

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME**

Date of Conclusion: 9 September 2002.

Entry into Force: 16 January 2009.

Effective Date: 1 January 2010.

The Government of the Republic of Singapore and the Government of the Russian Federation, desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and with a view to promote economic cooperation between the two countries,

Have agreed as follows:

ARTICLE 1 - PERSONAL SCOPE

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

ARTICLE 2 - TAXES COVERED

1. This Agreement shall apply to taxes on income imposed in each Contracting State, in accordance with the laws of each Contracting State, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property.

3. The existing taxes to which the Agreement shall apply are in particular:

a) in the case of the Russian Federation:

(i) tax on profits (income) of enterprises and organisations;

(ii) the income tax on individuals

(hereinafter referred to as "Russian tax");

b) in the case of Singapore:

the income tax

(hereinafter referred to as "Singapore tax").

4. The Agreement shall also apply to any identical or substantially similar taxes on income which are imposed after the date of signature of this 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 their respective taxation laws.

ARTICLE 3 - GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the terms “a Contracting State” and “the other Contracting State” mean the Russian Federation (Russia) or Singapore, as the context requires;
 - b) the term “the Russian Federation” means the territory of the Russian Federation as well as its exclusive economic zone and continental shelf where the Russian Federation exercises its sovereign rights and jurisdiction in conformity with the United Nations Convention on the Law of the Sea, 1982;
 - c) the term “Singapore”, when used in a geographical sense, means the territory of the Republic of Singapore and the adjacent areas over which the Republic of Singapore exercises sovereign rights and jurisdiction in conformity with the United Nations Convention on the Law of the Sea, 1982;
 - d) the term “person” includes an individual, a company and any other body of persons;
 - e) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;
 - f) 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;
 - g) the term “international traffic” means any transport by ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State.
 - h) the term “nationals” means:
 - (i) all individuals possessing the citizenship of a Contracting State;
 - (ii) all legal persons, partnerships and associations deriving their status as such from the laws in force in a Contracting State;
 - i) the term “competent authority” means:
 - (i) in the case of the Russian Federation - the Ministry of Finance or its authorised representative;
 - (ii) in the case of Singapore, the Minister for Finance or his authorised representative.

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

ARTICLE 4 - RESIDENT

1. For the purposes of this Agreement, the term “resident of a Contracting State” means any person who, under the law of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of registration or any other criterion of a similar nature, and also includes that State and any political subdivision or local 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 status shall be determined as follows:

- 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 States, he shall be deemed to be a resident of the 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 does not have a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a citizen;
- d) if his status cannot be determined according to sub-paragraphs a) to c), 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. If its place of effective management cannot be determined, the competent authorities of the Contracting States shall settle the question by mutual agreement.

ARTICLE 5 - PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term “permanent establishment” means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term “permanent establishment” includes especially:

- a) a place of management;
- b) a branch;
- c) an office;

- d) a factory;
- e) a workshop;
- f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;
- g) a building site, construction, installation or assembly project or supervisory activities in connection therewith, but only if such site, project or activities continue for a period of more than 6 months;
- h) the furnishing of services, including consultancy services, by a resident of a Contracting State through employees or other personnel in the other Contracting State for a period or periods aggregating more than 3 months in any twelve-month period.

3. Notwithstanding the preceding provisions of this Article, the following kinds of activities shall not constitute a permanent establishment:

- a) the use of facilities solely for the purpose of storage or 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 or 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 of collecting information, for the enterprise;
- e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- 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.

4. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 5 applies - is acting in a Contracting State on behalf of an enterprise of the other Contracting State, that enterprise shall be deemed to have a permanent establishment in the first-mentioned Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person has and habitually exercises in that State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 3 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.

5. 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, provided that such persons are acting in the ordinary course of their business.

6. 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 Contracting 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 derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of laws respecting landed property apply, rights known as usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Ships and aircraft shall not be regarded as immovable property.

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 income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

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 Contracting State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, 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 expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether 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 the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

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

ARTICLE 8 - PROFITS FROM INTERNATIONAL TRANSPORT

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic and the rental on a full or bareboat basis of ships or aircraft, or of containers and related equipment, which in either case is incidental to the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State.

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

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 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 by the first-mentioned State claimed to be profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises have 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 profits, where that other State considers the adjustment justified. In determining such adjustment, due regard shall be had to the other provisions of this Agreement 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.

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 recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

- a) 5 per cent of the gross amount of the dividends if the beneficial owner of the dividends is the Government of the other Contracting State;
- b) 5 per cent of the gross amount of the dividends if the beneficial owner of the dividends is a company which holds directly at least 15 per cent of the capital of the company paying the dividends and has invested in it at least US\$100,000 or its equivalent in other currencies;
- c) 10 per cent of the gross amount of the dividends in all other cases.

The provisions of this paragraph shall not affect the taxation of the company on the profits out of which the dividends are paid.

3. The term “dividends” as used in this Article means income from shares or other rights, not being debt claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the taxation laws of the Contracting State of which the company making the distribution is a resident.

4. The provision of paragraphs 1 and 2 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 company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the dividends are attributable to such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting 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 or a fixed base situated in that other State, nor subject the company’s undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

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 Contracting 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 recipient is the beneficial owner of the interest the tax so charged shall not exceed 7.5 per cent of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

4. The term “interest” as used in this Article means income from debt-claims of every kind, and in particular, income from government securities, 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 and 2 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 or performs independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting 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 or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, 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 such 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 Agreement.

ARTICLE 12 - ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 7.5 per cent of the gross amount of the royalties.

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

4. The provisions of paragraph 1 and 2 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 or performs independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties

was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

6. Where by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right 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 such 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 Agreement.

ARTICLE 13 - CAPITAL GAINS

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

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 or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment or of such a fixed base, may be taxed in that other State.

3. Gains derived by a resident of a Contracting State from the alienation of shares, other than shares traded on a Stock Exchange recognised by the other Contracting State, deriving at least three quarters of their value directly or indirectly from immovable property situated in that other Contracting State may be taxed in that other State.

4. Gains derived by a resident of a Contracting State from the alienation of ships or aircraft operated in international traffic or movable property pertaining to such operation shall be taxable only in the Contracting State of which the alienator is a resident.

5. Gains from the alienation of any property other than that referred to in the preceding paragraphs of this Article shall be taxable only in the Contracting State of which the alienator is a resident.

ARTICLE 14 - INCOME FROM INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State from the performance of professional services or other activities of an independent character shall be taxable only in that State except in following circumstances when such income may also be taxed in the other Contracting State, but only so much of the income as is derived from his activities performed in that other State:

- a) if he has a fixed base regularly available to him in the other State for the purpose of performing his activities; or
- b) if he is present in the other State for a period or periods exceeding in the aggregate 90 days in any twelve-month period.

2. The term “professional services” includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists, accountants and auditors.

ARTICLE 15 - INCOME FROM EMPLOYMENT

1. Subject to the provisions of Articles 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 Contracting State.

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 Contracting State if:

- a) the recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in any twelve-month period; and
- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other Contracting State; and
- c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other Contracting State.

3. Notwithstanding the provisions of paragraphs 1 and 2, remuneration in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that State. However, if the remuneration is derived by a resident of the other Contracting State, it may also be taxed in that other State.

ARTICLE 16 - DIRECTORS' FEES

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

ARTICLE 17- INCOME OF ARTISTES AND SPORTSMEN

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. Notwithstanding the provisions of paragraphs 1 and 2, income derived by an entertainer or a sportsman who is a resident of a Contracting State from his personal activities as such exercised in the other Contracting State shall be taxable only in the first-mentioned Contracting State, if the activities in the other Contracting State are financed wholly or substantially by the first-mentioned Contracting State, including any of its political subdivisions, local authorities or statutory bodies.

ARTICLE 18 - PENSIONS

Subject to the provisions of paragraph 2 of Article 19, 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 19 - GOVERNMENT SERVICE

1.
 - a) Salaries, wages and other similar remuneration, other than a pension, paid by or on behalf of a Contracting State, or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision, authority 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 that State who:
 - (i) is a national of that State; or
 - (ii) did not become a resident of that State solely for the purpose of rendering the services.
2.
 - a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
 - b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.
3. The provisions of Articles 15, 16, 17 and 18 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

ARTICLE 20 - PAYMENTS TO STUDENTS AND APPRENTICES

Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

ARTICLE 21 - OTHER INCOME

Items of income not dealt with in the foregoing Articles of this Agreement and arising in a Contracting State may be taxed in that State.

ARTICLE 22 - LIMITATION OF BENEFITS

1. Where this Agreement provides (with or without other conditions) that income from sources in the Russian Federation shall be exempt from tax, or taxed at the reduced rate, in the Russian Federation 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 Agreement in the Russian Federation shall apply only to so much of the income as is remitted to or received in Singapore.

2. This Agreement shall not apply to any person who became a person covered by the Agreement if the principal goal of such a person is to enjoy the benefits of any reduction in or exemption from tax provided by this Agreement. In no case shall this exclusion apply to any person engaged in real business activity. The competent authorities of the Contracting States shall consult each other on the application of this provision.

ARTICLE 23 - METHODS OF ELIMINATION OF DOUBLE TAXATION

Double taxation shall be eliminated as follows:

1. In Russia:

Where a resident of Russia derives income which, in accordance with the provisions of this Agreement, may be taxed in Singapore, the amount of tax on that income payable in Singapore shall be credited against the tax imposed in Russia. The amount of credit, however, shall not exceed the amount of the tax on that income computed in accordance with the laws and regulations in Russia.

2. In Singapore:

Where a resident of Singapore derives income which, in accordance with the provisions of this Agreement, may be taxed in Russia, the amount of tax on that income payable in Russia shall be credited against the tax imposed in Singapore. The amount of credit, however, shall not exceed the amount of the tax on that income computed in accordance with the laws and regulations in Singapore. Where such income is a dividend paid by a company which is a resident of Russia to a resident of Singapore owning directly or indirectly not less than 10 per cent of the share capital of the first-mentioned company, the credit shall take into account the Russian tax paid by that company on the portion of its profits out of which the dividend is paid.

3. For the purpose of this Article the term "Russian tax" shall be deemed to include the amount of Russian tax which, under the laws of the Russian Federation and in accordance with this Agreement, would have been paid but was not paid according to the Russian laws which provide special incentive measures designed to promote economic development and foreign investments in the Russian Federation. This provision shall apply for the first five years for which the Agreement is effective, but the competent authorities of the Contracting States may consult each other to determine whether this period shall be extended.

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, in particular with respect to residence, are or may be subjected. The provisions of this paragraph shall not be construed as obliging a Contracting State to grant to nationals of the other Contracting State tax benefits granted by special agreements to nationals of a third State.
2. The taxation of 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 State carrying on the same activities.
3. Nothing contained in this Article shall be interpreted as obliging a Contracting State to give to individuals not resident in that State the right to any of the personal allowances, reliefs and reductions for tax purposes which are granted to individuals who are residents of that State.
4. Except where the provisions of paragraph 1 of Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.
5. 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 State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirement to which other similar enterprises of the first-mentioned State are or may be subjected.
6. The provisions of this Article shall apply to taxes covered by this Agreement.

ARTICLE 25 - MUTUAL AGREEMENT PROCEDURE

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Agreement, he may, irrespective of the remedies provided by the laws of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under the provisions of Article 24, to that of the Contracting State of which he is a national. 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 this Agreement.
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 Agreement. Any agreement reached shall be implemented notwithstanding any time limits provided for in the national legislation of the Contracting States.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of

this Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

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.

ARTICLE 26 - EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement and of the laws of the Contracting States concerning taxes covered by this Agreement insofar as the taxation thereunder is not contrary to the Agreement. Any information received by a Contracting State shall be treated as confidential in the same manner as information obtained under the laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. 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.

2. In no case shall the provisions of paragraph 1 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.

ARTICLE 27 - MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions and consular posts, who are provided with such privileges under the rules of general international law or under the provisions of special agreements.

ARTICLE 28 - ENTRY INTO FORCE

Each of the Contracting States shall notify to the other in writing through diplomatic channels the completion of the internal procedures required by the law of that Contracting State for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications and its provisions shall have effect in respect of income derived on or after the first day of January of the calendar year following that of the entry into force of the Agreement.

ARTICLE 29 - TERMINATION

This Agreement shall remain in force indefinitely but either of the Contracting States

may terminate the Agreement through diplomatic channels, by giving to the other Contracting State written notice of termination at least six months before the end of any calendar year after the expiration of five years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect in respect of income derived on or after the first day of January of the calendar year next following that in which the notice of termination is given.

DONE at Moscow, this 9th day of September 2002 in duplicate, in the Russian and English languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE REPUBLIC OF SINGAPORE

FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION

BILAHARI KAUSIKAN
SECOND PERMANENT SECRETARY
FOR FOREIGN AFFAIRS

SERGEI SHATALOV
FIRST DEPUTY MINISTER FOR FINANCE

PROTOCOL (2002)

At the moment of signing the Agreement for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, this day concluded between the Government of the Russian Federation and the Government of the Republic of Singapore, the undersigned have agreed that the following provisions shall form an integral part of the Agreement:

1. ad paragraphs 1 and 3 and Articles 4 and 17:

The term "statutory body" referred to in paragraphs 1 and 3 and Articles 4 and 17 means a body constituted by any statute of a Contracting State and performing functions which would otherwise be performed by the Government of that Contracting State.

2. ad paragraphs 2 and 3 and Articles 10 and 11:

The term "Government" includes:

- a) in the case of the Russian Federation,
 - (i) the Central Bank of the Russian Federation and institutions wholly or mainly owned by the Central Bank of the Russian Federation;
 - (ii) any statutory body or any institution wholly or mainly owned by the Government of the Russian Federation as may be agreed from time to time between the competent authorities of the Contracting States;
- b) in the case of Singapore,
 - (i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
 - (ii) the Government of Singapore Investment Corporation Pte. Ltd.;
 - (iii) any statutory body or any institution wholly or mainly owned by the Government of Singapore as may be agreed from time to time between the competent authorities of the Contracting States.

3. ad Article 10:

1. Under the current Singapore laws, where dividends are paid by a company which is a resident of Singapore to a resident of the Russian Federation who is the beneficial owner of such dividends, there is no tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company. Under the full imputation system adopted, the tax deductible from dividends is a tax on the profits or income of the company and not a tax on dividends within the meaning of Article 10.

2. If, subsequent to the signing of this Agreement, Singapore imposes a tax on dividends in addition to the tax chargeable in respect of the profits or income of a company which is a resident of Singapore, such tax may be charged but the tax so charged on the dividends derived by a resident of the Russian Federation who is the beneficial owner of such dividends shall be in accordance with the provisions of paragraph 2 of Article 10.

4. ad Article 17:

For the purpose of paragraph 2 of Article 17, “income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to entertainer or sportsman himself but to another person” refers also to income derived by an enterprise of a Contracting State from providing the services of entertainers or sportsmen in the other Contracting State.

5. ad Article 19:

The term “Contracting State” includes the Government of that Contracting State or any statutory body.

6. ad Article 22:

The limitation under paragraph 1 of Article 22 does not apply to income derived by the Government of Singapore or any person approved by the competent authority of Singapore for the purpose of this paragraph.

7. ad Article 24:

1. Nothing in Article 24 shall be construed as obliging a Contracting State to grant to nationals of the other Contracting State those personal allowances, reliefs and reductions for tax purposes which it grants to its own nationals who are not resident of that State.

2. Granting by the Republic of Singapore of tax incentives to its nationals according to the provisions of Part XIIIB of the Economic Expansion Incentives (Relief from Income Tax) Act and Section 42A of the Income Tax Act shall not be construed as discrimination under Article 24.

DONE at Moscow, this 9th day of September 2002 in duplicate, in the Russian and English languages, both texts being equally authentic.

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