



PORTCULLIS TRUSTNET

PTN eUpdates – Keeping you informed (Issue 31 – September 2010)

Singapore- New Zealand Revised Double Tax Agreement Enters Into Force

On 12 August 2010, Singapore's revised agreement with New Zealand for the avoidance of double taxation ("DTA") came into force. The revised DTA comes into effect on 1 January 2011 (for Singapore). For New Zealand, the revised DTA is effective on 1 October 2010 for withholding tax on income, profits or gains derived by a non-resident. For all other New Zealand taxes, the effective date of the agreement is 1 April 2011.

This revised DTA replaces the earlier agreement signed on 21 August 1973 between the two countries. In particular, it introduces lower withholding taxes for dividends, interest and royalties. The dividends withholding tax rate is 5% of the gross amount of dividends if the beneficial owner is a company that owns directly at least 10% of the voting power of the company paying the dividends. In all other cases, a rate of 15% of the gross dividends applies. The revised withholding tax rates are 10% for interest and 5% for royalties.

The DTA also contains provisions which provide for the exchange of information for tax purposes upon request.

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=10672>

Singapore's DTA Updates Brunei and China

The Protocol signed on 13 November 2009 between Singapore and Brunei to implement the internationally agreed standard for exchange of information enters into force from 29 August 2010.

Singapore and China signed a Protocol to implement the internationally agreed standard for exchange of information on 23 July 2010. The Protocol is not yet ratified and does not have the force of law.

A copy of the Protocols can be viewed by clicking on the following links:

<http://iras.gov.sg/irasHome/page04.aspx?id=10654>

<http://iras.gov.sg/irasHome/page04.aspx?id=10638>

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