



## **PORTCULLIS TRUSTNET**

### **PTN eUpdates – Keeping you informed (Issue 28 – July 2010)**

#### **SINGAPORE TAX UPDATE**

##### **Singapore – Georgia Double Tax Agreement**

**On 28 June 2010, Singapore’s agreement with Georgia for the avoidance of double taxation (“DTA”) came into force. The DTA was signed in New York on 17 November 2009 and has an effective date of 1 January 2011.**

The DTA undoubtedly provides greater certainty and clarity on taxing rights and the scope of double taxation between the two nations. Amongst other provisions, a particularly attractive feature of this DTA is the full exemption from withholding taxes for dividends, interest and royalties. In particular, Articles 10, 11 and 12 of the DTA provides that dividends, interest and royalties are taxable only in the resident state.

The Mutual Agreement Procedure in Article 24 sets out the process to be followed when issues relating to the application of the DTA arise. A taxpayer has a period of 3 years to present his case to the tax authority of the state in which he is a tax resident.

The DTA also contains provisions which incorporate the international standard endorsed by the OECD on exchange of information for tax purposes upon request. Information on the procedure for requesting for such information from Singapore has been previously discussed in Issue 25 of our E-update at

[http://www.portcullis-trustnet.com/usr/templates/files/eupdates/25\\_ptn\\_eupdate\\_25\\_singapore\\_developmentstiea\\_english.pdf](http://www.portcullis-trustnet.com/usr/templates/files/eupdates/25_ptn_eupdate_25_singapore_developmentstiea_english.pdf)

A copy of the DTA can be downloaded from the Inland Revenue Authority of Singapore’s website at

<http://iras.gov.sg/irasHome/page04.aspx?id=10566>

Please note that the information contained herein is not intended to be exhaustive with respect all issues or matters arising directly or indirectly out of the amendments to the tax system of Singapore or its law relating to Corporate Tax in Singapore. It is provided as a general guide or reference point and is in no way intended and should not be relied upon as legal advice.