রেজিস্টার্ড নং ডি এ-১

বাংলাদেশ গেজেট

অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

মঙ্গলবার, জুলাই ৯, ২০২৪

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
জাতীয় রাজস্ব বোর্ড
(আয়কর)

প্রজ্ঞাপন

তারিখ: ২০ আষাঢ়, ১৪৩১ বঙ্গাব্দ/০৪ জুলাই, ২০২৪ খ্রিষ্টাব্দ

এস.আর.ও. নং ২৬৮-আইন/আয়কর/২০২৪।—যেহেতু আয়ের উপর দ্বৈত করারোপণ পরিহার এবং রাজস্ব ফাঁকি প্রতিরোধের উদ্দেশ্যে গণপ্রজাতন্ত্রী বাংলাদেশ সরকার এবং Kingdom of The Netherlands সরকারের মধ্যে ১২ মার্চ, ২০২৪ তারিখে নিম্ন তফসিলে বর্ণিত চুক্তি স্বাক্ষরিত হইয়াছে; এবং

যেহেতু উক্ত চুক্তির Article 31 এর উদ্দেশ্যপূরণকল্পে এবং আয়কর আইন, ২০২৩ (২০২৩ সনের ১২ নং আইন), অতঃপর উক্ত আইন বলিয়া উল্লিখিত, এর ধারা ২৪৪ এর বিধান অনুসারে উক্ত চুক্তির বিধানাবলি বাংলাদেশে কার্যকর করা প্রয়োজন;

সেহেতু জাতীয় রাজস্ব বোর্ড, উক্ত আইনের ধারা ২৪৪ এর উপ-ধারা (২) এ প্রদত্ত ক্ষমতাবলে, বিধান করিল যে, নিম্ন তফসিলে বর্ণিত উক্ত চুক্তির বিধানাবলি ১ জুলাই, ২০২৫ তারিখ হইতে বাংলাদেশে কার্যকর হইবে, যথা:—

মূল্য : টাকা ৪০.০০

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তফসিল

AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE KINGDOM OF THE NETHERLANDS FOR THE ELIMINATION OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND THE PREVENTION OF TAX EVASION AND AVOIDANCE

The People's Republic of Bangladesh

and

The Kingdom of the Netherlands,

Desiring to further develop their economic relationship and to enhance their cooperation in tax matters,

Intending to conclude an Agreement for the elimination of double taxation with respect to taxes on income without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States),

Have agreed as follows;

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CHAPTER I
Scope of the Agreement

Article 1
Persons covered

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

2. For the purposes of this Agreement income derived by or through an entity or arrangement that is treated as wholly or partly fiscally transparent under the tax law of either Contracting State shall be considered to be income of a resident of a Contracting State but only to the extent that the income is treated, for purposes of taxation by that State, as the income of a resident of that State.

3. In no case shall the provisions of paragraph 2 be construed to affect the right of a Contracting State to tax the residents of that Contracting State.

4. The benefits of Articles 10, 11, 12, 13, 14, 23 and 24 shall not apply to a person who is a Tax Exempt Investment Institution (Vrijgestelde Beleggingsinstelling) for the purposes of the company tax of the Netherlands.

5. The competent authorities of the Contracting States shall by mutual agreement decide to which extent a resident of a Contracting State that is subject to any other special regime shall not be entitled to the benefits of this Agreement.

Article 2
Taxes covered

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

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3. The existing taxes to which the Agreement shall apply are in particular:

a) in the European part of the Netherlands:

(i) the income tax (de inkomstenbelasting);

(ii) the wages tax (de loonbelasting);

(iii) the company tax (de vennootschapsbelasting) including the Government share in the net profits of the exploitation of natural resources levied pursuant to the Mining Act (de Mijnbouwwet);

(iv) the dividend tax (de dividendbelasting);

(v) the withholding tax (de bronbelasting); and

b) in the Caribbean part of the Netherlands:

(i) the income tax (de inkomstenbelasting);

(ii) the wages tax (de loonbelasting);

(iii) the property tax (de vastgoedbelasting);

(iv) the revenue tax (de opbrengstbelasting);

(v) the Government share in the net profits of the exploitation of natural resources levied pursuant to the Mining Act BES (de Mijnwet BES), the Mining Decree BES (het Mijnbesluit BES) or the Petroleum Act Saba Bank BES (de Petroleumwet Saba Bank BES);

(hereinafter referred to as "Netherlands tax");

c) in the case of Bangladesh,

the income tax, including any surcharge on income or income tax (hereinafter referred to as "Bangladesh tax").

4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed under the laws of a Contracting State after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

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CHAPTER II
Definitions

Article 3
General definitions

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

a) the terms “a Contracting State” and “the other Contracting State” mean the People's Republic of Bangladesh, or the Kingdom of the Netherlands, in respect of the Netherlands, as the context requires;

b) the term "Bangladesh" means all the territory of the People's Republic of Bangladesh including the part of the seabed and its sub-soil thereof, to the extent that that area in accordance with international law has been or may hereafter be designated under Bangladesh law as an area within which Bangladesh may exercise sovereign rights with respect to the exploration and exploitation of the natural resources of the seabed or its sub-soil;

c) the term “the Netherlands” means:

(i) the European part of the Netherlands, including its territorial sea and any area beyond and adjacent to its territorial sea within which the Kingdom of the Netherlands, in accordance with international law, exercises jurisdiction or sovereign rights; and

(ii) the Caribbean part of the Netherlands which is situated in the Caribbean Sea and consists of the islands of Bonaire, Sint Eustatius and Saba, including its territorial sea and any area beyond and adjacent to its territorial sea within which the Kingdom of the Netherlands, in accordance with international law, exercises jurisdiction or sovereign rights, but excluding the parts thereof relating to Aruba, Curaçao and Sint Maarten;

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d) the term "competent authority" means:

(i) in the Netherlands, the Minister of Finance or his authorised representative;

(ii) in the case of Bangladesh, the National Board of Revenue or its authorised representative;

e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

f) 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;

g) the term "international traffic" means any transport by a ship or aircraft except when the ship or aircraft is operated solely between places in a Contracting State and the enterprise that operates the ship or aircraft is not an enterprise of that State;

h) the term "national", in relation to a Contracting State, means any individual possessing the nationality of that Contracting State and any legal person, partnership or association or other entity deriving its status as such from the laws in force in that Contracting State;

i) the term "person" includes an individual, a company, any other body of persons or any other entity;

j) the term "recognised pension fund" of a Contracting State means an entity or arrangement established in that State that is treated as a separate person under the taxation laws of that State and:

(i) that is established and operated exclusively or almost exclusively to administer or provide retirement benefits and ancillary or incidental benefits to individuals and that is regulated as such by that State or one of its political subdivisions or local authorities; or

(ii) that is established and operated exclusively or almost exclusively to invest funds for the benefit of entities or arrangements referred to in subdivision (i).

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2. For the purposes of this Agreement, rights to the exploration and exploitation of natural resources shall be regarded as immovable property located in the Contracting State to whose territorial sea and any area beyond and adjacent to its territorial sea (including the exclusive economic zone and continental shelf) within which that State, in accordance with international law, exercises jurisdiction or sovereign rights, including the seabed and subsoil thereof, these rights apply, and these rights are regarded as assets of a permanent establishment in that State. Furthermore, the aforementioned rights include rights to interests in, or benefits from assets that arise from, that exploration or exploitation.

3. 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.

4. It is understood that the provisions of this Agreement which are identical or in substance similar to the provisions of the OECD Model Tax Convention on Income and on Capital or the United Nations Model Double Taxation Convention between Developed and Developing Countries shall be interpreted in accordance with the OECD and United Nations Commentaries thereon at the moment of the application of this Agreement.

Article 4
Resident

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof.

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2. A person, other than an individual, shall be regarded to be liable to tax:

a) in the Netherlands, if the person is a resident of the Netherlands for the purposes of the company tax or the revenue tax;

b) in Bangladesh, if the person is a resident of Bangladesh for the purposes of the income tax;

provided that the income derived by that person is treated under the tax laws of that State as income of that person and not as the income of the person's beneficiaries, members or participants.

3. Notwithstanding the provisions of paragraphs 1 and 2, the term "resident of a Contracting State" does not include any person who is liable to tax in that State in respect only of income from sources in that State.

4. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);

b) if the State in which he has his centre of vital interests cannot be determined or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;

c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

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5. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall endeavour to determine by mutual agreement the Contracting State of which such person shall be deemed to be a resident for the purposes of the Agreement, having regard to its place of effective management, the place where it is incorporated or otherwise constituted and any other relevant factors. In the absence of such agreement, such person shall not be entitled to any relief or exemption from tax provided by this Agreement except to the extent and in such manner as may be agreed upon by the competent authorities of the Contracting States.

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

   g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;

   h) a premises used as a sales outlet; and

   i) a farm, plantation or other place where agriculture, forestry, plantation, or related activities are carried on.

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3. The term "permanent establishment" also encompasses:

   a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period or periods aggregating more than 183 days within any twelve-month period commencing or ending in the fiscal year concerned;

   b) the furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purpose, but only if activities of that nature continue within a Contracting State for a period or periods aggregating more than 183 days in any twelve-month period commencing or ending in the fiscal year concerned.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, an enterprise of a Contracting State which carries on activities in the territorial sea of the other Contracting State or in any area beyond and adjacent to its territorial sea within which that other Contracting State, in accordance with international law, exercises jurisdiction or sovereign rights (offshore activities), shall be deemed to carry on, in respect of those activities, business in that other State through a permanent establishment situated therein, unless the activities in question are carried on in the other State for a period or periods of less than in the aggregate ten days in any twelve-month period.

5. For the purpose of paragraph 4, the term “offshore activities” shall be deemed not to include:

   a) one or any combination of the activities mentioned in paragraph 7;

   b) towing or anchor handling by ships primarily designed for that purpose and any other activities performed by such ships;

   c) the transport of supplies or personnel by ships or aircraft in international traffic.

6. For the sole purpose of determining the duration of:

   a) a building site or construction, assembly or installation project under paragraph 3, subparagraph a), where an enterprise of a Contracting

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State carries on activities in the other Contracting State at a place that constitutes a building site or construction, assembly or installation project or supervisory activities in connection therewith and these activities are carried on during one or more periods of time that, in the aggregate, exceed 30 days without exceeding 183 days, and connected activities are carried on at the same building site or construction, assembly or installation project or supervisory activities in connection therewith during different periods of time, each exceeding 30 days, by one or more enterprises closely related to the first-mentioned enterprise; these different periods of time shall be added to the period of time during which the first-mentioned enterprise has carried on activities at that building site or construction, assembly or installation project or supervisory activities in connection therewith; and

b) the furnishing of services under paragraph 3, subparagraph b), where an enterprise of a Contracting State furnishes services in the other Contracting State and these services are furnished during one or more periods of time that, in the aggregate, exceed 30 days without exceeding 183 days, and connected services are furnished in that other State during different periods of time, each exceeding 30 days, by one or more enterprises closely related to the first-mentioned enterprise; these different periods of time shall be added to the period of time during which the first-mentioned enterprise has furnished services in that other Contracting State; and

c) offshore activities under paragraph 4, where an enterprise of a Contracting State carries on offshore activities in the other Contracting State and connected activities are carried on in that State by one or more enterprises closely related to the first-mentioned enterprise, the periods of time during which such connected activities are carried on by those enterprises shall be added to the period of time during which the first-mentioned enterprise has carried on offshore activities in that other Contracting State.

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7. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

a) the use of facilities solely for the purpose 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 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;

f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to e);

Provided that such activity or, in the case of subparagraph f), the overall activity of the fixed place of business, is of a preparatory or auxiliary character.

8. Paragraph 7 shall not apply to a fixed place of business that is used or maintained by an enterprise if the same enterprise or a closely related enterprise carries on business activities at the same place or at another place in the same Contracting State and:

a) that place or other place constitutes a permanent establishment for the enterprise or the closely related enterprise under the provisions of this Article, or

b) the overall activity resulting from the combination of the activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, is not of a preparatory or auxiliary character;

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Provided that the business activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, constitute complementary functions that are part of a cohesive business operation.

9. For the purposes of this Article, a person or enterprise is closely related to another enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons or enterprises. In any case, a person or an enterprise shall be considered to be closely related to another enterprise if one possesses directly or indirectly more than 50 percent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person or enterprise possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise or in the two enterprises.

10. Notwithstanding the provisions of paragraphs 1, 2 and 4, where a person — other than an agent of an independent status to whom paragraph 12 applies — is acting in a Contracting State on behalf of an enterprise of the other Contracting State, that enterprise shall be deemed to have a permanent establishment in the first-mentioned Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person:

a) 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 7 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; or

b) has no such authority, but habitually maintains in the first-mentioned State a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the enterprise.

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11. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks situated therein through a person other than an agent of an independent status to whom paragraph 12 applies.

12. 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 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. Where, however, a person acts exclusively or almost exclusively on behalf of one or more enterprises to which it is closely related, that person shall not be considered to be an independent agent within the meaning of this paragraph with respect to any such enterprise.

13. 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 constitute either company a permanent establishment of the other.

CHAPTER III
Taxation of income

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. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and

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forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to the exploration and exploitation of natural resources or standing timber and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, quarries, 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.

Article 7
Business profits

1. 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 that are attributable to the permanent establishment in accordance with the provisions of paragraph 2 may be taxed in that other State.

2. Subject to the provisions of paragraph 3, 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 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.

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 business of the permanent establishment including

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executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere. However, no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the permanent establishment. Likewise, no account shall be taken, in the determination of the profits of a permanent establishment, for amounts charged (otherwise than towards reimbursement of actual expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the head office of the enterprise or any of its other offices.

4. Where, in accordance with paragraph 2, a Contracting State adjusts the profits that are attributable to a permanent establishment of an enterprise of one of the Contracting States and taxes accordingly profits of the enterprise that have been charged to tax in the other State, the other State shall, to the extent necessary to eliminate double taxation on these profits, make an appropriate adjustment if it agrees with the adjustment made by the first-mentioned State; if the other Contracting State does not so agree, the Contracting States shall eliminate any double taxation resulting therefrom by mutual agreement.

5. 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.

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Article 8
Shipping and air transport

1. Profits of an enterprise of a Contracting State from the operation of aircraft in international traffic shall be taxable only in that State.

2. Profits of an enterprise of a Contracting State from the operation of ships in international traffic shall be taxable only in that State. However, profits from the operation of ships in international traffic in the other Contracting State may also be taxed in that other State, but the rate of tax chargeable in that other State shall in no case exceed 4 per cent.

3. The provisions of paragraphs 1 and 2 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

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.

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2. Where a Contracting State includes 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 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 profits where that other State considers the adjustment justified. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and for this purpose the competent authorities of the Contracting States shall, if necessary, consult each other.

3. The provisions of paragraph 2 shall not apply where judicial, administrative or other legal proceedings have resulted in a final ruling that by actions giving rise to an adjustment of profits under paragraph 1, one of the enterprises concerned is liable to penalty with respect to fraud, gross negligence or wilful default.

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, dividends paid by a company which is a resident of a Contracting State may also be taxed in that State 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) 10 percent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 percent of the capital of the company paying the dividends throughout a

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365-day period that includes the day of the payment of the dividend (for the purpose of computing that period, no account shall be taken of changes of ownership that would directly result from a corporate reorganisation, such as a merger or divisive reorganisation, of the company that holds the shares or that pays the dividend);

b) 10 percent of the gross amount of the dividends if the beneficial owner is a recognised pension fund of a Contracting State that is generally exempt from taxes on income in that State;

c) 15 percent of the gross amount of the dividends in all other cases.

3. The provisions of paragraph 2, subparagraphs a) and b), shall not apply to dividends paid by or to a person who is a Fiscal Investment Institution (Fiscale Beleggingsinstelling) for the purposes of the company tax of the Netherlands.

4. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of paragraph 2.

5. The provisions of paragraph 2 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

6. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt- claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident. Income received in connection with the (partial) liquidation of a company or a purchase of own shares by a company is treated as income from shares.

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7. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner 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 in that other Contracting State, or performs in that other Contracting State independent personal services from a fixed base situated in that other Contracting State, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15, 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 insofar as such dividends are paid to a resident of that other State or insofar 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.

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 beneficially owned by a resident of the other Contracting State shall be taxable only in the Contracting State of which the beneficial owner is a resident, if one of the following requirements is fulfilled:

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a) the payer or the beneficial owner of the interest is a Contracting State, a political subdivision or local authority thereof or the central bank of a Contracting State; or

b) the interest is paid in respect of a loan, debt-claim or credit that is owed to, or made, provided, guaranteed or insured by, a Contracting State or a political subdivision, local authority or export financing agency thereof.

4. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of paragraphs 2 and 3.

5. 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 government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. However, penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

6. The provisions of paragraphs 1, 2 and 3 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, or performs in that other Contracting State independent personal services from a fixed base situated therein, 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 15, 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.

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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 competent authorities of the Contracting States may by mutual agreement settle the mode of application of paragraph 2.

4. 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 copyright of literary, artistic or scientific work including cinematograph films, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

5. 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 therein, or performs in that other State independent personal services from a fixed base situated therein, 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 15, as the case may be, shall apply.

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6. 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 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 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.

7. 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 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
Fees for technical services

1. Fees for technical services arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, notwithstanding the provisions of Article 15 and subject to the provisions of Articles 8, 17 and 18, fees for technical services may also be taxed in the Contracting State in which the fees arise and according to the laws of that State but if the beneficial owner of the fees is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the payments.

3. The term "fees for technical services" as used in this Article means any payment in consideration for any service of a managerial, technical or consultancy nature, unless the payment is made:

   a) to an employee of the person making the payment;

   b) for teaching in an educational institution or for teaching by an educational institution; or

   c) by an individual for services for the personal use of an individual.

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4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of fees for technical services, being a resident of a Contracting State, carries on business in the other Contracting State in which the fees for technical services arise through a permanent establishment situated in that other State, or performs in the other State independent personal services from a fixed base situated in that other State, and the fees for technical services are effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15, as the case may be, shall apply.

5. For the purposes of this Article, subject to the provisions of paragraph 6, fees for technical services shall be deemed to arise in a Contracting State if:

a) the payer is a resident of that State or if the person paying the fees, whether that person 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 obligation to pay the fees was incurred, and such fees are borne by the permanent establishment or fixed base, and

b) the services are performed in that State.

6. For the purposes of this Article, fees for technical services shall be deemed not to arise in a Contracting State if the payer is a resident of that State and carries on business in the other Contracting State through a permanent establishment situated in that State or performs in the other state independent personal services from a fixed base situated in that other State and such fees are borne by that permanent establishment or that fixed base.

7. 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 fees, having regard to services 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. 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.

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Article 14
Capital gains

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 from the alienation of any property, other than immovable property referred to in Article 6, 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 such 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 with the whole enterprise) or of such fixed base, may be taxed in that other State.

3. Gains that an enterprise of a Contracting State that operates ships or aircraft in international traffic derives from the alienation of such ships or aircraft, or of any property, other than immovable property referred to in Article 6, pertaining to the operation of such ships or aircraft, shall be taxable only in that State.

4. Gains derived by a resident of a Contracting State from the alienation of shares or comparable interests, such as interests in a partnership or trust, may be taxed in the other Contracting State if, at any time during the 365 days preceding the alienation, these shares or comparable interests derived more than 50 per cent of their value directly or indirectly from immovable property, as defined in Article 6, situated in that other State, other than immovable property in which a business is carried on. However, such gains shall be taxable only in the first-mentioned State where the gains are derived in the course of a corporate reorganisation, amalgamation, division or similar transaction.

5. Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3 and 4, shall be taxable only in the Contracting State of which the alienator is a resident.

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6. Where an individual has been a resident of a Contracting State and has become a resident of the other Contracting State, the provisions of paragraph 5 shall not prevent the first-mentioned State from taxing under its domestic law the capital appreciation of shares, profit sharing certificates, call options and usufruct on shares and profit sharing certificates, in and debt-claims on a company for the period of residency of that individual in the first-mentioned State. In such case, the appreciation of capital taxed in the first-mentioned State shall not be included in the tax base when determining the appreciation of capital by the other State.

Article 15
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 Contracting State except in the following circumstances, when such income may also be taxed in the other Contracting State:

a) if he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other Contracting State; or

b) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in any twelve-month period commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from his activities performed 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, lawyers, engineers, architects, dentists and accountants.

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Article 16
Income from employment

1. Subject to the provisions of Articles 17, 18, 19 and 20, 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 twelve-month period commencing or ending in the fiscal year or the taxable period, as the case may be, of that State; 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 by a resident of a Contracting State in respect of an employment, as a member of the regular complement of a ship or aircraft, that is exercised aboard a ship or aircraft operated in international traffic, other than aboard a ship or aircraft operated solely within the other Contracting State, shall be taxable only in the first-mentioned State.

Article 17
Directors' fees

1. Directors' fees and other remuneration 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.

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2. For the purpose of the provisions of paragraph 1, the term "member of the board of directors" includes any person who is charged with the general management of the company and any person who is charged with the supervision thereof.

Article 18
Entertainers and sportspersons

1. Notwithstanding the provisions of Articles 15 and 16, 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 personal activities as such exercised in the other Contracting State may be taxed in that other State. However, the tax so charged shall not exceed 10 per cent of the gross amount of the payments.

2. Where income in respect of personal activities exercised by an entertainer or a sportsperson in his capacity as such accrues not to the entertainer or sportsperson himself but to another person, that income may, notwithstanding the provisions of Articles 15 and 16, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised. However, the tax so charged shall not exceed 10 per cent of the gross amount of the payments.

3. The provisions of paragraphs 1 and 2 shall not apply to income derived from activities performed in a Contracting State by entertainers or sportspersons if the visit to that State is wholly or mainly supported by public funds of one or both of the Contracting States or political subdivisions or local authorities thereof. In such a case, the income shall be taxable only in the Contracting State of which the entertainer or the sportsperson is a resident.

Article 19
Pensions, annuities and social security payments

1. Pensions and other similar remuneration, as well as annuities, arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in the first-mentioned State.

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2. Pensions paid and other payments made under the provisions of the social security legislation of a Contracting State to a resident of the other Contracting State may be taxed in the first-mentioned State.

3. A pension, other similar remuneration or an annuity shall be deemed to arise in a Contracting State insofar as the contributions or payments associated with that pension or other similar remuneration or annuity, or the entitlements received from that pension or other similar remuneration or annuity, qualified for relief from tax in that State.

4. The term "annuity" means a stated sum payable periodically at stated times 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.

5. The provisions of this Article shall also apply to a lump sum payment in lieu of a pension or any other similar remuneration or an annuity.

Article 20
Government service

1. Subject to the provisions of Article 19, salaries, wages and other similar remuneration paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority may be taxed in that State.

2. 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 purpose of rendering the services.

3. The provisions of Articles 16, 17, 18 and 19 shall apply to salaries, wages and other similar remuneration in respect of services rendered in connection with a business carried on by a Contracting State, a political subdivision, or a local authority thereof.

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Article 21
Students and trainees

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and who 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; or

c) as a recipient of a grant, allowance or award for the primary purpose of education, study, research or training from the Government of either State or from a scientific, educational, religious or charitable organisation or under a technical assistance programme entered into by the Government of either State,

shall be exempt from tax in that other State on:

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

(ii) the amount of such grant, allowance or award; and

(iii) any remuneration not exceeding EUR 5,000.00 or its equivalent in Bangladeshi Taka per fiscal year in respect of services performed in that other State, provided the services are performed in connection with his education, study, research or training or are necessary for the purposes of his maintenance.

Article 22
Professors, teachers and research scholars

1. A professor, teacher or research scholar, being an individual, who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who, at the invitation of the Government of the first-mentioned Contracting State or of a university college, school, museum, cultural institution, or other similar approved institution in that first-mentioned Contracting State or under an official programme of cultural exchange, is present in that Contracting State solely for the purpose of teaching, giving lectures or carrying out research at such institution for a period not exceeding two years shall be exempt from tax in that Contracting State on his remuneration for such activity.

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2. For the purpose of paragraph 1 "approved institution" means an institution which has been approved in this regard by the Government of the concerned Contracting State.

Article 23
Other income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15, as the case may be, shall apply.

3. Notwithstanding the provisions of paragraphs 1 and 2, 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 also be taxed in that other State.

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CHAPTER IV
Methods for elimination of double taxation

Article 24
Methods for elimination of double taxation

1. In the case of Bangladesh, double taxation shall be eliminated as follows:

   a) Where a resident of Bangladesh derives income which, in accordance with the provisions of this Agreement, may be taxed in the Netherlands, Bangladesh shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in the Netherlands. Such deduction in either case shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable, as the case may be, to the income which may be taxed in the Netherlands.

   b) Where in accordance with any provision of the Agreement income derived by a resident of Bangladesh is exempt from tax in Bangladesh, Bangladesh may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

2. In the case of the Netherlands, double taxation shall be eliminated as follows:

   a) The Netherlands may include in the basis upon which taxes are imposed on its residents, the items of income which according to the provisions of this Agreement may be taxed in Bangladesh. In such cases, however, the Netherlands shall allow a reduction of or a deduction from the Netherlands tax according to the provisions of paragraph 2, subparagraphs b), c), d), e) and f).

   b) Where a resident of the Netherlands derives items of income which according to paragraphs 1, 3 and 4 of Article 6,

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paragraph 1 of Article 7, paragraph 7 of Article 10, paragraph 6 of Article 11, paragraph 5 of Article 12, paragraph 4 of Article 13, paragraphs 1 and 2 of Article 14, paragraph 1 of Article 15, paragraph 1 of Article 16, paragraphs 1 and 2 of Article 19, paragraph 1 of Article 20 and paragraph 2 of Article 23 of this Agreement may be taxed in Bangladesh, and are included in the basis referred to in subparagraph a), the Netherlands shall exempt such items of income by allowing a reduction of its tax. This reduction shall be computed in conformity with the provisions of the Netherlands law for the elimination of double taxation. For that purpose the said items of income shall be deemed to be included in the amount of the items of income which are exempt from Netherlands tax under those provisions.

c) The provisions of subparagraph b) shall not apply to items of income derived by a resident of the Netherlands where Bangladesh applies the provisions of this Agreement to exempt such items of income from tax or applies the provisions of paragraph 2 of Article 10, paragraph 2 of Article 11 or paragraph 2 of Article 12 to such items of income. In such case, the provisions of subparagraph d) shall apply accordingly.

d) Notwithstanding the provisions of subparagraph b), the Netherlands shall allow a deduction from the Netherlands tax for the tax paid in Bangladesh on items of income which according to paragraph 1 of Article 7, paragraph 7 of Article 10, paragraph 6 of Article 11, paragraph 5 of Article 12, paragraph 4 of Article 13 and paragraph 2 of Article 23 of this Agreement may be taxed in Bangladesh, to the extent that these items of income are included in the basis referred to in subparagraph a), insofar as the Netherlands under the provisions of the Netherlands law for the elimination of double taxation allows a reduction of the Netherlands tax for the tax levied in another country on such items of income. For the computation of this reduction the provisions of subparagraph e) shall apply accordingly.

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e) Where a resident of the Netherlands derives items of income which according to paragraph 2 of Article 8, paragraph 2 of Article 10, paragraph 2 of Article 11, paragraph 2 of Article 12, paragraph 2 of Article 13, paragraphs 4 and 6 of Article 14, paragraph 1 of Article 17, paragraphs 1 and 2 of Article 18, paragraph 5 of Article 19 and paragraph 3 of Article 23 of this Agreement may be taxed in Bangladesh, shall allow a deduction from its tax to the extent that these items are included in the basis referred to in subparagraph a). The amount of this deduction shall be equal to the tax paid in Bangladesh on these items of income, but shall, in case the provisions of the Netherlands law for the elimination of double taxation provide so, not exceed the amount of the deduction which would be allowed if the items of income so included were the sole items for which the Netherlands gives a reduction under the provisions of the Netherlands law for the elimination of double taxation.

f) The provisions of subparagraph e) shall not restrict allowance now or hereafter accorded by the provisions of the Netherlands law for the elimination of double taxation, but only as far as the calculation of the amount of the reduction of Netherlands tax is concerned with respect to the aggregation of income from more than one jurisdiction and the carry forward of the tax paid in Bangladesh on the said items of income to subsequent years.

Article 25
Entitlement to benefits

1. Notwithstanding the other provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Agreement. The competent authority of a Contracting State shall notify the competent authority of the other Contracting State before denying a benefit under this paragraph.

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2. Where a benefit under this Agreement is denied to a person under paragraph 1, the competent authority of the Contracting State that would otherwise have granted this benefit shall nevertheless treat that person as being entitled to this benefit, or to different benefits with respect to a specific item of income, if such competent authority, upon request from that person and after consideration of the relevant facts and circumstances, determines that such benefits would have been granted in the absence of the transaction or arrangement referred to in paragraph 1. The competent authority of the Contracting State to which the request has been made shall notify the competent authority of the other State before rejecting a request made under this paragraph by a resident of that other State.

3. Where

a) an enterprise of a Contracting State derives an item of income from the other Contracting State and the first-mentioned State treats such item of income as attributable to a permanent establishment of the enterprise situated in a third jurisdiction; and

b) the profits attributable to that permanent establishment are exempt from tax in the first- mentioned State;

the benefits of this Agreement shall not apply to any item of income on which the tax in the third jurisdiction is less than 60 per cent of the tax that would be imposed in the first- mentioned State on that item of income if that permanent establishment were situated in the first-mentioned State. In such a case any item of income to which the provisions of this paragraph apply shall remain taxable according to the domestic law of the other State, notwithstanding any other provisions of the Agreement.

4. The provisions of paragraph 3 shall not apply if the item of income derived from the other State emanates from, or is incidental to, the active conduct of a business carried on through the permanent establishment (other than the business of making, managing or simply holding investments for the enterprise's own account, unless these activities are banking, insurance or securities activities carried on by a bank, insurance enterprise or registered securities dealer, respectively).

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CHAPTER V
Special provisions

Article 26
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 Contracting State in the same circumstances, in particular with respect to residence, 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. Stateless persons who are residents of a Contracting State shall not be subjected in either 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 the State concerned in the same circumstances, in particular with respect to residence are or may be subjected.

3. 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 Contracting State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

4. Except where the provisions of paragraph 1 of Article 9, paragraph 8 of Article 11, paragraph 7 of Article 12 or paragraph 7 of Article 13 apply, interest, royalties, fees for technical services and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.

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5. 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.

6. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

Article 27
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 in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of either Contracting State. The case must be presented within three 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, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

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Article 28
Exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Article.

2. Any information received under paragraph 1 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, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. 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. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.

3. In no case shall the provisions of paragraphs 1 and 2 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;
   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;

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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 (ordre public).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

6. The provisions of this Article shall apply accordingly to the income related regulations of the Contracting States.

Article 29
Assistance in the collection of taxes

1. The Contracting States shall lend assistance to each other in the collection of revenue claims. This assistance is not restricted by Articles 1 and 2. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Article.

2. The term "revenue claim" as used in this Article means an amount owed in respect of taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to this Agreement or any other instrument to which the Contracting States are parties as well as interest, administrative penalties and costs of collection or conservancy related to such amount.

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3. The provisions of this Article shall apply only to a revenue claim that forms the subject of an instrument permitting enforcement in the requesting State and, unless otherwise agreed between the competent authorities, that is not contested. However, where the claim relates to a liability to tax of a person as a non-resident of the requesting State, this Article shall only apply, unless otherwise agreed between the competent authorities, where the claim may no longer be contested. The revenue claim shall be collected by that other State in accordance with the provisions of its laws applicable to the enforcement and collection of its own taxes as if the revenue claim were a revenue claim of that requested State.

4. When a revenue claim of a Contracting State is a claim in respect of which that State may, under its law, take measures of conservancy with a view to ensure its collection, that revenue claim shall, at the request of the competent authority of that State, be accepted for purposes of taking measures of conservancy by the competent authority of the other Contracting State. That other State shall take measures of conservancy in respect of that revenue claim in accordance with the provisions of its laws as if the revenue claim were a revenue claim of that other State even if, at the time when such measures are applied, the revenue claim is not enforceable in the first-mentioned State or is owed by a person who has a right to prevent its collection.

5. Notwithstanding the provisions of paragraphs 3 and 4, a revenue claim accepted by a Contracting State for purposes of paragraph 3 or 4 shall not, in that State, be subject to the time limits or accorded any priority applicable to a revenue claim under the laws of that State by reason of its nature as such. In addition, a revenue claim accepted by a Contracting State for the purposes of paragraph 3 or 4 shall not, in that State, have any priority applicable to that revenue claim under the laws of the other Contracting State.

6. Proceedings with respect to the existence, validity or the amount of a revenue claim of a Contracting State shall not be brought before the courts or administrative bodies of the other Contracting State.

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7. Where, at any time after a request has been made by a Contracting State under paragraph 3 or 4 and before the other Contracting State has collected and remitted the relevant revenue claim to the first-mentioned State, the relevant revenue claim ceases to be:

a) in the case of a request under paragraph 3, a revenue claim of the first-mentioned State that is enforceable under the laws of that State and is owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, or

b) in the case of a request under paragraph 4, a revenue claim of the first-mentioned State in respect of which that State may, under its laws, take measures of conservancy with a view to ensure its collection;

the competent authority of the first-mentioned State shall promptly notify the competent authority of the other State of that fact and at the option of the other State, the first- mentioned State shall either suspend or withdraw its request.

8. In no case shall the provisions of this Article 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;

b) to carry out measures which would be contrary to public policy *(ordre public);*

c) to provide assistance if the other Contracting State has not pursued all reasonable measures of collection or conservancy, as the case may be, available under its laws or administrative practice;

d) to provide assistance in those cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the other Contracting State.

9. The provisions of this Article shall apply accordingly to the income related regulations of the Contracting States.

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Article 30
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.

CHAPTER VI
Final provisions

Article 31
Entry into force

1. Each of the Contracting States shall notify the other Contracting State in writing, through diplomatic channels, of the completion of the procedures required by its domestic law for the bringing into force of this Agreement. This Agreement shall enter into force on the last day of the month following the month in which the later of these notifications has been received.

2. The provisions of the Agreement shall thereupon have effect:

a) in Bangladesh:

(i) in respect of taxes withheld at source, to amounts paid or credited on or after the first day of July next following the date upon which the Agreement enters into force; and

(ii) in respect of other taxes on income, to income in any income year beginning on or after the first day of July next following the date upon which the Agreement enters into force;

b) in the Netherlands for taxable years and periods beginning, and taxable events occurring, on or after the first day of January in the calendar year following that in which the Agreement has entered into force.

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Article 32
Repeal

The Convention between the Kingdom of the Netherlands and the People's Republic of Bangladesh for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Dhaka on 13 July 1993, shall cease to have effect from the dates on which this Agreement becomes effective in accordance with the provisions of paragraph 2 of Article 31.

Article 33
Termination

1. This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement, by giving the other Contracting State written notice of termination through diplomatic channels. In such event, the Agreement shall cease to have effect:

    a) in Bangladesh:

        (i) in respect of taxes withheld at source, to amounts paid or credited on or after the first day of July next following the date in which the notice is given; and

        (ii) in respect of other taxes on income, to income in any income year beginning on or after the first day of July next following the date in which the notice is given;

    b) in the Netherlands:

        (i) if the notice has been given in the first six months of a calendar year, for taxable years and periods beginning, and taxable events occurring, after the end of the calendar year in which the notice of termination has been given;

        (ii) if the notice has been given in the last six months of a calendar year, for taxable years and periods beginning, and taxable events occurring, after the end of the calendar year following the calendar year in which the notice of the termination has been given.

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2. Notice of termination shall be regarded as having been given by a Contracting State on the date of receipt of such notice by the other Contracting State.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by the respective Contracting Parties, have signed this Agreement.

DONE in duplicate at Dhaka this 12th day of March 2024, in the English language.

.....	.....
Abul Hassan Mahmood Ali, MP *Hon'ble Minister,* *Ministry of Finance*	**Mr. M.L.A. van Rij** *Hon'ble Minister for Tax Affairs* *and the Tax Administration*
FOR THE PEOPLE'S REPUBLIC OF BANGLADESH	**FOR THE KINGDOM OF THE NETHERLANDS**

জাতীয় রাজস্ব বোর্ডের আদেশক্রমে

আবু হেনা মোঃ রহমাতুল মুনিম
সিনিয়র সচিব
অভ্যন্তরীণ সম্পদ বিভাগ, অর্থ মন্ত্রণালয়
ও
চেয়ারম্যান
জাতীয় রাজস্ব বোর্ড, ঢাকা।

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