

**No. 45767**

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**South Africa  
and  
Islamic Republic of Iran**

**Agreement between the Government of the Republic of South Africa and the Government of the Islamic Republic of Iran for the avoidance of double taxation and the exchange of information with respect to taxes on income. Pretoria, 3 November 1997**

**Entry into force:** *23 November 1998 by notification, in accordance with article 27*

**Authentic texts:** *English and Persian*

**Registration with the Secretariat of the United Nations:** *South Africa, 2 February 2009*

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**Afrique du Sud  
et  
République islamique d'Iran**

**Accord entre le Gouvernement de la République sud-africaine et le Gouvernement de la République islamique d'Iran tendant à éviter la double imposition et à échanger des informations en matière d'impôt sur le revenu. Pretoria, 3 novembre 1997**

**Entrée en vigueur :** *23 novembre 1998 par notification, conformément à l'article 27*

**Textes authentiques :** *anglais et persan*

**Enregistrement auprès du Secrétariat des Nations Unies :** *Afrique du Sud, 2 février 2009*

[ ENGLISH TEXT – TEXTE ANGLAIS ]

THE GOVERNMENT OF THE REPUBLIC OF  
SOUTH AFRICA  
AND  
THE GOVERNMENT OF THE ISLAMIC  
REPUBLIC OF IRAN

Desiring to conclude an Agreement for the avoidance of double taxation and the exchange of information 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 Islamic Republic of Iran, the income tax;  
(hereinafter referred to as "the Islamic Republic of Iran tax");

- (b) in South Africa:
  - (i) the normal tax;
  - (ii) the secondary tax on companies;(hereinafter referred to as "South African tax").
- 4. The Agreement shall apply also to any identical or substantially similar taxes to the taxes envisaged in the preceding paragraphs of this Article which are imposed after the date of signature of the Agreement in addition to, or in place of the existing taxes. The competent authorities of the Contracting States shall notify each other within a reasonable period of any changes which 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 terms "a Contracting State" and "the other Contracting State" mean the Islamic Republic of Iran or South Africa, as the context requires;
  - (b) the term "Islamic Republic of Iran" means the territories under the sovereignty of the Islamic Republic of Iran;
  - (c) the term "South Africa" means the Republic of South Africa and, when used in a geographical sense, includes the territorial sea thereof as well as any area outside the territorial sea, including the continental shelf, which has been or may hereafter be designated, under the laws of South Africa and in accordance with international law, as an area within which South Africa may exercise sovereign rights or jurisdiction;
  - (d) the term "tax" means any tax covered by Article 2 of this Agreement;
  - (e) the term "person" includes an individual, a company and any other body of persons which is treated as an entity for tax purposes;
  - (f) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
  - (g) the term "registered office" means the registered head office and place of effective management under the relevant laws of either Contracting State;

- (h) 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;
  - (i) the term "international traffic" means any transport by a ship or aircraft, operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
  - (j) the term "competent authority" means:
    - (i) in the Islamic Republic of Iran, the Minister of Economic Affairs and Finance or his authorised representative;
    - (ii) in South Africa, the Commissioner for Inland Revenue or his authorised representative; and
  - (k) the term "national" means:
    - (i) any individual possessing the nationality of a Contracting State;
    - (ii) any legal person deriving its status as such from the laws in force in a Contracting State.
2. As regards the application of the Agreement 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 Agreement applies.

#### **Article 4**

##### ***Resident***

1. For the purposes of this Agreement, the term "resident of a Contracting State" means:
- (a) in the Islamic Republic of Iran, any person who, under the laws of the Islamic Republic of Iran, is liable to tax therein by reason of his domicile, residence, place of registration or any other criterion of a similar nature, but this term does not include any person who is liable to tax in the Islamic Republic of Iran in respect only of income from sources therein;
  - (b) in South Africa, any individual who is ordinarily resident in South Africa and any person other than an individual which has its place of effective management in South Africa;
  - (c) that State and any political subdivision or local authority 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 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, he shall be deemed to be a resident only of the State of which he is a national;
  - (d) if he is a national of neither of the States, 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 registered office is situated.

## **Article 5**

### ***Permanent Establishment***

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which an enterprise of a Contracting State wholly or partly carries on business in the other Contracting State.
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 exploration for, exploitation or extraction of, natural resources.
3. The term "permanent establishment" likewise encompasses:
  - (a) a building site, a construction, assembly or installation project or any supervisory activity in connection with such site or project, but only where such site, project or activity continues for a period of more than twelve months;