii) the term "Norway" means the Kingdom of Norway; the term does not comprise Svalbard, Jan Mayen and the Norwegian dependencies ("biland");

(*b*) the terms "a Contracting State" and "the other Contracting State" mean Singapore or

Norway as the context requires;

(*c*) the term "person" includes an individual, an undivided estate of a deceased person, a trust, a company and any other body of persons which is treated as an entity for tax purposes;

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

(*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 "tax" means Singapore tax or Norwegian tax as the context requires;

(*g*) the term "national" means;

(i) any individual possessing the nationality of a Contracting State;

(ii) any legal person, partnership and association deriving its status as such from the laws in force in a Contracting State;

(*h*) the term "international traffic" means carriage of passengers, mails, livestock or goods by a ship or aircraft which is operated by an enterprise of one of the Contracting States, except when the ship or aircraft is operated solely between places in the other Contracting State;

(*i*) the term "profits of an enterprise" does not include rents or royalties in respect of literary or artistic copyrights, motion picture films or of tapes for television or broadcasting or of mines, oil wells, quarries, or other places of extraction of natural resources or of timber or forest produce, or income in the form of dividends, interest, rents, royalties, or fees or other payments derived from the management, control or supervision of the trade, business or other activity of any other enterprise or concern or payments for labour or personal services or income derived from the operation of ships or aircraft;

(*j*) the term "competent authority" means:

(i) in Singapore, the Minister for Finance or his authorised representative;

(ii) in Norway, the Minister of Finance and Customs or his authorised representative.

2. As regards the application of the Convention by a 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 Convention applies.

ARTICLE 4

FISCAL DOMICILE

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of a Contracting State is treated as a resident of that State for tax purposes.

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 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 (hereinafter referred to as his "centre of vital interests");

(*b*) if the Contracting 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 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 two 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, it shall be deemed to be a resident of the Contracting 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 Convention, 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 but is not limited to:

(*a*) a place of management;

(*b*) a branch;

(*c*) an office;

(*d*) a store or other sales outlet;

(*e*) a factory;

(*f*) a workshop;

(*g*) a warehouse, except where used for purposes mentioned in paragraph 5; and

(*h*) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. The term "permanent establishment" also includes:

(*a*) a building site, or a construction, installation or assembly project, but only if such site or project is continued for more than 6 months;

(*b*) the furnishing of services, including consultancy services, by a resident of a Contracting State through employees or other personnel for a period or periods aggregating more than three months in any 12-month period.

4. An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it carries on supervisory activities in that other Contracting State for more than 6 months in connection with a construction, installation or assembly project or any combination of them