STATUTORY INSTRUMENTS

1987 No. 2058

INCOME TAX

The Double Taxation Relief (Taxes on Income) (Pakistan) Order 1987

Made - - - 26th November 1987

THE DOUBLE TAXATION RELIEF (TAXES ON INCOME) (PAKISTAN) ORDER 1987

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

SCHEDULE — CONVENTION BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE ISLAMIC REPUBLIC OF PAKISTAN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS

The Government of the United Kingdom of Great Britain and... Desiring to conclude a Convention for the avoidance of double... Have agreed as follows:

Provided that relief from United Kingdom tax shall not be... Article 1 — Personal scope

This Convention shall apply to persons who are residents of... Article 2 — Taxes covered

- 1. The taxes which are the subject of this Convention are:...
- 2. This Convention shall also apply to any identical or substantially... Article 3 — General definitions
- 1. For the purposes of this Convention, unless the context otherwise...
- As regards the application of this Convention by a Contracting... Article 4 — Fiscal domicile
- 1. For the purposes of this Convention, the term "resident of...
- 2. Where by reason of the provisions of paragraph (1) of...
- 3. Where by reason of the provisions of paragraph (1) of... Article 5 — Permanent establishment

- 1. For the purposes of this Convention, 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. Notwithstanding the preceding provisions of this Article, the term "permanent...
- 5. Notwithstanding the provisions of paragraphs (1) and (2) of this...
- 6. An enterprise of a Contracting State shall not be deemed...
- 7. The fact that a company which is a resident of...
 - Article 6 Income from immovable property
- 1. Income derived by a resident of a Contracting State from...
- 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 Contracting State shall...
- 2. Where an enterprise of a Contracting State carries on business...
- 3. In determining the profits of a permanent establishment, there shall...
- 4. No profits shall be attributed to a permanent establishment by...
- 5. Where profits include items of income or capital gains which...
- 6. Insofar as it has been customary in a Contracting State...
- For the purposes of the preceding paragraphs, the profits to... Article 8 — Shipping and air transport
- 1. Profits from the operation of ships or aircraft in international...
- 2. If the place of effective management of a shipping enterprise...
- 3. The provisions of this Article shall also apply to profits...
 - Article 9 Associated enterprises

Where (a) an enterprise of a Contracting State participates directly... Article 10 — Dividends

- 1. Dividends paid by a company which is a resident of...
- 2. However, such dividends may also be taxed in the Contracting...
- 3. Notwithstanding the provisions of paragraph (2) of this Article, where...
- 4. For the purposes of this Article: (a) the term "dividends"...
- 5. The provisions of paragraphs (1), (2) and (3) of this...
- 6. Where a company which is a resident of a Contracting... Article 11 — Interest
- 1. Interest arising in a Contracting State and paid to a...
- 2. However, such interest may also be taxed in the Contracting...
- 3. Notwithstanding the provisions of paragraph (2) of this Article, interest...
- 4. The term "interest" as used in this Article means income...
- 5. The provisions of paragraphs (1) and (2) of this Article...
- 6. Interest shall be deemed to arise in a Contracting State...
- Where, by reason of a special relationship between the payer... Article 12 — Royalties
- 1. Royalties arising in a Contracting State and paid to a...
- 2. However, such royalties may also be taxed in the Contracting...
- 3. The term "royalties" as used in this Article means payments...
- 4. The provisions of paragraphs (1) and (2) of this Article...
- 5. Royalties shall be deemed to arise in a Contracting State...
- 6. Where, by reason of a special relationship between the payer... Article 13 — Technical fees
- 1. Technical fees arising in a Contracting State which are derived...
- 2. However, such technical fees may also be taxed in the...
- 3. The term "technical fees" as used in this Article means...

- 4. The provisions of paragraphs (1) and (2) of this Article...
- 5. Technical fees shall be deemed to arise in a Contracting...
- 6. Where, by reason of a special relationship between the payer... Article 14 — Capital gains
- 1. Subject to the provisions of paragraph (2) of this Article,...
- 2. Gains from the alienation of ships or aircraft operated in... Article 15 — Independent personal services
- 1. Subject to the provisions of Article 13, income derived by...
- 2. The term "professional services" includes especially independent scientific, literary, artistic,...
 - Article 16 Dependent personal services
- 1. Subject to the provisions of Articles 17, 19, 20, 21...
- 2. Notwithstanding the provisions of paragraph (1) of this Article, remuneration...
- 3. Notwithstanding the preceding provisions of this Article, remuneration derived in...
 - Article 17 Directors' fees

Directors' fees and other similar payments derived by a resident... Article 18 — Artistes and athletes

- 1. Notwithstanding the provisions of Articles 15 and 16 of this...
- Where income in respect of personal activities exercised by an... Article 19 — Pensions
- 1. Subject to the provisions of paragraph (2) of Article 20,...
- 2. The term "annuity" means a stated sum payable periodically at... Article 20 — Government service
- 1. (a) Remuneration, other than a pension, paid by a Contracting...
- 2. (a) Any pension paid by, or out of funds created...
- 3. The provisions of Articles 16, 17 and 19 of this... Article 21 — Students and trainees
- 1. An individual who is a resident of a Contracting State...
- 2. The benefits under paragraph (1) of this Article shall apply...
- An individual who is a resident of a Contracting State... Article 22 — Teachers
- 1. An individual who visits one of the Contracting States for...
- This Article shall not apply to income from research unless... Article 23 — Elimination of double taxation
- 1. Subject to the provisions of the law of the United...
- 2. In Pakistan double taxation shall be eliminated as follows: subject...
- 3. For the purpose of paragraph (1) of this Article, the... Article 24 — Non-discrimination
- 1. Nationals of a Contracting State shall not be subjected in...
- 2. The taxation on a permanent establishment which an enterprise of...
- 3. Except where the provisions of Article 9, paragraph (7) of...
- 4. Enterprises of a Contracting State, the capital of which is...
- 5. Nothing contained in this Article shall be construed:
- 6. In this Article the term "taxation" means the taxes to... Article 25 — Mutual agreement procedure
- 1. Where a resident of a Contracting State considers that the...
- 2. The competent authority shall endeavour, if the objection appears to...
- 3. The competent authorities of the Contracting States shall endeavour to...
- 4. The competent authorities of the Contracting States may communicate with...

Article 26 — Exchange of information

- 1. The competent authorities of the Contracting States shall exchange such...
- 2. In no case shall the provisions of paragraph (1) of...
- Article 27 Members of diplomatic or permanent missions and consular posts
 Nothing in this Convention shall affect any fiscal privileges accorded...
- 2. Notwithstanding the provisions of paragraph (1) of Article 4 of...
 - Article 28 Entry into force
- 1. Each of the Contracting States shall notify to the other...
- 2. Subject to the provisions of paragraph (3) of this Article,...
- Where any provision of the 1961 Agreement would have afforded... Article 29 — Termination This Convention shall remain in force until terminated by one... In witness whereof the undersigned, duly authorised thereto by their...

Explanatory Note