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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX (SINGAPORE — GERMANY)
(SUPPLEMENTARY) (AVOIDANCE OF DOUBLE
TAXATION AGREEMENT) ORDER 2021

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 have effect in relation to tax under the Act despite anything in any written law:

AND WHEREAS by an Agreement dated 28 June 2004, between the Government of the Republic of Singapore and the Federal Republic of Germany, arrangements were made, amongst other things, for the avoidance of double taxation:

AND WHEREAS by a Protocol dated 9 December 2019, between the Government of the Republic of Singapore and the Federal Republic of Germany, the arrangements set out in the said Agreement were modified as prescribed in the said Protocol:

AND WHEREAS after due consultation with the competent authority of Singapore, and by a Notification dated 16 August 2021 from the Federal Republic of Germany made through diplomatic channels in accordance with sub-paragraph (*bb*) of sub-paragraph (*e*) of paragraph 1 of Article 24 of the said Agreement, the arrangements set out in the said Agreement (as modified by the said Protocol) were modified as prescribed in the said Notification:

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

- (a) that the arrangements, as modified by the said Notification specified in the Schedule to this Order, have been made with the Federal Republic of Germany; and
- (b) that it is expedient that those arrangements should have effect from 1 January 2022 despite anything in any written law.

THE SCHEDULE

NOTIFICATION FROM GERMAN FEDERAL MINISTRY OF FINANCE DATED 16 AUGUST 2021

Dear Mr Tan,

In Note Verbale 167/2021 dated 13 July 2021, the Embassy of the Federal Republic of Germany in Singapore consulted the Republic of Singapore regarding Germany's intention to apply the credit method for Singapore tax on income referred to in paragraph 3 of Article 13 of the Agreement signed on 28 June 2004 between the Federal Republic of Germany and the Republic of Singapore for the Avoidance of Double Taxation with respect to Taxes on Income and Capital, as amended by the Protocol of 9 December 2019 (DTA). As Singapore has not raised any issues Germany provides the following information through diplomatic channels:

To allow for the crediting of tax withheld by the Republic of Singapore as the state of source, the Federal Republic of Germany provides notification on the basis of clause (bb) of sub-paragraph (e) of paragraph 1 of Article 24 of the DTA that, for income from capital gains for which the Republic of Singapore has taxing rights pursuant to paragraph 3 of Article 13 of the DTA, the Federal Republic of Germany will avoid double taxation on persons resident in Germany by applying the tax credit method set out in sub-paragraph (b) of paragraph 1 of Article 24 of the DTA.

THE SCHEDULE — *continued*

The notification will take effect from the first day of the calendar year next following that in which the notification was made (second sentence of clause (*bb*) of sub-paragraph (*e*) of paragraph 1 of Article 24 of the DTA). The Federal Republic of Germany intends to create the domestic prerequisites for effectiveness immediately after transmitting this notification. It can therefore be assumed that the change shall have effect from 1 January 2022, the effective date of the DTA as amended by the Protocol of 9 December 2019.

Yours sincerely,

For the Minister

Stolte-Detring

Head of Division

Made on 17 October 2021.

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

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