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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX (SINGAPORE — BRAZIL)
(AGREEMENT FOR THE AVOIDANCE OF DOUBLE
TAXATION ON PROFITS DERIVED FROM
INTERNATIONAL AIR AND SHIPPING TRANSPORT)
ORDER 2013

WHEREAS it is provided by section 49 of the Income Tax Act that if the Minister by order declares that arrangements specified in the order have been made with the government of any country outside Singapore with a view to affording relief from double taxation in relation to tax under the Act and any tax of a similar character imposed by the laws of that country, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to tax under the Act notwithstanding anything in any written law:

AND WHEREAS by an Agreement dated 20th December 2013, between the Government of the Republic of Singapore and the Government of the Federative Republic of Brazil, arrangements were made for, amongst other things, the avoidance of double taxation:

NOW, THEREFORE, it is hereby declared by the Minister for Finance —

- (a) that the arrangements specified in the Schedule to this Order have been made with the Government of the Federative Republic of Brazil; and
- (b) that it is expedient that those arrangements should have effect from 1st January 2014 notwithstanding anything in any written law.

THE SCHEDULE
AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE
AND
THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL
FOR
THE AVOIDANCE OF DOUBLE TAXATION
ON PROFITS DERIVED FROM INTERNATIONAL AIR
AND SHIPPING TRANSPORT

The Government of the Republic of Singapore and the Government of the Federative Republic of Brazil

Desiring to conclude an agreement for the avoidance of double taxation on profits derived from international air and shipping transport;

Have agreed as follows:

ARTICLE 1
TAXES COVERED

1. The taxes which are the subject of this Agreement are:
 - (a) in the case of the Republic of Singapore: the income tax (hereinafter referred to as “Singapore tax”);
 - (b) in the case of the Federative Republic of Brazil: the corporate income tax (“Imposto sobre a Renda das Pessoas Jurídicas/IRPJ” in Portuguese, hereinafter referred to as “Brazilian tax”).

2. The Agreement shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any substantial changes which have been made in the taxes referred to in this Article.

ARTICLE 2
DEFINITIONS

1. The following terms used in this Agreement shall have the meaning as shown hereunder, unless the context otherwise requires:
 - (a) the terms “a Contracting State” and “the other Contracting State” mean the Republic of Singapore and the Federative Republic of Brazil, as the context requires; the term “Contracting States” means the Republic of Singapore and the Federative Republic of Brazil;

THE SCHEDULE — *continued*

- (b) the term “tax” means Singapore tax or Brazilian tax as the context requires;
- (c) 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;
- (d) the term “international air or shipping traffic” means any transport by an aircraft or ship operated by an enterprise of a Contracting State, except when the aircraft or ship is operated solely between places in the other Contracting State;
- (e) the term “operation of aircraft or ship” means the transport by air or by sea of persons, baggage, animals, goods or mail, by an enterprise of a Contracting State, including:
 - (i) sale of tickets or similar documents for such transportation and the provision of services connected with such transport where such provision of services is incidental to the operation of aircraft or ship in international traffic, either for the enterprise itself or for any other enterprise;
 - (ii) use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise, where such use, maintenance or rental is incidental to the operation of aircraft or ship in international traffic;
 - (iii) rental or lease of aircraft or ship on a bareboat basis where such rental or lease, as the case may be, is incidental to the operation of aircraft or ship in international traffic;
- (f) the term “competent authority” means:
 - (a) in the case of Singapore, the Minister for Finance or his authorized representative;
 - (b) in the case of Brazil, the Minister of Finance, the Secretary of the Federal Revenue or their authorized representatives;
- (g) the term “resident of a Contracting State” means any person (including an individual, a company, any body corporate or any entity that is treated as a body corporate for tax purposes and any other body of persons) who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision, local authority or statutory body thereof.

2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax law of that State prevailing over a meaning given to the term under other laws of that State.

THE SCHEDULE — *continued*

ARTICLE 3

AVOIDANCE OF DOUBLE TAXATION

1. Profits derived from the operation of aircraft or ship in international air or shipping traffic by an enterprise of a Contracting State shall be exempted from tax in the other Contracting State, irrespective of the manner in which it is levied.

2. Gains derived from the alienation of aircraft or ship operated in international air or shipping traffic by an enterprise of a Contracting State and movable property pertaining to the operation of such aircraft or ship shall be exempted from tax in the other Contracting State, irrespective of the manner in which it is levied.

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

ARTICLE 4

REFUND

Where tax has been levied and collected by a Contracting State contrary to the provisions of this Agreement, applications for the refund of tax have to be lodged with the competent authority of that State within the time period provided for in the domestic law of that State.

ARTICLE 5

MUTUAL AGREEMENT PROCEDURE

1. The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. Consultation requested by the competent authority of a Contracting State shall begin within 120 days from the date of the receipt of such request.

2. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraph.

THE SCHEDULE — *continued*

ARTICLE 6

ENTRY INTO FORCE

The Agreement shall enter into force on the date of its signature and its provisions shall have effect:

(a) in Brazil:

- (i) in respect of income arising in the taxable years beginning on or after the first day of January of the calendar year next following that in which the Agreement enters into force; and

(b) in Singapore:

- (i) in respect of taxes withheld at source on amounts liable to be paid, deemed paid or paid (whichever is the earliest) on or after the first day of January of the calendar year next following the year in which the Agreement enters into force; and
- (ii) in respect of tax chargeable (other than taxes withheld at source) for any year of assessment beginning on or after the first day of January in the second calendar year next following the year in which the Agreement enters into force.

ARTICLE 7

TERMINATION

Subject to the provisions of Article 4, this Agreement shall remain in force indefinitely, but either Contracting State may terminate it by giving written notice of termination through diplomatic channels at least six months before the end of any calendar year after the fifth year following that of the entry into force. In such event this Agreement shall cease to have effect:

(a) in Brazil:

- (i) in respect of income arising in the taxable years beginning after the end of the calendar year in which notice of termination is given; and

(b) in Singapore:

- (i) in respect of taxes withheld at source on amounts liable to be paid, deemed paid or paid (whichever is the earliest) after the end of that calendar year in which the notice is given; and
- (ii) in respect of tax chargeable (other than taxes withheld at source) for any year of assessment beginning on or after the first day of January in the second calendar year next following the year in which the notice is given.

IN WITNESS whereof, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

THE SCHEDULE — *continued*

This Agreement has been drawn up in duplicate at Brasilia, this 20th day of December 2013, in the Portuguese and English languages, both texts being equally authentic. In the case of divergence in the interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF SINGAPORE

SUMAYA BAQAVI
Chargé d' Affaires ad interim
Embassy of the Republic of
Singapore in Brasilia

FOR THE GOVERNMENT OF THE
FEDERATIVE REPUBLIC OF BRAZIL

CARLOS ALBERTO FREITAS BARRETO
Secretary of Federal Revenue of
the Federative Republic of Brazil

Made this 23rd day of December 2013.

LIM SOO HOON
Permanent Secretary
(Finance) (Performance),
Ministry of Finance,
Singapore.

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