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No. S 264

INCOME TAX ACT
(CHAPTER 134)

INCOME TAX (SINGAPORE — FRANCE) (AVOIDANCE OF DOUBLE TAXATION CONVENTION) ORDER 2016

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 a Convention dated 15 January 2015, between the Government of the Republic of Singapore and the Government of the French Republic, arrangements were made, amongst other things, for the avoidance of double taxation:

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

(*a*) that the arrangements as specified in the Schedule to this Order have been made with the Government of the French Republic; and

(*b*) that it is expedient that those arrangements should have effect notwithstanding anything in any written law.

THE SCHEDULE

CONVENTION

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

AND

THE GOVERNMENT OF THE FRENCH REPUBLIC

FOR

THE AVOIDANCE OF DOUBLE TAXATION

AND

THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME

The Government of the Republic of Singapore and the Government of the French Republic,

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows:

ARTICLE 1

PERSONS COVERED

The Convention shall apply to persons who are residents of one or both of the Contracting States.

ARTICLE 2

TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of each Contracting State irrespective of the manner in which they are levied.

2. The existing taxes which are the subject of this Convention are:

(*a*) in Singapore:

— the income tax

(hereinafter referred to as "Singapore tax");

THE SCHEDULE — *continued*

(*b*) in France:

(i) the income tax;

(ii) the corporation tax;

(iii) the contributions on corporation tax; and

(iv) widespread social security contributions and contributions for the reimbursement of the social debt;

including any withholding tax or advance payment with respect to the aforesaid taxes;

(hereinafter referred to as "French tax").

3. This Convention shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify to each other any important changes which have been made in their respective taxation laws.

ARTICLE 3

GENERAL DEFINITIONS

1. In this Convention:

(*a*) the term "Singapore" means the Republic of Singapore and, when used in the geographical sense, its land territory, territorial sea, as well as maritime areas over which it has jurisdiction or sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources, pursuant to international law;

(*b*) the term "France" means the European and overseas departments of the French Republic, including the territorial sea, and any area outside the territorial sea within which, in accordance with international law, the French Republic has sovereign rights for the purpose of exploring and exploiting the natural resources of the sea-bed and its subsoil and the superjacent waters;

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

(*d*) the term "tax" means Singapore tax or French tax, as the context requires;

(*e*) the term "person" comprises an individual, a company and any other body of persons;

(*f*) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

(*g*) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

THE SCHEDULE — *continued*

(*h*) the term "enterprise" applies to the carrying on of any business and the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

(*i*) the term "competent authority" means, in the case of Singapore, the Minister for Finance or his authorised representative; in the case of France the Minister of Finance or his authorised representative;

(*j*) the term "business" includes the performance of professional services and of other activities of an independent character.

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

ARTICLE 4

RESIDENT

1. For the purposes of this Convention, 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 management or any other criterion of a similar nature, and also includes that State and any territorial authority or statutory body thereof.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his case shall be determined in accordance with the following rules:

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

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

(*c*) if he has an habitual abode in both Contracting States or in neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

THE SCHEDULE — *continued*

ARTICLE 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

(*a*) a place of management;

(*b*) a branch;

(*c*) an office;

(*d*) a factory;

(*e*) a workshop;

(*f*) a farm or plantation; and

(*g*) a mine, oil well, quarry or other place of extraction of natural resources.

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 if such site, project or activities lasts more than 12 months;

(*b*) the furnishing of services, including consultancy services, by an enterprise of a Contracting State directly or through employees or other personnel engaged by the enterprise for such purpose, but only if activities of that nature continue (for the same or a connected project) within the other Contracting State for a period or periods aggregating more than 365 days within any 15-month period.

4. The term "permanent establishment" shall not be deemed to include:

(*a*) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

(*b*) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

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

(*d*) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;

(*e*) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise;

THE SCHEDULE — *continued*

(*f*) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (*a*) to (*e*), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person — other than an agent of an independent status to whom paragraph 6 applies — is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of an independent status, where such person is acting in the ordinary course of his business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

ARTICLE 6

INCOME FROM IMMOVABLE PROPERTY

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

2. The term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated. The term shall in any case include rights to variable or fixed payments as consideration for the working of, or the right to work, mines, oil wells, quarries or other places of extraction of natural resources.

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.

5. Income from agricultural or forestry undertakings situated in a Contracting State may be taxed in that Contracting State.

THE SCHEDULE — *continued*

ARTICLE 7

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent 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 determining the profits of a permanent establishment, there shall be allowed as deductions all expenses, including executive and general administrative expenses, which would be deductible if the permanent establishment were an independent enterprise in so far as they are reasonably allocable to the permanent establishment, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.

4. No profits shall be attributed to a permanent establishment by reason of that permanent establishment merely purchasing goods or merchandise for the enterprise.

5. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

ARTICLE 8

SHIPPING AND AIR TRANSPORT

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

2. The provisions of paragraph 1 of this Article shall likewise apply in respect of participations in pools, in a joint business or in an international operation agency of any kind by enterprises engaged in the operation of ships or aircraft in international traffic.

THE SCHEDULE — *continued*

3. Profits from the operation of ships or aircraft in international traffic include in particular, notwithstanding any other Articles of this Convention:

(*a*) interest generated in a Contracting State by the funds required for the carrying on of such operation in that State; and

(*b*) profits from the rental on a bareboat basis of ships or aircraft and profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers), used for the transport of goods or merchandise where such rental or such use, maintenance or rental, as the case may be, is incidental to such operation.

ARTICLE 9

ASSOCIATED ENTERPRISES

1. Where —

(*a*) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or

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

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

2. Where a Contracting State includes in 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 agreed profits. In determining such adjustment, due regard shall be had to the other provisions of this Convention and the competent authorities of the Contracting States shall if necessary consult each other.

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.

THE SCHEDULE — *continued*

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charge shall not exceed:

(*a*) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which owns directly or indirectly at least 10 per cent of the share capital of the company paying the dividends;

(*b*) in all other cases, 15 per cent of the gross amount of the dividends.

3. 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 treated as a distribution by the taxation law of the Contracting State of which the company making the distribution is a resident.

4. Where an investment vehicle organised under the laws of a Contracting State,

(*a*) which derives income or gains from immovable property;

(*b*) whose income or gains are not taxed;

(*c*) which distributes most of its income annually,

makes a distribution of income to a resident of the other Contracting State who is the beneficial owner of that distribution, the distribution of that income shall be treated as a dividend. However, where the beneficial owner holds, directly or indirectly, 10 per cent or more of the capital of the investment vehicle, the distribution may be taxed at the rate provided for by the domestic law of the Contracting State in which the distribution arises.

5. The provisions of paragraphs 1, 2 and 4 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 payer is a resident, through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except 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 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.

7. Nothing in this Convention shall prevent a Contracting State from imposing on the profits attributable to a permanent establishment situated in that State, of a company which is a resident of the other Contracting State, a tax

THE SCHEDULE — *continued*

in addition to the taxes allowable under the other provisions of the Convention, provided that any additional tax so imposed shall not exceed 5 per cent of the profits attributable to the permanent establishment after the payment of corporate income tax on those profits.

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 referred to in paragraph 1 shall be taxable only in the Contracting State of which the recipient of the interest is a resident, if such recipient is the beneficial owner of such interest and if one of the following conditions is met:

(*a*) Such recipient is a Contracting State, a territorial authority or a statutory body thereof, including the central bank of that state; or such interest is paid by one of those states, territorial authorities or statutory bodies;

(*b*) Such interest is paid in respect of a debt-claim or of a loan guaranteed or insured or subsidised by the government of a Contracting State or by any other person acting on behalf of a Contracting State;

(*c*) Such interest is paid by an enterprise of one of the Contracting States to an enterprise of the other Contracting State.

4. 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. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

5. The provisions of paragraphs 1, 2 and 3 of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises through a permanent establishment situated therein and the debt-claim in respect of which the interest paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

THE SCHEDULE — *continued*

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a territorial authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

7. Where, owing to a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of interest paid, 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 that case, the excess part of the payments shall remain taxable according the law of each Contracting State, due regard being had to the other provisions of this Convention.

ARTICLE 12

ROYALTIES

1. Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means payments of any kind received as consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematograph films and tapes for television or broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.

3. Notwithstanding the provisions of paragraph 1 of this Article, royalties received as consideration for the use of, or the right to use, any copyright of literary or artistic work, including cinematograph films and tapes for television or broadcasting or for information concerning commercial experience may be taxed in, and according to the law of, the Contracting State in which they arise.

4. The provisions of paragraphs 1, 2 and 3 of this Article 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 and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

5. Royalties as defined in paragraph 2 of this Article shall be treated as arising from sources within the Contracting State in which the property referred to in that paragraph is used.

THE SCHEDULE — *continued*

6. Where, owing to a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid, having regard to the use, right, property 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 that 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 Convention.

ARTICLE 13

CAPITAL GAINS

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) may be taxed in the other State. However, gains from the alienation of ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

3. Gains from the alienation of shares or other rights in a company, a trust or any other institution or entity, the assets or property of which consist of more than 50 per cent of their value, or derive more than 50 per cent of their value, directly or indirectly through the interposition of one or more other companies, trusts, institutions or entities, from immovable property referred to in Article 6 and situated in a Contracting State or of rights connected with such immovable property may be taxed in that State. For the purposes of this provision, immovable property pertaining to business carried on personally by such company shall not be taken into account.

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

ARTICLE 14

INCOME FROM EMPLOYMENT

1. Subject to the provisions of Articles 15, 16, 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.

THE SCHEDULE — *continued*

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 concerned; 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 which the employer has in the other State.

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

ARTICLE 15

DIRECTOR'S FEES

Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State, may be taxed in that other State.

ARTICLE 16

PUBLIC ENTERTAINERS

1. Notwithstanding the provisions of Article 14, income derived by public entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal services as such may be taxed in the Contracting State in which these services are performed.

2. The provisions of paragraph 1 shall not apply to remuneration or profits, salaries, wages and similar income derived from services rendered in a Contracting State by public entertainers if the visit to that Contracting State is substantially supported by public funds of the other Contracting State.

3. Where the services mentioned in paragraph 1 are provided in a Contracting State by an enterprise of the other Contracting State, the profits derived from providing these services by such an enterprise may be taxed in the first-mentioned State unless the enterprise is substantially supported from the public funds of the other Contracting State in connection with the provisions of such services.

4. For the purposes of this Article the term "public funds" shall include the funds of any territorial authority or statutory body of either Contracting State.

THE SCHEDULE — *continued*

ARTICLE 17

PENSIONS

Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

ARTICLE 18

GOVERNMENT SERVICE

1.—(*a*) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a territorial authority or a statutory body thereof to an individual in respect of services rendered to that State, authority or body shall be taxable only in that State;

(*b*) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of, and a national of, that State without being also a national of the first-mentioned State.

2.—(*a*) Any pension paid by, or out of funds created by, a Contracting State, a territorial authority or a statutory body thereof to an individual in respect of services rendered to that State, authority or body shall be taxable only in that State;

(*b*) However, such pension shall be taxable only in that other Contracting State if the individual is a resident of, and a national of, that State without being also a national of the first-mentioned State.

3. The provisions of Articles 14, 15, 16 and 17 shall apply to salaries, wages and other similar remuneration, and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a territorial authority or a statutory body thereof.

ARTICLE 19

STUDENTS AND TRAINEES

1. An individual, who immediately before visiting a Contracting State, is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State solely as a student at a recognised university, college or school in that first-mentioned Contracting State, or as a business apprentice therein, shall be exempt from tax in the first-mentioned Contracting State in respect of —

(*a*) all remittances from the other Contracting State for the purposes of his maintenance, education, or training; and

THE SCHEDULE — *continued*

(*b*) any remuneration for personal services rendered in the first-mentioned Contracting State with a view to supplementing the resources available to him for such purposes.

2. An individual, who immediately before visiting a Contracting State, is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for a period not exceeding three years for the purpose of study, research or training solely as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organisation or under a technical assistance programme entered into by one of the Contracting States, shall be exempt from tax in the first-mentioned Contracting State on —

(*a*) the amount of such grant, allowance or award, and

(*b*) any remuneration for personal services rendered in the first-mentioned Contracting State provided such services are in connection with his study, research or training or are incidental thereto.

3. An individual, who immediately before visiting a Contracting State, is a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for a period not exceeding twelve months solely as an employee of, or under contract with, the second-mentioned Contracting State or an enterprise thereof for the purpose of acquiring technical, professional or business experience shall be exempt from tax in the first-mentioned Contracting State on —

(*a*) all remittances from the second-mentioned Contracting State for the purposes of his maintenance, education or training; and

(*b*) any remuneration for personal services rendered in the first-mentioned Contracting State, provided such services are in connection with his studies or training or are incidental thereto.

4. For the purpose of this Article the term "Contracting State" shall include any territorial authority or statutory body of either of the Contracting States.

ARTICLE 20

TEACHERS

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

THE SCHEDULE — *continued*

ARTICLE 21

OTHER INCOME

1. Items of income beneficially owned by a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention 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 beneficial owner of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

3. Notwithstanding the provisions of paragraph 1, any amount withdrawn by a resident of a Contracting State from a supplementary saving scheme constituted in the other Contracting State which is not dealt with in the foregoing Articles of this Convention may be taxable in the second-mentioned Contracting State, provided that the second-mentioned Contracting State has granted a deduction on the contributions made to that supplementary saving scheme.

ARTICLE 22

LIMITATION OF RELIEF

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

2. However, this limitation does not apply to income derived by a Contracting State from sources in the other Contracting State. For the purposes of this Article, the term "Contracting State" shall include the persons referred to in paragraph 3(*a*) of Article 11.

3. Paragraph 1 shall not be construed to apply when Singapore exempts income from sources in France for the purpose of eliminating double taxation as mentioned in paragraph 1(*a*) of Article 23.

THE SCHEDULE — *continued*

ARTICLE 23

ELIMINATION OF DOUBLE TAXATION

1. In Singapore, double taxation shall be avoided as follows:

   (*a*) Where a resident of Singapore derives income from France which, in accordance with the provisions of this Convention, may be taxed in France, Singapore shall, subject to the conditions of exemption for income received from outside Singapore provided for in the Singapore Income Tax Act being satisfied, exempt such income from tax in Singapore; or

   (*b*) Where a resident of Singapore derives income from France which, in accordance with the provisions of this Convention, may be taxed in France and the income does not meet the conditions for exemption in Singapore referred to in paragraph (*a*), Singapore shall, subject to its laws regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, allow the French tax paid, whether directly or by deduction, as a credit against the Singapore tax payable on the income of that resident.

   (*c*) Notwithstanding paragraphs (*a*) and (*b*),

      (i) dividends paid to a company being a resident of Singapore by a company being a resident of France shall be exempted from Singapore tax if at least 10 per cent of the capital of the company resident of France is owned directly by the company resident of Singapore;

      (ii) profits attributable to a permanent establishment situated in France of an enterprise of Singapore and remitted to Singapore shall be exempted from Singapore tax.

2. In the case of a resident of France:

   (*a*) notwithstanding any other provision of this Convention, income which may be taxed or shall be taxable only in Singapore in accordance with the provisions of the Convention shall be taken into account for the computation of the French tax where such income is not exempted from French corporation tax according to paragraph (*b*) or to French domestic law. In that case, the Singapore tax shall not be deductible from such income, but the resident of France who is the beneficial owner shall, subject to the conditions and limits provided for in sub-paragraphs (i) and (ii), be entitled to a tax credit against French tax. Such tax credit shall be equal:

      (i) in the case of income other than that mentioned in sub-paragraph (ii), to the amount of French tax attributable to such income provided that the resident of France is subject to Singapore tax in respect of such income;

THE SCHEDULE — *continued*

(ii) in the case of income subject to the corporation tax referred to in Article 7 and paragraph 2 of Article 13 and in the case of income referred to in paragraph 2 of Article 10, paragraph 2 of Article 11, paragraph 3 of Article 12, paragraphs 1 and 3 of Article 13, Article 15, paragraphs 1 and 3 of Article 16, and paragraph 3 of Article 21 to the amount of tax paid in Singapore in accordance with the provisions of those Articles; however, such tax credit shall not exceed the amount of French tax attributable to such income.

(*b*) (i) Dividends paid to a company being a resident of France by a company being a resident of Singapore shall be exempted from French corporation tax if at least 10 per cent of the capital of the company resident of Singapore is owned directly by the company resident of France;

(ii) Profits attributable to a permanent establishment situated in Singapore of an enterprise of France and remitted to France shall be exempted from French corporation tax.

(*c*) (i) It is understood that the term "amount of French tax attributable to such income" as used in sub-paragraph (*a*) means:

— where the tax on such income is computed by applying a proportional rate, the amount of the net income concerned multiplied by the rate which actually applies to that income;

— where the tax on such income is computed by applying a progressive scale, the amount of the net income concerned multiplied by the rate resulting from the ratio of the tax actually payable on the total net income taxable in accordance with French law to the amount of that total net income.

(ii) It is understood that the term "amount of tax paid in Singapore" as used in sub-paragraph (*a*) means the amount of Singapore tax effectively and definitively borne in respect of the items of income concerned, in accordance with the provisions of the Convention, by a resident of France who is taxed on those items of income according to the French law.

ARTICLE 24

NON-DISCRIMINATION

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other Contracting State in the same circumstances are or may be subjected.

THE SCHEDULE — *continued*

2. The term "national", in relation to a Contracting State, means all individuals possessing the nationality of a Contracting State.

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 Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned Contracting State are or may be subjected.

5. This Article shall not be construed as obliging a Contracting State to grant to nationals of the other Contracting State not resident in either of the Contracting States those personal allowances, reliefs and reductions for tax purposes which are by law available to nationals of the first-mentioned Contracting State.

6. In this Article the term "taxation" means taxes which are the subject of this Convention.

ARTICLE 25

MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States have resulted or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws in force in the Contracting States, present his case to the competent authority of the Contracting State of which he is a resident. 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 Convention.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention. 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 arising as to the application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. 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 paragraphs.

THE SCHEDULE — *continued*

ARTICLE 26

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 Convention 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 territorial authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.

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;

(*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.

THE SCHEDULE — *continued*

ARTICLE 27

DIPLOMATIC AND CONSULAR OFFICIALS

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

2. The Convention shall not apply to International Organisations, to organs or officials thereof and to persons who are members of a diplomatic or consular mission of a Third State, being present in a Contracting State and not treated in either Contracting State as residents in respect of taxes on income.

ARTICLE 28

MISCELLANEOUS

The benefits of any reduction in or exemption from tax provided for in this Convention shall not be available where the main purpose for entering into certain transactions or arrangements was to secure a more favourable tax position and obtaining that more favourable treatment in these circumstances would be contrary to the object and purpose of the relevant provisions of this Convention.

ARTICLE 29

ENTRY INTO FORCE

1. Each of the Contracting States shall notify to the other the completion of the procedures required as far as it is concerned for the bringing into force of this Convention. The Convention shall enter into force on the first day of the second month following the day when the later of these notifications has been received.

2. The provisions of the Convention shall have effect:

(*a*) In Singapore:

(i) in respect of tax chargeable for any year of assessment beginning on or after 1 January in the second calendar year following the year in which the Convention enters into force;

(ii) in all other cases, on or after 1 January of the calendar year next following the date on which the Convention enters into force.

(*b*) In France:

(i) in respect of taxes on income withheld at source for amounts taxable after the calendar year in which the Convention enters into force;

(ii) in respect of taxes on income which are not withheld at source, for income relating, as the case may be, to any calendar year or accounting period beginning after the calendar year in which the Convention enters into force;

THE SCHEDULE — *continued*

(iii) in respect of the other taxes, for taxation the taxable event of which will occur after the calendar year in which the Convention enters into force.

3. The provisions of the Convention between the Government of the Republic of Singapore and the Government of the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed in Paris on 9 September 1974 shall cease to have effect as from the date on which the corresponding provisions of this Convention shall have effect for the first time.

4. Notwithstanding paragraph 3, the provisions of (*bb*) of sub-paragraph (*c*) and of sub-paragraph (*d*) of paragraph 2 of Article 24 of the Convention between the Government of the Republic of Singapore and the Government of the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed in Paris on 9 September 1974 shall remain applicable to:

(*a*) any interest and royalties paid during a 12-month period as from the date of entry into force of this Convention;

(*b*) interest paid in respect to any debt-claims arrangement entered into before 1 March 2012, but only for the duration of the arrangement that is remaining as at 29 February 2012;

(*c*) payments received in respect to any agreement for the use of, or the right to use, industrial, commercial or scientific equipment, provided the financial terms and conditions of the agreement are set up before 1 March 2012, and provided the equipment is delivered before 1 January 2013, but only for the duration of the agreement that is remaining as at 29 February 2012;

provided that the conduct of operations resulting in a tax credit had not for main purpose to obtain the benefit of such tax credit.

ARTICLE 30

TERMINATION

This Convention shall continue in effect indefinitely, but either of the Contracting States may, on or before 30 June in any calendar year, give to the other Contracting State written notice of termination and, in such event, this Convention shall cease to be effective —

(*a*) In Singapore:

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

(ii) in all other cases, after the end of that calendar year in which the notice of termination is given.

THE SCHEDULE — *continued*

(*b*) In France:

(i) in respect of taxes on income withheld at source for amounts taxable after the calendar year in which the notice of termination is given;

(ii) in respect of taxes on income which are not withheld at source, for income relating, as the case may be, to any calendar year or accounting period beginning after the calendar year in which the notice of termination is given;

(iii) in respect of the other taxes, for taxation the taxable event of which will occur after the calendar year in which the notice of termination is given.

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

DONE in duplicate at Singapore on this 15 day of January of the year 2015 in the English and French languages, both texts being equally authoritative.

FOR THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE:	FOR THE GOVERNMENT OF THE FRENCH REPUBLIC:
Tharman Shanmugaratnam Deputy Prime Minister and Minister for Finance of the Republic of Singapore	Michel Sapin Minister of Finance and Public Accounts

Made on 1 June 2016.

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

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