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GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

MINISTRY OF FINANCE AND PLANNING

Internal Resources Division

(*Income-Tax*)

NOTIFICATION

Dacca, the 21st April 1982

No. S.R.O. 124-L/82.—WHEREAS the Government of the People's Republic of Bangladesh and the Government of the Republic of Singapore have entered into an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income;

NOW, THEREFORE, in exercise of the powers conferred by section 49AA of the Income-tax Act, 1922 (XI of 1922), the Government is pleased to direct that all the provisions of the said Agreement annexed hereto shall be given effect to in Bangladesh.

AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH 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.

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
AND
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

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

Personal Scope

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

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ARTICLE 2

Taxes covered

(1) This Agreement shall apply to taxes on income imposed on behalf of each Contracting State 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 this Agreement shall apply are:—

(a) in the case of the People's Republic of Bangladesh:

(i) the income tax; and

(ii) the super tax;
(hereinafter referred to as "Bangladesh tax");

(b) in the case of the Republic of Singapore:
the income tax;
(hereinafter referred to as "Singapore tax").

(4) This Agreement shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes. The competent authorities of the Contracting State shall notify to each other any significant changes which have been made in their respective taxation laws and furnish copies of relevant enactments and regulations.

(5) If by reason of changes made in the taxation law of either Contracting State, it seems desirable to amend any article of this Agreement 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 constitutional procedures.

ARTICLE 3

General definitions

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

(a) the term "Bangladesh" means the People's Republic of Bangladesh;

(b) the term "Singapore" means the Republic of Singapore;

(c) the terms "a Contracting State" and "the other Contracting State" mean Bangladesh or Singapore as the context requires;

(d) the term "tax" means Bangladesh tax or Singapore tax as the context requires;

(e) the term "person" includes an individual, a company and any other entity which is treated as a taxable entity under the tax laws of the respective Contracting States;

(f) the term "company" means any company, body corporate or any other entity which is treated as a company under the tax laws of the respective Contracting States;

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(g) the terms "resident of a Contracting State" and "resident of the other Contracting State" mean a person who is a resident of Bangladesh or a person who is a resident of Singapore as the context requires;

(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 "national" means all individuals possessing the nationality or citizenship of the respective Contracting States and also any legal person, partnership and association deriving their status as such from the laws in force in the respective Contracting States;

(j) the term "competent authority" means in the case of Bangladesh, the National Board of Revenue or their authorised representative and in the case of Singapore, the Minister for Finance or his authorised representative.

(2) As regards the application of this Agreement by a Contracting State, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Agreement.

ARTICLE 4

Fiscal domicile

(1) For the purposes of this Agreement, the term "a resident of a Contracting State" means any person who is resident in a Contracting State for tax purposes of that Contracting State.

(2) Where by reasons of the provisions of paragraph (1) an individual is a resident of both Contracting States, then his case 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 closest (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 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 of the State in which its place of effective management is situated.

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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 especially:

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

(f) a warehouse, in relation to a person providing storage facilities for others;

(g) a mine, quarry or other place of extraction of natural resources;

(h) a building site or construction or assembly project which exists for more than 183 days:

(3) The term "permanent establishment" shall not be deemed to include:

(a) the use of facilities solely for the purposes of storage or display 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;

(c) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purposes of processing by another enterprise;

(d) the maintenance of a fixed place of business solely for the 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) A person acting in one of the Contracting States for or an behalf of an enterprise of the other Contracting State—other than an agent of an independent status to whom paragraph (5) of this Article applies—shall be deemed to be a permanent establishment in the first-mentioned State, if—

(a) he has, and habitually exercises, in the first-mentioned State a general authority to conclude contracts for or on behalf of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise, or

(b) he habitually maintains in the first-mentioned State a stock of goods or merchandise belonging to the enterprise from which that person regularly delivers goods or merchandise for or on behalf of the enterprise, or

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(c) he habitually secures orders for the sale of goods or merchandise in the first-mentioned State, wholly or almost wholly, for the enterprise itself, or for the enterprise or other enterprise which are controlled by it or have controlling interest in it.

(5) 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, where such persons are acting in the ordinary course of their business and their activities do not fall within the scope of paragraph (4)(c) above.

(6) 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 State (whether through a permanent establishment or otherwise), shall not of itself make either company a permanent establishment of the other.

(7) An enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it carries on a business which consists of providing the services of public entertainers (such as stage, motion picture, radio or television artistes and musicians) or athletes in that other Contracting State unless such services are provided within the scope of a cultural or sports exchange programme agreed to by both the Contracting States.

ARTICLE 6

Income from immovable property

(1) Income from immovable property may be taxed in the Contracting State in which such property is situated.

(2) The term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture, forestry and fishery rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments in cash or kind as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

(3) The provisions of paragraph (1) shall 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.

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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 therein. 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) Where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishmen 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. In any case, where the correct amount of profits attributable to a permanent establishment is incapable of determination or the ascertaining thereof presents exceptional difficulties, the profits attributable to the permanent establishment may be computed on a reasonable basis.

(3) In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere, but this does not include any expenses which, under the law of that State would not be allowed to be deducted by an enterprise of that State.

(4) 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 (2) shall preclude that Contracting State from determining the profits to be taxed by such apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles laid down in this Article.

(5) 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.

(6) 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.

(7) 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.

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ARTICLE 8

Air transport

(1) Income derived by an enterprise of a Contracting State from the operation of aircraft shall be taxable only in that Contracting State unless the aircraft is operated wholly or mainly between places within the other Contracting State.

(2) The provisions of paragraph (1) shall likewise apply in respect of income derived from participation in pools of any kind by enterprises engaged in air transport.

ARTICLE 9

Shipping

(1) Income of an enterprise of a Contracting State derived from the other Contracting State from the operation of ships in international traffic may be taxed in that other Contracting State, but the tax chargeable in that other Contracting State on such income shall be reduced by an amount equal to fifty per cent of such tax.

(2) For the purposes of paragraph (1) of this Article, income derived by an enterprise of a Contracting State from the operation of ships from the other Contracting State shall mean income from the carriage of passengers, mail, livestock or goods shipped in that other Contracting State.

(3) The provisions of paragraph (1) of this Article shall likewise apply in respect of participation in pools of any kind by an enterprise of either Contracting State engaged in shipping.

ARTICLE 10

Associated enterprises

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, 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.

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ARTICLE 11

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 law of that State, but if a resident of the other Contracting State is the beneficial owner of the dividends, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends. The provisions of this paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

(3) The limitation of tax to 15 per cent of the gross amount of dividends mentioned in paragraph (2) refers to the tax imposed on dividends in addition to the tax imposed on the profits of a company.

(4) The term "dividends" as used in this Article means income from shares, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income assimilated to income from shares by the taxation law of the State of which the company making the distribution is a resident.

(5) The provisions of paragraphs (1) and (2) shall not apply if the recipient of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein with which the holding by virtue of which the dividends are paid is effectively connected. In such a case, the provisions of Article 7 shall apply.

(6) 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 permenent establishment situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the devidends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

(7) Dividends shall be deemed to arise in a Contracting State if the dividends are paid by a company which is resident in that Contracting State.

ARTICLE 12

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 recipient is the beneficial owner of the interest, the tax so charged shall not exceed 10 per cent of the gross amount.

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(3) The term "interest" as used in this Article means income from debt-claims 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 governmental securities and income from bonds or debentures, including premium and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

(4) 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 therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

(5) Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political sub-division, a local or statutory authority or 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 in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the State in which the permanent establishment 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 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 13

Royalties

(1) Royalties arising in a Contracting State which are derived and beneficially owned by 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 the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

(3) The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience.

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(4) The provisions of paragraphs (1) and (2) of this Article shall no apply if the beneficial owner of the royalties, being a resident of a Contractin State, carries on business in the other Contracting State in which the royaltie arise, through a permanent establishment situated therein and the right o property in respect of which the royalties are paid is effectively connected wit such permanent establishment. In such a case, the provisions of Article 7 shal apply.

(5) Royalties shall be deemed to arise in a Contracting State where th payer is that State itself, a political sub-division, a local or statutory authorit or a resident of that State. Where, however, the person paying the royalties, whether he is a rsident of a Contracting State or not, has in a Contractin State a permanent establishment in connection with which the obligation to pa the royalties was incurred and the royalties are borne by that permanen establishment, then the royalties shall be deemed to arise in the Contractin State in which the permanent establishment 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 the royalties, having regard to the use, right or information for which they are paid, exceeds the amonut 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 a 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 14

Capital gains

(1) Capital gains from the alienation of immovable property, as defined in paragraph (2) of Article 6, or from alienation of shares in a company the assets of which consist principally of such property, may be taxed in the Contracting State in which such property is situated.

(2) Capital 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 a fixed base, may be taxed in the other State.

(3) Notwithstanding the provisions of paragraph (2) of this Article, capital gains derived by a resident of a Contracting State from the alienation of ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft shall be taxable only in that Contracting State.

(4) Capital gains from the alienation of any property other than those mentioned in paragraphs (1), (2) and (3) of this Article shall be taxable only in the Contracting State of which the alienator is a resident.

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ARTICLE 15

Personal services

(1) Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration or income derived by a resident of a Contracting State in respect of personal (including professional) services shall be taxable only in that State unless the services are rendered in the other Contracting State. If the services are so rendered, such remuneration or income as is derived therefrom may be taxed in that other State.

(2) Notwithstanding the provisions of paragraph (1), remuneration or income derived by a resident of a Contracting State in respect of services rendered 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 the year preceding the year of assessment, and

(b) the services are rendered for or on behalf of a person who is a resident of the first-mentioned State, and

(c) in relation to dependent personal services, the remuneration or income is not borne by a permanent establishment which the person paying the remuneration or income has in the other Contracting State, and

(d) in relation to independent personal services, the payments are not charged against any income assessable or chargeable in the other Contracting State which the person derives from that other State.

(3) Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

ARTICLE 16

Directors' fees

Directors' fees and similar payments derived by a resident of a Contracting State in his 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 athletes

(1) Notwithstanding the provisions of Article 15, income derived by entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.

(2) Where income in respect of personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Article 7 be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

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(3) The provisions of paragraphs (1) and (2) shall not apply to income derived from activities performed in a Contracting State by entertainers or athletes if the visit to that Contracting State is wholly or substantially supported by public funds of the other Contracting State, including any local authority or statutory body thereof.

ARTICLE 18

Pensions

Pensions and other similar remuneration other than pensions referred to in Article 19, derived from a Contracting State in consideration of past employment may be taxed in both the Contracting States.

ARTICLE 19

Governmental functions

(1) Remuneration, including pensions paid by, or out of funds created by a Contracting State or a local or statutory authority thereof, to any individual who is a citizen of that Contracting State in respect of services rendered to that State or local or statutory authority thereof in the discharge of functions of a Governmental nature, shall be taxable only in that State.

(2) The provisions of Articles 15, 16 and 18 shall apply to remuneration in respect of an employment in connection with any business carried on by a Contracting State or a local or statutory authority thereof for the purpose of profits.

ARTICLE 20

Students and trainees

(1) An individual who was a resident of a Contracting State immediately before visiting the other Contracting State and is temporarily present in that other Contracting State solely—

(a) as a student at a university, college or school in that other Contracting State,

(b) as a recipient of a grant, allowance or award from a Government or scientific, educational, religious or charitable organisation for the primary purpose of study, research or training, or

(c) as a business apprentice,

shall be exempt from tax of that other Contracting State in respect of—

(i) all remittances from abroad for the purposes of his maintenance, education, study, research or training,

(ii) the grant, allowance or award, and

(iii) any remuneration for personal services rendered in that other Contracting State not exceeding the sum of three thousand and six hundred Singapore dollars or its equivalent in Bangladesh taka in any calendar year with a view to supplementing the resources available to him for such purposes.

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(2) An individual, who was a resident of a Contracting State immediately before visiting the other Contracting State and is temporarily present in that other Contracting State solely as a trainee for the purpose of acquiring technical, professional or business experience, shall for a period not exceeding two years from the date of his first arrival in that other Contracting State in connection with that visit be exempt from tax in that other Contracting State in respect of—

(a) all remittances from abroad for the purposes of his maintenance or training, and

(b) any remuneration for personal services rendered in that other Contracting State not exceeding the sum of twelve thousand Singapore dollars or its equivalent in Bangladesh taka in any calendar year during that visit provided such services are in connection with his training or incidental thereto.

(3) The benefits of paragraphs (1) and (2) of this Article shall not be concurrently cumulative.

ARTICLE 21

Teachers

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State, and who, at the invitation of any university, collage, school or other similar educational institution, which is recognised by the competent authority in that other Contracting State, visits that other Contracting State for a period not exceeding two years solely for the purpose of teaching or research or both at such educational institution shall be exempt from tax in that other Contracting State on his remuneration for such teaching or research.

ARTICLE 22

Income not expressly mentioned

The laws in force in each Contracting State shall continue to govern the taxation of income in the respective Contracting States except where express provision to the contrary has been made in this Agreement.

ARTICLE 23

Limitation of relief

Where this Agreement provides (with or without other conditions) that income from sources in a Contracting State shall be exempt from tax, or taxed at a reduced rate in that Contracting State and under the laws in force in the other Contracting State the said income is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State and not by reference to the full amount thereof, then the exemption or reduction of tax to be allowed under this Agreement in the first-mentioned Contracting State shall apply to so much of the income as is remitted to or received in that other Contracting State.

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ARTICLE 24

Elimination of double taxation

(1) Subject to the provisions of the laws of Bangladesh regarding the allowance as a credit against Bangladesh tax of tax payable in a territory outside Bangladesh (which shall not affect the general principle hereof), tax payable under the laws of Singapore and in accordance with this Agreement, whether directly or by deduction, on profits, income or chargeable gains from sources within Singapore shall be allowed as a credit against any Bangladesh tax computed by reference to the same profits, income or chargeable gains by reference to which the Singapore tax is computed.

(2) Subject to the provisions of the laws of Singapore regarding the allowance as a credit against Singapore tax of tax payable in a territory outside Singapore (which shall not affect the general principle hereof), tax payable under the laws of Bangladesh and in accordance with this Agreement, whether directly or by deduction, on profits, income or chargeable gains from sources within Bangladesh shall be allowed as a credit against any tax computed by reference to the same profits, income or chargeable gains by reference to which the Bangladesh tax is computed.

(3) For the purposes of paragraphs (1) and (2), there shall be deemed to include, as regards—

(a) 15 per cent tax on dividends under paragraph (2) of Article 11,

(b) 10 per cent tax on interest under paragraph (2) of Article 12, and

(c) 10 per cent tax on royalties under paragraph (2) of Article 13,

the amount of such tax which would have been payable but for the reduction of or exemption from tax in accordance with the special laws designed to promote economic development in Singapore or Bangladesh respectively effective on the date of signature of this Agreement or which may be introduced hereinafter in modification of, or in addition to the existing laws as agreed between the competent authorities of the Contracting States.

ARTICLE 25

Non-discrimination

(1) The 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 and under the same conditions are or may be subjected.

(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 in the same circumstances and under the same conditions.

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(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 Contracting 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 that first-mentioned State are or may be subjected in the same circumstances and under the same conditions.

(4) Nothing contained in paragraphs (1), (2) and (3) of this Article shall be construed as—

(a) obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions which it grants to its own residents;

(b) affecting any provisions of the tax laws of the respective Contracting States regarding the imposition of tax on non-resident persons as such;

(c) obliging a Contracting State to grant to nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own citizens who are not resident in that Contracting State or to such other persons as may be specified in the taxation laws of that Contracting State; and

(d) affecting any provisions of the tax laws of the respective Contracting States regarding any tax concessions granted to persons fulfilling specified conditions.

(5) In this Article the term "taxation" means taxes which are the subject of this Agreement.

ARTICLE 26.

Mutual agreement procedure

(1) Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Agreement, he may notwithstanding the remedies provided by the national laws of those States, present the case to the competent authority of the Contracting State of which he is a resident. The case must be presented within four years from the date of assessment or of the withholding of tax at the source whichever is later.

(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 an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracing State with a view to the avoidance of taxation not in accordance with this Agreement. If an agreement is reached, it shall be implemented notwithstanding any time limits prescribed in the tax laws of the Contracting States.

(3) The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulty or doubt arising as to the interpretation or application of this Agreement. They may also consult together for the elimination of double taxation in cases not provided for in this Agreement.

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(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 27

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. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those concerned with the assessment or collection of the taxes which are the subject of this Agreement or the determination of appeals or the prosecution of offences in relation thereto.

(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 or the administrative practice of that or of the other Contracting State;

(b) to supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

(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 28

Diplomatic and Consular officials

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

ARTICLE 29

Entry into force

The Agreement shall come into force on the date when the last of all such things shall have been done in Bangladesh and Singapore as are necessary to give the Agreement the force of law in Bangladesh and Singapore respectively, and shall thereupon have effect for any year of assessment commencing on or after the first day of January, 1980.

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ARTICLE 30

Termination

This Agreement shall continue in force indefinitely but either of the Contracting States may, on or before the thirtieth day of June in any calendar year after the year 1985 give notice of termination to the other Contracting State and, in such event this Agreement shall cease to be effective for any year of assessment commencing on or after the first day of January in the calendar year following that in which the notice is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments have signed this Agreement.

DONE in duplicate at SINGAPORE this 19th day of December, 1980 in the English language.

.....
For the Government of
the People's Republic of
Bangladesh.
(D. S. YUSUF HYDER)

.....
For the Government of
the Republic of
Singapore.
(HSU TSE KWANG)

By order of the
Chief Martial Law Administrator
M. MATIUR RAHMAN
Joint Secretary.

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