

---

---

First published in the Government *Gazette*, Electronic Edition, on 30 April 2020 at 5 pm.

**No. S 346**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX (SINGAPORE — URUGUAY)  
(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
- 

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 — Uruguay) (Avoidance of Double Taxation Agreement) (Modifications to Implement Multilateral Instrument) Order 2020 and comes into operation on 1 June 2020.

**Purpose**

2.—(1) This Order amends the arrangements made between the Government of the Republic of Singapore and the Government of the Oriental Republic of Uruguay as specified in the Schedule to the Income Tax (Singapore — Uruguay) (Avoidance of Double Taxation Agreement) Order 2017 (G.N. No. S 89/2017) (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 December 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 Republic of Singapore and the Oriental Republic of Uruguay,

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”.

---

---

THE SCHEDULE — *continued*

**New Article 27A**

2. The Agreement is amended by inserting, immediately after Article 27 (Members of Diplomatic Missions and Consular Posts), the following Article:

*“Article 27A*

*Prevention of Treaty Abuse*

1. 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.

2. Where a benefit under this Agreement is denied to a person under provisions of this Agreement that deny all or part of the benefits that would otherwise be provided under this Agreement where the principal purpose or one of the principal purposes of any arrangement or transaction, or of any person concerned with an arrangement or transaction, was to obtain those benefits, 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 or capital, 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 to that person in the absence of the transaction or arrangement. The competent authority of the Contracting State to which a request has been made under this paragraph by a resident of the other Contracting State shall consult with the competent authority of that other Contracting State before rejecting the request.”.

Made on 21 April 2020.

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

[R032.007.2629.V1; AG/LEGIS/SL/134/2020/1 Vol. 1]