

Double Tax Treaty between Kingdom of Saudi Arabia & United Arab Emirates

(unofficial translation by Affiniac Partners)

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Agreement

The Government of the Kingdom of Saudi Arabia and the Government of the United Arab Emirates desire to develop their relationship and enhance their cooperation in tax matters and to conclude an agreement to avoid double taxation in respect of taxes on income and capital and to prevent any area of tax reduction or non-entitlement through evasion or avoidance of taxation Through arrangements for the use of the Convention with a view to obtaining the benefits provided by this Convention for the indirect benefits of residents of a third State), have agreed as follows:

Article One

Persons covered by the Convention

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

Article Two

Taxes covered by the Convention

1. This Convention shall apply to income taxes and to capital taxes imposed on behalf of the Contracting States or their administrative divisions or local governments, irrespective of the manner in which they are imposed.

2. Taxes on income and on capital shall be regarded as taxes on gross income, on total capital, on elements of income or capital elements, including taxes on gains arising from the disposition of movable or immovable property.

3. The current taxes to which this Convention applies in particular are:

For the Kingdom of Saudi Arabia:

- Zakat.
- Income tax.

(Hereinafter referred to as "the Saudi tax")

For the United Arab Emirates:

- Income tax.
- Corporate tax.

(Hereinafter referred to as "UAE tax")

4. The provisions of this Convention shall also apply to any similar or substantially similar tax imposed by either Contracting State after the date of signature of this Convention in addition to or in lieu of existing taxes. Each other competent authority of the Contracting

States shall notify the other authority of any substantial change introduced in its tax regulations.

Article Three

General definitions

1. For the purposes of this Convention, unless the context otherwise requires:

(A) The term "Saudi Arabia" means the territory of the Kingdom of Saudi Arabia, which also includes areas outside the territorial waters of which Saudi Arabia exercises its waters and seabed, and subsoil and natural resources under its jurisdiction and international law.

(B) The term "United Arab Emirates" means the United Arab Emirates and when used in its geographical meaning means the territories and islands of the United Arab Emirates that include the territorial sea, the maritime areas, the economic zone and the continental shelf on which the United Arab Emirates exercises sovereign rights in accordance with its domestic laws and the law. In relation to the exploitation and exploration of the natural resources of sea water, the seabed, the underlying soils of this water.

C) the terms "a Contracting State" and "the other Contracting State" mean the Kingdom of Saudi Arabia or the United Arab Emirates, as the context requires;

D) The term "person" includes any individual, any company and any other entity including the State, its administrative divisions or its local governments.

E) the term "company" means any person of a legal capacity or any entity treated as a person of a legal character for the purposes of the tax.

F) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively a enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

G) "international carriage" means any transport by a ship, aircraft or road vehicle operated by a project in which its effective management center is situated in a Contracting State, except where the ship, aircraft or vehicle is operated between places within the other Contracting State only.

H) "Citizen" means:

1. Any individual possessing the nationality of a Contracting State.

2. Any person of a corporate or corporate nature or association deriving such status from the regulations in force in a Contracting State.

I) the term "competent authority" means:

1. For the Kingdom of Saudi Arabia, the Ministry of Finance and represented by the Minister of Finance or his authorized representative.

2. For the United Arab Emirates, the Ministry of Finance and represented by the Minister of Finance or his authorized representative.

2. In the application of this Convention at any time by a Contracting State, any term or term not defined therein, unless otherwise required by the context of the text, shall have the same meaning at that time under the law of that Contracting State in respect of the taxes This Convention shall have the meaning, in accordance with the taxation regulations of that Contracting State, of any meaning given to the term or to the term in accordance with the other laws of that Contracting State.

Article Four

The resident

1. For the purposes of this Convention, the term "resident of a Contracting State" means:

(A) Any person who, in accordance with the law of that Contracting State, is liable to tax therein because of his domicile, residence, place of incorporation or place of management or any other criterion of a similar nature. It also includes that State or any of its administrative divisions or local governments.

(B) Any person of a legal capacity established in accordance with the laws of a Contracting State and a permanent and permanent authority, such as sovereign funds owned by the Government or other entities that are generally exempt from taxation or are not subject to taxation in that State, either:

- for religious, charitable, educational, scientific or any other similar purpose.

- or to provide pensions or other similar benefits to employees.

But this term shall not include any person who is taxable in that State in respect only of income from sources in that State or capital situated therein.

2. Where an individual - in accordance with the provisions of paragraph 1 of this article - is a resident of both Contracting States then his status shall be determined as follows:

A) is a resident only of the Contracting State in which he has permanent domicile, his permanent domicile in both Contracting States shall be deemed to be situated only in the Contracting State in which his personal and economic relations are closer (the center of vital interests).

(B) If it is not possible to determine which Contracting State has the status of his vital interests or has no permanent home available to him in either Contracting State, he shall be deemed to be a resident only of the Contracting State in which he has his habitual residence.

(C) If he has a habitual abode in both Contracting States or has not habitual residence in either Contracting State, he shall be deemed to be a resident only of the State in which he is a national.

D) If he is a national of both Contracting States or is not a national of either Contracting State, the competent authorities of the Contracting States shall settle the matter by mutual agreement.

3. Where a person other than an individual is deemed to be a resident of both Contracting States in accordance with the provisions of paragraph 1 of this article, he shall be deemed to be a resident only of the State in which he or she is effectively the center of his administration.

Article Five

Permanent establishment

1. For the purposes of this Convention, the term "permanent establishment" means the fixed place of business through which the enterprise is engaged in whole or in part.

2. The term "permanent establishment" shall include in particular:

A) Management Center.

B) Branch.

C) Office.

D) Factory.

E) Workshop.

F) Any other place to extract natural resources.

3. The term "permanent establishment" also includes:

A) a building or construction site, assembly or installation project or related supervisory works, provided that such site, project or works continue for more than six months;

(B) Provision of services, including consultancy services, by a project through employees or other employees employed by the enterprise for this purpose, provided that such work (for the enterprise itself or an associated project) continues in a Contracting State for a period or periods exceeding 183 days During any twelve month period beginning or ending in the fiscal year concerned.

4. Notwithstanding the preceding provisions of this article, the term "permanent establishment" shall not include:

(A) the use of facilities for the purpose of storing or displaying only goods or merchandise owned by the enterprise;

(B) the maintenance of a stock of goods or merchandise owned by the enterprise solely for the purpose of storage or supply;

(C) the maintenance of a stock of goods or merchandise owned by 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 goods or of collecting information for the enterprise;

(E) The maintenance of a fixed place of business solely for the performance of any other activity of a preparatory or auxiliary nature to the enterprise.

(F) The maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e) of this article, provided that the overall activity of the fixed base of work resulting from that combination has a preparatory or auxiliary nature.

5. Paragraph (4) of this article shall not apply to the fixed place of business used or retained by the enterprise if the same or other related enterprise carries out business activities in the same place or elsewhere in that Contracting State:

(A) That place or other place constitutes a permanent establishment of the enterprise or of the other project closely associated with it under the provisions of this article.

B) that the aggregate activity of the combination of activities carried out by the two projects in the same place, or by the same project or related projects in both places, is not of a preparatory or auxiliary nature.

Provided that the activities carried out by the two projects in the same place, or by the project or associated projects at the two locations are complementary functions and are part of interrelated work.

6. Notwithstanding the provisions of paragraphs 1 and 2 of this article, if a person other than an agent of an independent status to whom paragraph 7 applies, works in a Contracting State on behalf of an enterprise of the other Contracting State, The enterprise shall have a permanent establishment in that State first in respect of any work performed by that person for the enterprise, if that person:

(A) has the authority and habitually exercises it in that State for the conclusion of contracts or normally exercises a major role leading to the conclusion of contracts normally without any substantial modification by the project, provided that such contracts are in the name of the enterprise or the transfer of ownership or the grant of the right to use assets owned by

the enterprise Or that the project has the right to use them or to provide services by the project.

(B) has no such authority but normally maintains in the first-mentioned State a stock of goods or goods from which the goods or goods are regularly imported on behalf of the enterprise.

7. A Contracting State shall not be deemed to have a permanent establishment in the other Contracting State solely because of its employment in that other State through a broker, general commission agent or any other agent of an independent status, provided that such persons act in the normal course of their business.

8. 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 carries on business in that other State (whether through a permanent establishment or otherwise), does not in itself The two companies are a permanent establishment of the other company.

Article Six

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 given to it in accordance with the regime of the Contracting State in which the property in question is situated. In any event, the term includes property attached to immovable property, livestock and equipment used for agriculture and forestry, rights to which the provisions of public order relating to land ownership, the right to use immovable property and rights in variable or fixed payments for exploitation or the right to Exploitation of mineral deposits, sources and other natural resources; ships and aircraft shall not be considered immovable property.

3. The provisions of paragraph 1 of this Article shall apply to income derived from the direct use, lease or exploitation of immovable property in any other form.

4. The provisions of paragraphs 1 and 3 of this article shall also apply to income from immovable property of a enterprise and to income from immovable property used for the performance of independent personal services.

Article Seven

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 therein. If the enterprise carries on an activity as aforesaid, the profits of the enterprise may be taxed in the other Contracting State, But to the extent that it can be attributed to:

A) such permanent establishment.

Or b) sales in that other State of goods or goods of the same quality or of a quality similar to those sold through that permanent establishment.

Or (c) other business activities carried out in that other State of the same or similar quality as those of that permanent establishment.

2. Subject to the provisions of paragraph 3 of this article, when an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, each Contracting State shall determine the profits of that permanent establishment on the basis of profits to be realized if it is a separate and independent enterprise Undertake the same or similar activities in the same circumstances or in similar circumstances and deal in a completely independent manner with the enterprise for which he or she is a permanent establishment.

3. In determining the profits of a permanent establishment, expenses incurred for the purposes of the business of a permanent establishment, including general executive and administrative expenses, shall be deducted whether incurred in the State in which the permanent establishment is situated or elsewhere. Such deduction shall not, however, be allowed in respect of any amount paid, if any (other than payment for reimbursement of actual expenses) by the permanent establishment of the principal office of the enterprise or any of its other offices in the form of royalties, fees or other similar payments for the use of patent rights Or other rights or in the form of commissions in exchange for performance of specific services or against management or (except for the case of the banking enterprise) in the form of income from debt claims in respect of funds lent to the permanent establishment.

4. Notwithstanding any other provision, profits derived by a Contracting State from the export of goods to the other Contracting State shall not be taxed in that other State. If the export contracts include other activities in the other Contracting State through a permanent establishment, the income derived from such activities may be taxed in the other Contracting State.

5. The term "business profits" includes, but is not limited to, profits from manufacturing, trade, banking, insurance, internal transport operations and provision of services. Such a term does not include income from the performance of personal services performed by an individual, either as an employee or as an independent person.

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

Article Eight

Shipping, air and land transport

1. Profits from the operation of ships, aircraft or road vehicles in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

2. The phrase "profits derived from the international operation of ships and aircraft" shall include:

A) Profits from the leasing of ships or aircraft used for international transport on a full-time basis.

B) Profits from the leasing of ships or aircraft used in international transport without crew, fuel or other facilities.

C) the profits from the rental of vessels or the rental of containers and related equipment used in international transport;

D) profits from the proceeds of funds deposited in banks provided that they are the result of or related to the operation of aircraft in international air traffic in a Contracting State.

Provided such profits are secondary to income from the international operation of ships or aircraft.

3. If the center of the effective management of a sea transport project is aboard a ship, it shall be situated in the Contracting State in which the port of the domicile is situated, and if such place is not situated in the Contracting State of which the operator of the ship is a resident.

4. The provisions of paragraph 1 of this article shall also apply to profits derived from participation in a union, a joint enterprise or an international operating agency.

Article Nine

Joint ventures

1. When:

(A) An enterprise of a Contracting State participates directly or indirectly in the management, control or capital of a project of the other Contracting State;

(B) the persons themselves participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and enterprise in the other Contracting State;

In either case, if the terms or conditions between the two projects are established or imposed in relation to their commercial or financial relationship that differ from those between two separate projects, any profits that either project would have made if these conditions were not met but not achieved Due to the existence of these conditions, it may be included in the profits of this project and subject to tax accordingly.

2. If a Contracting State has included in the profits of an enterprise of its own - and has accordingly been subjected to taxation - the profits of an enterprise of the other Contracting State which have been taxed in that other State and those profits listed shall have been realized for the enterprise of that State referred to above Shall be made between independent enterprises, then the other State shall make an appropriate adjustment to the amount of the tax imposed on such profits in that Contracting State. In order to determine such amendment, the other provisions of this Convention shall be observed and the competent authorities of the Contracting States shall consult with each other as and when necessary.

Article Ten

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 profits may also be taxed in the Contracting State of which the company paying the dividends is a resident and in accordance with the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax charged shall not exceed five per cent (5 per cent) Of the total value of dividends. This paragraph

does not affect the Company's tax liability in respect of dividends from which dividends are paid.

3. The term "dividends" as used in this Article means income from shares, "usufruct", "usufruct", mining shares, founders' shares or other rights not representing debt-sharing claims, as well as income Of other participatory rights subject to the same tax treatment as income from shares under the regulations of the State in which the company distributes the dividends.

4. The provisions of paragraphs 1 and 2 of this article shall not apply if the beneficial owner of the dividends is a resident of a Contracting State and carries on business in the other Contracting State in which the company paying the dividends is a resident of a permanent establishment, That the property of the shares for which the dividends were paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article VII or Article XIV of this Convention shall apply as the case may be.

5. If a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on dividends paid by the company except to the extent that such dividends are paid to a resident of that other State or to the extent that In which the property for which the dividends are paid is effectively connected with a permanent establishment or fixed base situated in that other State. Nor shall it subject the undistributed profits of the Company to the undistributed profits tax even if the dividends paid or the undistributed profits are wholly or partly the profits or income arising in that other State.

Article Eleven

Income from debt claims

1. Income from debt arising in a Contracting State and paid to a resident of the other Contracting State and the beneficial owner of such income shall be taxable only in that other State.

2. The term "income from debt claims" as used in this article means income from debt claims of any kind, whether secured by mortgage or not, and whether or not the right to participate in the debtor's profits, in particular income from government bonds, bonds And debt securities including bonuses and prizes associated with such bonds, bonds or debt securities. Sanctions for late payments shall not be regarded as income from debt claims for the purposes of this article.

3. The provisions of paragraph 1 of this article shall not apply if the beneficial owner of the income from debt claims is a resident of a Contracting State and carries on business in the other Contracting State in which the income arises from debt claims through a permanent establishment situated therein or That other State has independent personal services from a fixed base therein, and the debt claim for which such income is paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article VII or Article XIV of this Convention shall apply as the case may be.

4. Where the amount of income from debt claims, due to a special relationship between the payer and the beneficial owner or between both of them and another person, in respect of the debt to which the income is paid, exceeds the amount that would have been agreed between 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 under the system of each Contracting State, subject to the provisions of this Convention.

Article Twelve

Royalties

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such royalties may also be taxed in the Contracting State in which they arise in accordance with the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax charged shall not exceed 10 per cent (10 per cent) Of the total amount of royalties.
3. The term "royalties" - as used in this Article - payments of any kind received in exchange for the use (or right to use) of copyrighted works of literary, artistic or scientific works, including cinematograph films, Commercial or scientific equipment, or for information related to industrial, commercial or other industrial, commercial or scientific experience, or in connection with the use (or right to use) of industrial, commercial or scientific equipment, Scientific studies.
4. The provisions of paragraphs 1 and 2 of this article shall not apply if the beneficial owner of the royalties is a resident of a Contracting State and carries on business in the other Contracting State in which the royalties arise through a permanent establishment therein or Other Contracting State shall have independent personal services through a fixed base therein, and the right or property to which the royalties are paid is effectively connected with such permanent establishment or fixed base, in such case the provisions of Article VII or XIV of this Convention shall apply as the case may be.
5. Royalties shall be deemed to arise in a Contracting State if paid by a resident of that State. However, if 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 connected thereto the obligations for which such royalties are paid, and such permanent establishment or fixed base bears the burden of paying such royalties, Such royalties shall arise in the Contracting State in which the permanent establishment or fixed base is situated.
6. Where the amount of the royalties - due to a special relationship between the payer and the beneficial owner or between them together with another person - in respect of the use, right or information paid against it exceeds the amount that would have been agreed between the payer and the beneficial owner in the absence of such Relationship, the provisions of this article apply only to the amount finally mentioned. In such case, the excess part of the payments shall remain taxable according to the system of each Contracting State, subject to the provisions of this Convention.

Article Thirteen

Capital gains

1. The profits derived by a resident of a Contracting State from the alienation of immovable property referred to in Article VI of this Convention and situated in the other Contracting State may be taxed in that other State.
2. Gains derived from the alienation of movable property forming part of the business property of a permanent establishment owned by an enterprise of a Contracting State of the other Contracting State or arising from the alienation of movable property relating to a fixed base available to a resident of a Contracting State of the other Contracting State for the performance of independent personal services, Such gains from the alienation of such a permanent establishment (alone or with the whole project) or such fixed base may be taxed in that other State.
3. Profits resulting from the alienation of ships or aircraft engaged in international traffic or from the alienation of movable property related to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. Dividends resulting from the alienation of shares representing a share in the capital of a company which is a resident of a Contracting State other than those listed on the domestic stock market may be taxed in that State.
5. The profits derived 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 Fourteen

Independent personal services

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent nature shall be taxable only in that State except in any of the following cases where such income may also be taxed in the other Contracting State:
 - (A) if he has a fixed base regularly available to him in the other Contracting State for the performance of his activities, in which case the income may be taxed in the other Contracting State but only to the extent that it is attributable to that fixed base.
 - (B) If the person is in the other Contracting State for a period or periods of up to or exceeding a total of (183) days in any twelve month period beginning or ending in the fiscal year concerned. In that case, the amount of income derived only from its activities in that other State may be taxed in that other State.
2. The term "professional services" includes, in particular, independent activities in the scientific, literary, artistic, educational or educational fields as well as the independent activities of doctors, lawyers, engineers, architects, dentists and accountants.

Article Fifteen

Non-independent personal services

1. Subject to the provisions of Articles 16, 18, 19, 20 and 21 of this Agreement, 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 it is exercised in the other Contracting State. If it is exercised in the other Contracting State, such remuneration may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1 of this Article, 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 State in the following case:

(A) if the beneficiary is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in any twelve-month period commencing or ending in the fiscal year concerned;

B) The remuneration shall be paid by an employer who is not a resident of or on behalf of the other State.

(C) the remuneration shall not be borne by a permanent establishment or a fixed base owned by the employer of the other Contracting State.

3. Notwithstanding the preceding provisions of this Article, the remuneration earned from:

A) a position exercised on board a ship or aircraft operated in international traffic by an enterprise of a Contracting State,

Or b) a function exercised by the nationals of either Contracting State to provide ground services to an international transport enterprise of a Contracting State of the other Contracting State,

May be taxed in the Contracting State in which the place of effective administration of the enterprise is situated.

Article Sixteen

Directors' fees

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

Article Seventeen

Fees of artists and athletes

1. Notwithstanding the provisions of Articles XIV and XV of this Convention, income derived by a resident of a Contracting State as an artist in theater, cinema, radio or television, or as a musician or sportsman, shall be derived from his personal activities In the other Contracting State may be taxed in that other State.

2. Where income in respect of personal activities exercised by an artist or sportsman in that capacity and that income is not attributable to the entertainer or sportsman himself but to another person, that income notwithstanding the provisions of Articles VII, XIV and XV of this Convention May be taxed in the Contracting State in which the entertainer or sportsman engaged in such activities.

3. Income derived by a resident of a Contracting State from activities exercised in the other Contracting State in accordance with paragraphs 1 and 2 of this Article shall be exempt from tax in that other State if the visit to that other State is subsidized In whole or in part, by public funds of that first-mentioned Contracting State, one of its administrative divisions or local

authority, or in accordance with a cultural agreement or agreement between the Governments of the Contracting States.

Article Eighteen

Pensions

1. Subject to the provisions of paragraph 2 of Article XIX of this Convention, pensions and other similar remuneration paid to a resident of a Contracting State in respect of a previous service shall be taxable only in that State.
2. Notwithstanding the provisions of paragraph 1 of this Article, pensions and other payments made on the basis of a public program which is part of the social insurance scheme of a Contracting State or an administrative division or a local government thereof shall be taxable only in that State.

Article Nineteen

Government services

(A) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or an administrative subdivision or local government to an individual in respect of services rendered to that State, section or Government 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 other State and the individual is a resident of that other State,

1. One of its nationals.
2. He has not become a resident of that Contracting State solely for the performance of the services.
2. a) any retirement pension paid by, or from funds provided by, a Contracting State or an administrative branch or local government thereof to an individual in respect of services rendered to that State, section or Government shall be taxable only in that State.

B) However, such pensions shall be taxable only in the other Contracting State if the individual is a national and is a resident of that other State.

3. The provisions of Articles XV, XVI, XVII and XVIII of this Agreement shall apply to salaries, wages, other similar remuneration and pensions in respect of services rendered in connection with an employment exercised by a Contracting State or an administrative branch thereof Or a local government.

Article Twenty

The students

1. Payments made by a student or professional or craftsman who is or was directly prior to the visit of a Contracting State which is a resident of the other Contracting State and which is present in the first-mentioned State only for the purpose of his education or training shall not be taxed for his subsistence, education or training In such Contracting State provided that such payments arise from sources outside that Contracting State.

2. Payments made by a student or professional or professional trainee who is or was immediately before the visit of a Contracting State which is a resident of the other Contracting State and which is present in that other State only first for his education or training and which constitutes remuneration in respect of services rendered in that Contracting State shall not be taxed in that other State.

Article Twenty-One

Teachers and researchers

Remuneration received by a teacher or researcher who is or is - is a resident of a Contracting State prior to his invitation to the other Contracting State, visits for the purpose of education or research, and received in respect of such activities shall not be taxed in that other State.

Article Twenty-Two

Other income

1. Items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention shall be taxable only in that State wherever they arise.
2. The provisions of paragraph 1 of this Article shall not apply to income other than income from immovable property specified in paragraph 2 of Article VI of this Convention if the recipient of that income is a resident of a Contracting State and carries on business in the other Contracting State through another permanent establishment therein, or performs in that other State independent personal services from a fixed base therein, and the right or property for which the income is paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article VII or Article XIV of this Convention shall apply as the case may be.

Article Twenty-Three

Equity capital

1. Capital represented by immovable property referred to in Article VI of this Agreement and which is owned by a resident of a Contracting State and situated in the other Contracting State may be taxed in that other State.
2. Capital represented by movable property forming part of the property of a permanent establishment of an enterprise of a Contracting State of the other Contracting State or of movable property relating to a fixed base available to a resident of a Contracting State of the other Contracting State for the performance of independent personal services may be taxed in that other State.
3. Capital represented by ships or aircraft operated by an enterprise of a Contracting State in international traffic or represented by movable property relating to the operation of such ships and aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article Twenty-Four

Methods of elimination of double taxation

1. Where a resident of a Contracting State acquires income or owns capital which, in accordance with the provisions of this Convention, may be taxed in the other Contracting State,

A deduction from the tax on the income of that resident shall be equivalent to the amount of the income tax paid in that other State.

B. Deduction from the tax on the capital of that resident an amount equal to the amount of the capital tax paid in that other State.

However, such deduction shall not in any case exceed the amount of that part of the income tax or capital tax calculated before the deduction granted and as the case may be to income or capital which may be taxed in the other Contracting State.

2. In the case of the Kingdom of Saudi Arabia, there are no methods for the elimination of double taxation, which violates the provisions of the Zakat collection system.

Article Twenty-Five

Procedures for mutual agreement

1. Where a person finds that the proceedings of one or both of the Contracting States result in, or will result in, a taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided for in the domestic regulations of those States, submit his case to the competent authority Of either Contracting State. The case should be brought within three years of the first notification of the action leading to a tax contrary to the provisions of this Convention.

2. The competent authority shall, if it considers that the objection is justified and, if it is not itself able to reach a satisfactory solution, seek to resolve the case by mutual agreement with the competent authority of the other Contracting State in order to avoid imposing a tax contrary to the provisions of these And shall implement any agreement reached in spite of any time limits contained in the domestic regulations of the Contracting States.

3. The competent authorities of the Contracting States shall endeavor, through mutual agreement, to resolve any difficulties or doubts arising as to the interpretation or application of this Convention. They may also consult together to eliminate double taxation in cases not covered by this Convention.

4. The competent authorities of the Contracting States may communicate with each other in order to reach agreement on the preceding paragraphs.

5. The competent authorities of the Contracting States may, by mutual agreement, determine the appropriate mode of application of this Convention and, in particular, the requirements of the residents of the Contracting State to obtain in the other State the reduction or tax exemption provided for in this Convention.

Article Twenty-Six

Exchange of information

1. The competent authorities of the Contracting States shall exchange information expected to be relevant to the implementation of the provisions of this Convention or to the administration or enforcement of the rules of procedure on taxes of any kind or status imposed on behalf of the Contracting States or their local authorities, This Agreement, and the exchange of information is not restricted to Articles (1) and (2) of this Agreement.

2. Any information received by a Contracting State under paragraph 1 of this article shall be treated as confidential in the same manner as information obtained in accordance with the laws of that Contracting State and shall be disclosed only to persons or authorities (including courts and administrative organs)), Who are involved in the connection, collection, execution, prosecution or determination of an objection in respect of the taxes referred to in paragraph (1) of this Article or supervision of the above. Such persons or authorities shall use such information only for such purposes and may disclose such information in the proceedings of a public court or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting State for other purposes may be used when the regulations of both Contracting States permit their use for such purposes and such use has been authorized by the competent authority of the Contracting State providing such information.

3. In no case shall the provisions of paragraphs 1 and 2 of this article be construed so as to obligate a Contracting State to:

(A) To carry out administrative procedures in violation of the regulations and administrative practices of that State or of the other Contracting State;

(B) to provide information which is not obtainable under the ordinary administrative regulations or instructions of that Contracting State or of the other Contracting State;

(C) provide information that would disclose any trade, business, industry, trade or professional secrets, business processes or information that may be disclosed in violation of public policy.

4. If a Contracting State requests information under this article, the other Contracting State shall use its procedures for gathering information to obtain the information required, even if that other Contracting State does not require such information for its own tax purposes. This obligation is limited by paragraph (3) of this article, but in no way shall it be construed as allowing a Contracting State to refrain from providing information solely on the ground that there is no domestic interest in that State.

5. The provisions of paragraph (3) of this Article shall in no case be construed so as to permit a Contracting State to refrain from providing information solely on the ground that it is held by a bank or other financial institution, a candidate or a person acting as agent or trustee, Related to someone's property interests.

Article Twenty-Seven

Special provisions

Government investments (including investments by the Central Bank and public financial institutions and institutions wholly owned by the Contracting State or their local governments) shall be exempted from taxation in the other Contracting State and income

derived from such investments shall be exempted (including gains arising from their disposal) This article shall apply to immovable property, not to income derived from such immovable property.

Article Twenty-Eight

Members of diplomatic and consular missions

Nothing in this Convention shall affect the financial privileges granted to members of diplomatic or consular missions under the general rules of international law or under the provisions of special agreements.

Article Twenty-Nine

Miscellaneous provisions

1. Notwithstanding the provisions of this Convention, the income and profits of a Contracting State from the exploration and exploitation of natural materials in the other Contracting State shall be taxable only in that other State.
2. Nothing in this Convention shall affect the application of domestic provisions to prevent evasion or avoidance of taxation.
3. Notwithstanding the other provisions of this Convention, a benefit under this Convention shall not be granted in respect of an income or capital component if it is reasonable to conclude (taking into account all relevant facts and circumstances) that access to that benefit was a primary purpose of any arrangement Or a transaction resulting in such benefit, whether directly or indirectly, unless it is determined that the grant of such benefit in such circumstances shall be in accordance with the objectives and purposes of the relevant provisions of this Convention.
4. Nothing in this Convention shall affect the application of the regulations of the Contracting States in respect of the tax on income derived from the insurance activity.

Article Thirty

Access

1. Each Contracting State shall notify the other Contracting State in writing through diplomatic channels of the completion of the necessary procedures in accordance with its Statute for the entry into force of this Convention. This Agreement shall enter into force on the first day of the second month following the month in which the last notification has been received.
2. The provisions of this Convention shall apply:
 - (A) in respect of taxes withheld at source, on payments made on or after the first day of January following the date of entry into force of this Convention;
 - (B) in respect of other taxes on taxable years beginning on or after the first day of January following the date of entry into force of this Convention.

Article Thirty-One

Termination

1. This Convention shall remain in force for an indefinite period. Either Contracting State may terminate it by diplomatic channels by giving written notice of termination to the other Contracting State not later than 30 June in any Gregorian year beginning after five years after the year in which this Convention becomes Window.
2. In such case, the provisions of this Convention shall become ineffective:
 - (A) in respect of taxes withheld at source, on payments made after the end of the calendar year in which the notice of termination of the Agreement is made.
 - (B) in respect of other taxes on taxable years beginning after the end of the calendar year in which the notice of termination of the Convention is made.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement.

Done in Jeddah on 7-9-1439H corresponding to 23-5-2018, in two original copies in Arabic.

For the Government of Saudi Arabia

Minister of Finance

Mohammed bin Abdullah Aljadaan

For the Government of the United Arab Emirates

Minister of State for Finance

Obaid bin Humaid Al Tayer

Disclaimer: this is an unofficial translation of the treaty, may be inconsistent. Only for informational purposes.