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DRAFT STATUTORY INSTRUMENTS

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**2002 No.**

**INCOME TAX**

**The Double Taxation Relief (Taxes  
on Income) (Taiwan) Order 2002**

*Made* - - - - - *2002*

**THE DOUBLE TAXATION RELIEF (TAXES  
ON INCOME) (TAIWAN) ORDER 2002**

1. This Order may be cited as the Double Taxation Relief...
2. It is hereby declared— (a) that the arrangements specified in...  
Signature

SCHEDULE —

**PART I — AGREEMENT BETWEEN THE BRITISH TRADE  
AND CULTURAL OFFICE, TAIPEI AND THE TAIPEI  
REPRESENTATIVE OFFICE IN THE UNITED KINGDOM  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE  
PREVENTION OF FISCAL EVASION WITH RESPECT TO  
TAXES ON INCOME AND ON CAPITAL GAINS**

Article 1

**Persons covered**

Article 2

**Taxes covered**

1. This Agreement shall apply to taxes on income and on...
2. There shall be regarded as taxes on income and on...
3. The existing taxes to which this Agreement shall apply are...
4. This Agreement shall also apply to any identical or substantially...

### Article 3

#### **General definitions**

1. For the purposes of this Agreement, unless the context otherwise...
2. A partnership deriving its status from the law of the...
3. As regards the application of this Agreement at any time...

### Article 4

#### **Residence**

1. For the purposes of this Agreement, the term “resident of...”
2. A person is not a resident of a territory for...
3. Where by reason of the provisions of paragraph (1) of...
4. Where by reason of the provisions of paragraph (1) of...

### Article 5

#### **Permanent establishment**

1. For the purposes of this Agreement, the term “permanent establishment”...
2. The term “permanent establishment” includes especially: (a) a place of...
3. A building site or construction or installation project constitutes a...
4. An enterprise of a territory shall be deemed to have...
5. Notwithstanding the preceding provisions of this Article, the term “permanent...”
6. Notwithstanding the provisions of paragraphs (1) and (2) of this...
7. An enterprise shall not be deemed to have a permanent...
8. The fact that a company which is a resident of...

### Article 6

#### **Income from immovable property**

1. Income derived by a resident of a territory from immovable...
2. The term “immovable property” shall have the meaning which it...
3. The provisions of paragraph (1) of this Article shall apply...
4. The provisions of paragraphs (1) and (3) of this Article...

### Article 7

#### **Business profits**

1. The profits of an enterprise of a territory shall be...
2. Subject to the provisions of paragraph (3) of this Article,...
3. In determining the profits of a permanent establishment, there shall...
4. No profits shall be attributed to a permanent establishment by...
5. For the purposes of the preceding paragraphs, the profits to...
6. Where profits include items of income or capital gains which...

## Article 8

### **Shipping and air transport**

1. Profits of an enterprise of a territory from the operation...
2. For the purposes of this Article, profits from the operation...
3. The provisions of paragraph (1) of this Article shall also...

## Article 9

### **Associated enterprises**

1. Where: (a) an enterprise of a territory participates directly or...
2. Where a territory includes in the profits of an enterprise...

## Article 10

### **Dividends**

1. Dividends paid by a company which is a resident of...
2. However, such dividends may also be taxed in the territory...
3. The term “dividends” as used in this Article means income...
4. The provisions of paragraphs (1) and (2) of this Article...
5. Where a company which is a resident of a territory...
6. The provisions of this Article shall not apply if it...

## Article 11

### **Interest**

1. Interest arising in a territory and paid to a resident...
2. However, such interest may also be taxed in the territory...
3. The term “interest” as used in this Article means income...
4. The provisions of paragraphs (1), (2) and (8) of this...
5. Where, by reason of a special relationship between the payer...
6. Interest shall be deemed to arise in a territory when...
7. The provisions of this Article shall not apply if it...
8. Notwithstanding the provisions of paragraph (2) of this Article, interest...
9. For the purposes of paragraph (8)(b) of this Article the...

## Article 12

### **Royalties**

1. Royalties arising in a territory and paid to a resident...
2. However, those royalties may also be taxed in the territory...
3. The term “royalties” as used in this Article means payments...
4. The provisions of paragraph (1) and (2) of this Article...
5. Royalties shall be deemed to arise in a territory when...
6. Where, by reason of a special relationship between the payer...
7. The provisions of this Article shall not apply if it...

## Article 13

### **Capital gains**

1. Gains derived by a resident of a territory from the...
2. Gains derived by a resident of a territory from the...
3. Gains from the alienation of movable property forming part of...
4. Gains derived by a resident of a territory from the...
5. Gains from the alienation of any property other than that...
6. The provisions of paragraph (5) of this Article shall not...

## Article 14

### **Independent personal services**

1. Income derived by a resident of a territory in respect...
2. The term “professional services” includes especially independent scientific, literary, artistic,...

## Article 15

### **Dependent personal services**

1. Subject to the provisions of Articles 16, 18 and 19...
2. Notwithstanding the provisions of paragraph (1) of this Article, remuneration...
3. Notwithstanding the preceding provisions of this Article, remuneration derived in...

## Article 16

### **Directors' fees**

## Article 17

### **Artistes and sportsmen**

1. Notwithstanding the provisions of Articles 14 and 15 of this...
2. Where income in respect of personal activities exercised by an...
3. The provisions of paragraphs (1) and (2) of this Article...

## Article 18

### **Pensions and annuities**

1. Subject to the provisions of paragraph (2) of Article 19...
2. The term “annuity” means a stated sum payable to an...
3. Notwithstanding the provisions of paragraph (1) of this Article, a...

## Article 19

### **Public service**

2. (a) Any pension or annuity paid by, or out of...
3. The provisions of Articles 15, 16, 17 and 18 of...

#### Article 20

#### **Students**

#### Article 21

#### **Other income**

1. Items of income, wherever arising, beneficially owned by a resident...
2. However, any such income derived by a resident of a...
3. The provisions of paragraph (1) of this Article shall not...
4. Where, by reason of a special relationship between the person...

#### Article 22

#### **Elimination of double taxation**

1. Subject to the provisions of the law of the territory...
2. In the case of the territory referred to in paragraph...
3. For the purposes of paragraph (1) of this Article, profits,...

#### Article 23

#### **Limitation of relief**

1. Where under any provision of this Agreement any income or...
2. Notwithstanding the provisions of any other Article of this Agreement,...
3. Where, under any provision of this Agreement, a partnership is...

#### Article 24

#### **Non-discrimination**

1. Citizens or nationals of a territory shall not be subjected...
2. A legal person, partnership or association deriving its status as...
3. The taxation on a permanent establishment which an enterprise of...
4. Except where the provisions of paragraph (1) of Article 9,...
5. Enterprises of a territory, the capital of which is wholly...
6. Nothing contained in this Article shall be construed as obliging...
7. The provisions of this Article shall apply to the taxes...

#### Article 25

#### **Mutual agreement procedure**

1. Where a resident of a territory considers that actions in...
2. The competent authority shall endeavour, if the objection appears to...
3. The competent authorities of the territories shall endeavour to resolve...
4. The competent authorities of the territories may communicate with each...

**Draft Legislation:** This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: *The Double Taxation Relief (Taxes on Income)(Taiwan) Order 2002 No. 3137*

## Article 26

### **Exchange of information**

1. The competent authorities of the territories shall exchange such information...
2. In no case shall the provisions of paragraph (1) of...

## Article 27

### **Entry into force**

## Article 28

### **Termination**

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PART II — ANNEX **THE BRITISH TRADE AND CULTURAL OFFICE,  
TAIPEI AND THE TAIPEI REPRESENTATIVE OFFICE IN  
THE UNITED KINGDOM;**

Explanatory Note