

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND  
THE GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS FOR THE AVOIDANCE  
OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL  
EVASION WITH RESPECT TO TAXES ON INCOME**

NOTE

This Agreement was signed on 20 December 2005.  
However, the Agreement is not yet ratified and therefore **does not have the force of law**.

The Government of the Republic of Singapore and the Government of the Republic of the Fiji Islands,

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:

**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) The taxes to which this Agreement shall apply are -

(a) in Singapore :

the income tax

(hereinafter referred to as "Singapore tax");

(b) in Fiji :

(i) the income tax including normal tax, the non-resident dividend, royalty and interest withholding tax; and

(ii) the land sales tax

(hereinafter referred to as "Fiji tax").

(2) This Agreement shall also apply to any identical or substantially similar taxes which are imposed by either Contracting State after the date of signature of the present Agreement in addition to, or in place of, the taxes referred to in paragraph (1). The competent authorities of the Contracting States shall notify each other of any substantial changes which are made in their respective taxation laws.

**Article 3 - GENERAL DEFINITIONS**

(1) In this Agreement, unless the context otherwise requires -

(a) the term "Singapore" means the territories of the Republic of Singapore, the territorial waters of Singapore and the sea-bed and subsoil of the territorial waters, and when used in a geographical sense includes any area extending beyond the limits of the territorial waters of Singapore, and the sea-bed and subsoil of any such area, which has been or may hereafter be designated under the laws of Singapore and in accordance with international law as an area over which Singapore has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;

- (b) the term "Fiji" means the territory and territorial sea of the Republic of Fiji Islands and its dependencies, including the airspace above them, and all adjacent areas which consistently with international law have been or may hereafter be designated under the laws of Fiji as areas over which Fiji may exercise sovereign rights or jurisdiction.
  - (c) the terms "a Contracting State" and "the other Contracting State" mean Singapore or Fiji as the context requires;
  - (d) the term "tax" means Singapore tax or Fiji tax as the context requires;
  - (e) the term "person" includes an individual, a company and any other body of persons which is treated as a person 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 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;
  - (h) the term "competent authority" means:
    - (i) in the case of Singapore, the Minister for Finance or his authorised representative;
    - (ii) in the case of Fiji, the Commissioner of Inland Revenue or his authorised representative;
  - (i) the term "national" means any individual possessing the nationality of a Contracting State and any legal person, partnership or association deriving its status as such from the laws in force in the Contracting State;
  - (j) 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.
- (2) As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

#### **Article 4 - RESIDENT**

- (1) For the purposes of this Agreement, the term "resident of a Contracting State" means :
- (a) in the case of Singapore, a person who is resident in Singapore for the purposes of Singapore tax; and
  - (b) in the case of Fiji, a person who is resident in Fiji for the purposes of Fiji tax;
- and also includes that State and any political subdivision, local authority or statutory body thereof.
- (2) Where by reason of the provisions of paragraph (1) a person, being an individual, is a resident of both Contracting States, then the status of that person shall be determined as follows -
- (a) the person shall be deemed to be a resident only of the State in which the person has a permanent home; if the person has a permanent home available in both States, the person shall be deemed to be a resident only of the State with which the person's personal and economic relations are closer (centre of vital interests);

- (b) if the State in which the person's centre of vital interests cannot be determined, or if the person has no permanent home in either State, the person shall be deemed to be a resident only of the State in which the person has an habitual abode;
  - (c) if the person has an habitual abode in both States or in neither of them, the person shall be deemed to be a resident only of the State of which the person is a national;
  - (d) in any other case, 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 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 Agreement, 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 -
  - (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 extraction of natural resources;
  - (g) a farm, plantation or other place where agricultural, forestry, plantation or other related activities are carried on; and
  - (h) a building site or construction, installation or assembly project which exists for a period or periods aggregating 183 days or more in any 12-month period.
- (3) An enterprise shall not be deemed to have a permanent establishment merely by the reason of -
  - (a) the use of facilities solely for the purpose of storage or display or delivery of goods or merchandise belonging to the enterprise;
  - (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or 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 the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;
  - (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of preparatory or auxiliary character ; or
  - (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a) to (e), provided that the overall

activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

- (4) An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State and to carry on business through that permanent establishment if -
  - (a) it carries on supervisory activities in that other Contracting State for a period or periods aggregating 183 days or more in any 12-month period in connection with a building site, or a construction, installation or assembly project which is being undertaken, in that other Contracting State;
  - (b) it furnishes services, including consultancy services, through employees or other personnel engaged by it for such purposes, but only where activities of that nature continue within that State for a period or periods aggregating 120 days or more in any 12- month period.
- (5) A person acting in a Contracting State on behalf of an enterprise of the other Contracting State (other than an agent of independent status to whom paragraph (6) applies) shall be deemed to be a permanent establishment of that enterprise in the first-mentioned State if that person has, and habitually exercises in that State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph (3) which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.
- (6) An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status provided that such persons are acting in the ordinary course of their business.
- (7) The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

#### **Article 6 - INCOME FROM IMMOVABLE PROPERTY**

- (1) Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.
- (2) The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated but the term shall, in any case, include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources except that ships, boats and aircraft shall not be regarded as immovable property.
- (3) The provisions of paragraph (1) shall also apply to income derived from the direct use, letting, or use in any other form of immovable property.
- (4) The provisions of paragraphs (1) and (3) shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

## **Article 7 - BUSINESS PROFITS**

- (1) The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated in that State. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.
- (2) For the purpose of paragraph (1), profits of the enterprise that is attributable to the permanent establishment includes profits arising from transactions in which the permanent establishment has been involved but only to the extent appropriate to the part played by the permanent establishment in those transactions, even if those transactions are entered into directly with the enterprise rather than the permanent establishment.
- (3) Subject to the provisions of paragraph (4), where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated in that State, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.
- (4) In determining the profits attributable to a permanent establishment in a Contracting State, there shall be allowed as deductions all expenses of the enterprise, including executive and administrative expenses, which would be deductible if the permanent establishment were an independent enterprise and which are reasonably allocable to the permanent establishment, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.
- (5) In so far as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph (3) shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary, although the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.
- (6) No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.
- (7) For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
- (8) Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

## **Article 8 - SHIPPING AND AIR TRANSPORT**

- (1) Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.
- (2) The provisions of paragraph (1) shall also apply to the share of profits from the operation of ships or aircraft derived by such an enterprise through participation in a pool, a joint business or an international operating agency.
- (3) For the purposes of this Article, profits from the operation of ships or aircraft in international traffic shall include:
  - (a) profits from the rental on a bareboat basis of ships or aircraft; and
  - (b) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers), used for the transport of goods or merchandise;

where such rental or such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic.

#### **Article 9 - ASSOCIATED ENTERPRISES**

- (1) Where
  - (a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
  - (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

- (2) Where a Contracting State includes, in accordance with the provisions of paragraph (1), in the profits of an enterprise of that State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and where the competent authorities of the Contracting State agree, upon consultation, that all or part of the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those agreed profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement.

#### **Article 10 - DIVIDENDS**

- (1) Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
- (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed :
  - (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends;
  - (b) 15 per cent of the gross amount of the dividends in all other cases.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

- (3) Notwithstanding paragraph (2), dividends paid out of untaxed profits (in accordance with the tax laws in force at the date of the signing of the Agreement) by a company which is a resident of Fiji to a beneficial owner who is a resident of Singapore may be taxed in Fiji but the tax so charged shall not exceed 15 per cent of the gross amount of the dividends in all cases.
- (4) Notwithstanding the provisions of paragraphs (2) and (3), dividends paid by a company which is a resident of Fiji to the Government of Singapore shall be exempt from Fiji tax.
- (5) For the purposes of paragraph (4), the term "Government of Singapore" shall include:

- (a) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
  - (b) the Government of Singapore Investment Corporation Pte Ltd;
  - (c) a statutory body; and
  - (d) 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.
- (6) The term "dividends" in this Article means income from shares, not being debt-claims, participating in profits and other income assimilated to income from shares by the taxation law of the Contracting State of which the company making the distribution is a resident for the purposes of its tax.
- (7) The provisions of paragraphs (1), (2) and (3) shall not apply if the person who is the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State in which the dividend arises, through a permanent establishment situated in that other State, or performs in that other State independent personal services from a fixed base situated in that other State, and the holding giving rise to the dividends is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, 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 in so far as such dividends are paid to a resident of that other State or in so far 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 the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.
- (9) (a) Under the current Singapore laws, where dividends are paid by a company which is a resident of Singapore to a resident of Fiji who is the beneficial owner of such dividends, there is no tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company.
- (b) If, subsequent to the signing of the Agreement, Singapore imposes a tax on dividends in addition to the tax chargeable in respect of the profits or income of a company which is a resident of Singapore, such tax may be charged but the tax so charged on the dividends derived by a resident of Fiji who is the beneficial owner of such dividends shall be in accordance with the provisions of paragraph (2).

#### **Article 11 - INTEREST**

- (1) Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
- (2) However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the interest.
- (3) Notwithstanding the provisions of paragraph (2), interest arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned State.
- (4) For the purpose of paragraph (3), the term "Government":
- (a) in the case of Fiji, means the Government of Fiji and shall include:
    - (i) Reserve Bank of Fiji;

- (ii) Fiji National Provident Fund;
  - (iii) Fiji Development Bank;
  - (iv) any other statutory body; and
  - (v) any institution wholly or mainly owned by the Government of Fiji as may be agreed from time to time between the competent authorities of the Contracting States.
- (b) in the case of Singapore, means the Government of Singapore and shall include:
- (i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
  - (ii) the Government of Singapore Investment Corporation Pte Ltd;
  - (iii) any other statutory body; and
  - (iv) 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.
- (5) The term "interest" as used in this Article means income from debt-claim of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures, and including all other income assimilated to income from money lent by the taxation law of the Contracting State in which the income arises. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
- (6) The provisions of paragraphs (1) and (2) shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated in that other State, or performs in that other State independent personal services from a fixed base situated in that other State, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.
- (7) Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
- (8) Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

## **Article 12 - ROYALTIES**

- (1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

- (2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
- (3) The term "royalties" in this Article means payments of any kind received as consideration for -
- (a) the use of, or the right to use, any copyright of literary, artistic or scientific work, patent, design or model, plan, secret formula or process, trade-mark, computer software or other like property or right;
  - (b) the use of, or the right to use, any industrial (including agricultural), commercial or scientific equipment;
  - (c) the use of, or the right to use, any scientific, technical, industrial (including agricultural) or commercial knowledge or information;
  - (d) the supply of any assistance that is ancillary and subsidiary to, and is furnished as a means of enabling the application or enjoyment of, any such property or right of the kinds mentioned in sub-paragraph (a), any such equipment as is mentioned in sub-paragraph (b), any such knowledge or information as is mentioned in sub-paragraph (c);
  - (e) the use of, or the right to use :
    - (i) motion picture films; or
    - (ii) films or video tapes for use in connection with television broadcasting; or
    - (iii) tapes use in connection with radio broadcasting.
- (4) The provisions of paragraphs (1) and (2) shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated in that other State, or performs in that other State independent personal services from a fixed base situated in that other State, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
- (5) Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
- (6) Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount and, in such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

### **Article 13 - GAINS FROM THE ALIENATION OF PROPERTY**

- (1) Gains derived by a resident of a Contracting State from the alienation of immovable property, referred to in Article 6, and situated in the other Contracting State may be taxed in that other State.

- (2) Gains derived by a resident of a Contracting State from the alienation of shares, other than shares traded on a recognised Stock Exchange, deriving at least three-quarters of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.
- (3) Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such fixed base, may be taxed in that other State.
- (4) Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State of which the alienator is a resident.
- (5) Gains from the alienation of any property other than that referred to in the preceding paragraphs of this Article shall be taxable only in the Contracting State of which the alienator is a resident.

#### **Article 14 - INDEPENDENT PERSONAL SERVICES**

- (1) Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless :
  - (a) a fixed base is regularly available to the individual in the other Contracting State for the purpose of performing the individual's activities, and in which case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or
  - (b) the individual's stay in the other Contracting State is for a period or periods aggregating 120 days or more in any 12-month period, and in which case, only so much of the income as is derived from activities in that other State may be taxed in that other State.
- (2) The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities, as well as the independent activities of physicians, surgeons, lawyers, engineers, architects, dentists and accountants.

#### **Article 15 - DEPENDENT PERSONAL SERVICES**

- (1) Subject to the provisions of Articles 16, 18, 19, 20 and 21, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
- (2) Notwithstanding the provisions of paragraph (1), remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if -
  - (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any 12-month period; and
  - (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
  - (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.
- (3) Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that State.

However, if the remuneration is derived by a resident of the other Contracting State, it may also be taxed in that other State.

#### **Article 16 - DIRECTORS' FEES**

Directors' fees and other similar payments derived by a resident of a Contracting State in the person's capacity as a member of the Board of Directors of a Company which is a resident of the other Contracting State may be taxed in that other State.

#### **Article 17 - ARTISTES AND SPORTSPERSONS**

- (1) Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste or a musician, or as a sportsperson, from his or her personal activities as such exercised in the other Contracting State may be taxed in that other State.
- (2) Where income in respect of personal activities exercised by an entertainer or a sportsperson in that capacity accrues not to the entertainer or sportsperson but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.
- (3) Notwithstanding the provisions of paragraphs (1) and (2) of this Article, income mentioned in this Article shall be exempt from tax in the Contracting State in which the activity of the entertainer or sportsperson is exercised provided that the activity is supported, wholly or substantially, by the public funds of the Government of either Contracting State or political subdivision or a local authority or a statutory body thereof, or the activity is exercised under a cultural exchange agreement or arrangement between the Contracting States.

#### **Article 18 - PENSIONS AND ANNUITIES**

- (1) Subject to the provisions of paragraph (2) of Article 19, any pensions and other similar remuneration for past employment or any annuity 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 "annuity" includes a stated sum payable periodically at stated time, during life or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

#### **Article 19 - GOVERNMENT SERVICE**

- (1)
  - (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that State or subdivision, authority or body shall be taxable only in that State.
  - (b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
    - (i) is a national of that State; or
    - (ii) did not become a resident of that State solely for the purposes of rendering the services.
- (2)
  - (a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that State or subdivision, authority or body shall be taxable only in that State.

- (b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of that State.
- (3) The provisions of Articles 15, 16 and 18 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision, a local authority or a statutory body thereof.

#### **Article 20 - STUDENTS AND TRAINEES**

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and is temporarily present in that other State solely -

- (a) as a student at a recognised university, college, school or other similar recognised educational institution in that other State;
- (b) as a business or technical apprentice;
- (c) as a recipient of a grant, allowance, or award for the primary purpose of study, research, or training from the Government of either State or from a scientific, educational, religious or charitable organisation or under a technical assistance program entered into by the Government of either State;

shall be exempt from tax in that other State on -

- (i) all remittances for the purposes of maintenance, education, study, research or training arising from sources outside the State in which the person is a student or trainee;
- (ii) the amount of such grant, allowance or award; and
- (iii) any remuneration not exceeding seven thousand five hundred Fiji dollars or its equivalent in Singapore currency per annum in respect of services performed in that other State, provided the services are performed in connection with the person's study, research or training or are necessary for the purposes of the person's maintenance. Provided that any amount in excess of seven thousand five hundred Fiji dollars or its equivalent in Singapore currency per annum shall remain taxable according to the laws of that other Contracting State, due regard being had to the other provisions of the Agreement.

#### **Article 21 - TEACHERS AND RESEARCHERS**

- (1) An individual who is a resident of a Contracting State who, at the invitation of any university, college or other similar public institution, visits the other State for a period not exceeding two years solely for the purpose of teaching or research or both at such public institution, shall be exempt from tax in that other State on any remuneration for such teaching or research which is subject to tax in the first-mentioned State.
- (2) This Article shall not apply to income from teaching or research if such teaching or research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

#### **Article 22 - INCOME NOT EXPRESSLY MENTIONED**

Items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Agreement and arising in the other Contracting State may be taxed in that other State.

#### **Article 23 - ELIMINATION OF DOUBLE TAXATION**

- (1) Subject to the laws of Fiji regarding the allowance as a credit against Fiji tax of tax payable in any country other than Fiji, Singapore tax payable under the laws of Singapore and in accordance with this Agreement by a resident of Fiji in respect of

income derived from Singapore shall be allowed as credit against Fiji tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Singapore to a company which is a resident of Fiji and which owns not less than 10 per cent of the voting shares of the company paying the dividend, the credit shall also take into account Singapore tax payable by that company in respect of its income out of which the dividend is paid. The credit shall not, however, exceed that part of the Fiji tax, as computed before the credit is given, which is appropriate to such item of income.

- (2) For the purposes of paragraph (1), the term “Singapore tax payable” shall be deemed to include any amount which would have been payable as Singapore tax for any year but for an exemption or reduction of tax granted for that year or any part thereof under any provisions of Singapore law, or any other provision which may subsequently be made granting an exemption or reduction of tax which is agreed by the competent authorities of the Contracting State to be of a substantially similar character, if it has not been modified thereafter or has been modified only in minor respects so as not to affect its general character.
- (3) Subject to the laws of Singapore regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, Fiji tax paid whether directly or by deduction, in respect of income derived from Fiji shall be allowed as a credit against Singapore tax payable in respect of that income. Where such income is a dividend paid by a company which is a resident of Fiji to a company which is a resident of Singapore and which owns directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall also take into account Fiji tax paid by that company on the portion of the profits out of which the dividend is paid. The credit shall not, however, exceed that part of the Singapore tax, as computed before the credit is given, which is appropriate to such item of income.
- (4) For the purposes of paragraph (3), the term, “Fiji tax payable” shall include an amount equivalent to the amount of any tax forgone which, under the laws of Fiji and in accordance with this Agreement, would have been payable as tax on income but for an exemption from, or a reduction of tax on that income resulting from the operation of the special incentives under the laws of Fiji for the promotion of economic development of Fiji which were in force on the date of the signature of this Agreement or any other provisions which may subsequently be introduced in Fiji in modification of, or in addition to those laws so far as they are agreed by the competent authorities of the Contracting States to be of a substantially similar character.
- (5) For the purposes of the provisions of this Article, the terms “Singapore tax” and “Fiji tax” do not include any amount which represents a penalty or penal interest imposed under the law of either Contracting State relating to the taxes to which this Agreement applies.
- (6) The provisions of paragraphs (2) and (4) shall apply for the first 12 years for which the Agreement is effective but the competent authorities of the Contracting States may consult each other to determine whether this period should be extended.

#### **Article 24 - NON-DISCRIMINATION**

- (1) Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.
- (2) The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.
- (3) Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation

and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

- (4) Nothing in this Article shall be construed as obliging:
  - (a) a Contracting State to grant to individuals who are residents of the other Contracting State any personal allowances, reliefs and reductions for tax purposes on account of civil status or family responsibilities which it grants to its own residents; or
  - (b) Singapore to grant to nationals of Fiji not resident in Singapore those personal allowances, reliefs and reductions for tax purposes which are by law available on the date of signature of this Agreement only to nationals of Singapore who are not resident in Singapore or such other persons as may be specified in the taxation laws of that State.
- (5) Where a Contracting State grants tax incentives to its nationals designed to promote economic or social development in accordance with its national policy and criteria, it shall not be construed as discrimination under this Article.
- (6) In this Article, the term "taxation" means taxes to which this Agreement applies.

#### **Article 25 - MUTUAL AGREEMENT PROCEDURE**

- (1) Where a person considers that the actions of one or both of the Contracting States result or will result for him or her in taxation not in accordance with the provisions of this Agreement, he or she may, notwithstanding the remedies provided by the taxation laws of those States, present his or her case to the competent authority of the Contracting State of which he or she is a resident or, if his or her case comes under paragraph (1) of Article 24, to that of the Contracting State of which he or she is a national. The case must be presented within 3 years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
- (2) The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.
- (3) The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.
- (4) The competent authorities of the Contracting States may communicate with each other directly for the purpose of applying the provisions of this Agreement.

#### **Article 26 - EXCHANGE OF INFORMATION**

- (1) The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State, and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
- (2) In no case shall the provisions of paragraph (1) be construed so as to impose on a Contracting State the obligation:

- (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State; or
- (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State; or
- (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.

**Article 27 - MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS**

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

**Article 28 - ENTRY INTO FORCE**

- (1) Each of the Contracting States shall notify to the other the completion of the procedures required by its law for the bringing into force of this Agreement.
- (2) The Agreement shall enter into force on the date of the later of these notifications and its provisions shall have effect:
  - (a) in Singapore :
 

in respect of tax chargeable for any year of assessment beginning on or after 1 January in the second calendar year following the year in which the Agreement enters into force;
  - (b) in Fiji :
 

in relation to Fiji tax, in respect of income, profits or gains derived during any income year beginning on or after the first day of January in the calendar year immediately following that in which this Agreement enters into force.

**Article 29 - TERMINATION**

This Agreement shall remain in force indefinitely, but either Contracting State may terminate the Agreement, through diplomatic channels, by giving to the other Contracting State written notice of termination on or before June 30th in any calendar year after a period of five years from the date on which this Agreement enters into force. In such an event, the Agreement shall cease to have effect -

- (a) in Singapore :
 

in respect of tax chargeable for any year of assessment beginning on or after 1 January in the second calendar year following the year in which the notice is given;
- (b) in Fiji :
 

in relation to Fiji tax, in respect of income, profits or gains derived during any income year beginning on or after the first day of January in the calendar year immediately following that in which the notice is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

Done in duplicate at Singapore this 20th day of December two thousand and five in the English language.

**For the Government of the  
Republic of Singapore**

**For the Government of the  
Republic of the Fiji Islands**

**Raymond Lim  
Minister, Prime Minister's Office,  
Second Minister for Finance, and  
Second Minister for Foreign Affairs**

**Kaliopate Tavola  
Minister for Foreign Affairs  
and External Trade**