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**No. S 345**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX (SINGAPORE — SAUDI ARABIA)  
(AVOIDANCE OF DOUBLE TAXATION AGREEMENT)  
(MODIFICATIONS TO IMPLEMENT MULTILATERAL  
INSTRUMENT) ORDER 2020**

**ARRANGEMENT OF PARAGRAPHS**

Paragraph

1. Citation and commencement
  2. Purpose
  3. Amendment of Agreement
  4. Entry into effect  
The Schedule
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In exercise of the powers conferred by section 49(7) of the Income Tax Act, the Minister for Finance makes the following Order:

**Citation and commencement**

1. This Order is the Income Tax (Singapore — Saudi Arabia) (Avoidance of Double Taxation Agreement) (Modifications to Implement Multilateral Instrument) Order 2020 and comes into operation on 1 May 2020.

**Purpose**

2.—(1) This Order amends the arrangements made between the Government of the Republic of Singapore and the Government of the Kingdom of Saudi Arabia as specified in the Schedule to the Income Tax (Singapore — Saudi Arabia) (Avoidance of Double Taxation Agreement) Order 2011 (G.N. No. S 261/2011) (called in this Order the Agreement).

(2) The purpose of this Order is to amend the Agreement to give effect to Singapore's obligations under the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting done at Paris on 24 November 2016 (as amended from time to time).

### **Amendment of Agreement**

3. The provisions of the Agreement are amended in the manner set out in the Schedule.

### **Entry into effect**

4. The amendments mentioned in paragraph 3 have effect —
- (a) with respect to taxes withheld at source, in respect of amounts paid, deemed paid or liable to be paid (whichever is the earliest), on or after 1 January 2021; and
  - (b) with respect to taxes other than those withheld at source, where the income is derived or received in a basis period beginning on or after 1 November 2020.

## **THE SCHEDULE**

Paragraph 3

### **Deletion and replacement of Preamble**

1. The Preamble of the Agreement is deleted and replaced by the following Preamble:

“The Government of the Republic of Singapore and the Government of the Kingdom of Saudi Arabia,

Desiring to further develop their economic relationship and to enhance their co-operation in tax matters,

Intending to eliminate double taxation with respect to the taxes covered by this Agreement 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 jurisdictions),

Have agreed as follows:”.

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THE SCHEDULE — *continued*

**New Article 28A**

2. The Agreement is amended by inserting, immediately after Article 28 (Miscellaneous Provisions), the following Article:

“ARTICLE 28A

PREVENTION OF TREATY ABUSE

Notwithstanding any provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income or capital 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.”.

Made on 21 April 2020.

TAN CHING YEE  
*Permanent Secretary,  
Ministry of Finance,  
Singapore.*

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