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STATUTORY INSTRUMENTS

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**1997 No. 2987**

**INCOME TAX**

**The Double Taxation Relief (Taxes  
on Income) (Malaysia) Order 1997**

*Made - - - - 17th December 1997*

**THE DOUBLE TAXATION RELIEF (TAXES  
ON INCOME) (MALAYSIA) ORDER 1997**

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

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SCHEDULE —

**PART I — AGREEMENT BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN  
IRELAND AND THE GOVERNMENT OF MALAYSIA FOR  
THE AVOIDANCE OF DOUBLE TAXATION AND THE  
PREVENTION OF FISCAL EVASION WITH RESPECT TO  
TAXES ON INCOME**

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

ARTICLE 1

*Personal scope*

This Agreement shall apply to persons who are residents of...

ARTICLE 2

*Taxes covered*

1. The existing taxes to which this Agreement shall apply are...
2. This Agreement shall apply also to any identical or substantially...

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## ARTICLE 3

### ***General definitions***

1. For the purposes of this Agreement, unless the context otherwise...
2. As regards the application of this Agreement by a Contracting...

## ARTICLE 4

### ***Residence***

1. For the purposes of this Agreement, 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 Agreement, the term “permanent establishment”...
2. The term “permanent establishment” includes especially: (a) a place of...
3. Notwithstanding the preceding provisions of this Article, the term “permanent...”
4. An enterprise of a Contracting State shall be deemed to...
5. A person (other than a broker, general commission agent or...
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. For the purposes of this Agreement, the term “immovable property”...
3. The provisions of paragraph (1) shall apply to income derived...
4. The provisions of paragraphs (1) and (3) shall also apply...

## ARTICLE 7

### ***Business profits***

1. The profits of an enterprise of a Contracting State shall...
2. Subject to the provisions of paragraph (3), where an enterprise...
3. In determining the profits of a permanent establishment, there shall...
4. No profits shall be attributed to a permanent establishment by...
5. Where the profits include items of income which are dealt...

## ARTICLE 8

### ***Shipping and air transport***

1. Profits of an enterprise of a Contracting State from the...
2. For the purposes of this Article, profits from the operation...
3. Paragraph (1) shall also apply to the share of the...

## ARTICLE 9

### *Associated enterprises*

1. Where: (a) an enterprise of a Contracting State participates directly...
2. Where a Contracting State includes in the profits of an...
3. Paragraph (1) shall not apply where a Contracting State would...
4. The provisions of paragraphs (2) and (3) shall not apply...

## 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. 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 Contracting...
6. The provisions of this Article shall not apply if it...

## 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. The term “interest” as used in this Article means income...
4. The provisions of paragraphs (1) and (2) of this Article...
5. Interest shall be deemed to arise in a Contracting State...
6. Where, by reason of a special relationship between the payer...
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) of this Article, the...

## 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...
7. The provisions of this Article shall not apply if it...

## ARTICLE 13

### *Technical fees*

1. Technical fees derived from one of the Contracting States by...
2. The term “technical fees” as used in this Article means...
3. The provisions of paragraph (1) of this Article shall not...
4. Technical fees shall be deemed to arise in a Contracting...
5. Where, by reason of a special relationship between the payer...

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## ARTICLE 14

### ***Capital gains***

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

## 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 in respect...

## ARTICLE 17

### ***Directors' fees***

Directors' fees and similar payments derived by a resident of...

## ARTICLE 18

### ***Artistes and sportsmen***

1. Notwithstanding the provisions of Articles 15 and 16 of this...
2. Where income in respect of personal activities exercised by an...
3. The provisions of paragraphs (1) and (2) shall not apply...

## ARTICLE 19

### ***Pensions and annuities***

1. Subject to the provisions of paragraph (2) of Article 20...
2. The term “annuity” means a stated sum payable to an...

## ARTICLE 20

### ***Government service***

1. (a) Salaries, wages and other similar remuneration, other than a...
2. (a) Any pension paid by, or out of funds created...

3. The provisions of Articles 16, 17 and 19 shall apply...

#### ARTICLE 21

##### ***Teachers and researchers***

1. Subject to paragraph (2) of this Article, an individual who,...
2. Where, under the provisions of this Agreement taken together with...
3. The provisions of this Article shall apply to income from...

#### ARTICLE 22

##### ***Students and trainees***

An individual who is or was a resident of a...

#### ARTICLE 23

##### ***Other income***

1. Items of income of a resident of a Contracting State...
2. The provisions of paragraph (1) of this Article shall not...

#### ARTICLE 24

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

1. Subject to the provisions of the law of the United...
2. Subject to the laws of Malaysia regarding the allowance as...
3. For the purposes of paragraphs (1) and (2) of this...
4. For the purposes of paragraph (1) of this Article, the...
5. Relief from United Kingdom tax by virtue of paragraph (4)...
6. The period of relief provided for in sub-paragraph (a) of...

#### ARTICLE 25

##### ***Limitation of relief***

1. Where under any provision of this Agreement any income is...
2. The provisions of this Agreement shall not apply to persons...

#### ARTICLE 26

##### ***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 paragraph (1) of Article 9,...
4. Enterprises of a Contracting State, the capital of which is...
5. Nothing in this Article shall be construed as obliging:
6. The provisions of this Article shall apply to the taxes...

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## ARTICLE 27

### *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 28

### *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 29

### *Members of diplomatic or permanent missions and consular posts*

1. Nothing in this Agreement shall affect the fiscal privileges of...
2. Notwithstanding the provisions of paragraph (1) of Article 4 of...

## ARTICLE 30

### *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,...
3. Where any provision of the 1973 Agreement would have afforded...

## ARTICLE 31

### *Termination*

This Agreement shall remain in effect indefinitely, but either Contracting...

In witness whereof the undersigned, duly authorised thereto have signed...

Done in duplicate at Kuala Lumpur this 10th day of...

For the Government of the United Kingdom of Great Britain...

David Moss

For the Government of Malaysia:

Clifford Herbert

David Moss

High Commissioner

Excellency Kuala Lumpur 10th December 1996

I have the honour to acknowledge receipt of Your Excellency's...

The foregoing proposals being acceptable to the Government of Malaysia,...

I take this opportunity to renew to your Excellency the...

Clifford Herbert

Secretary General to the Treasury Malaysia

### **PART II — EXCHANGE OF NOTES**

Excellency Kuala Lumpur 10th December 1996

I have the honour to refer to the Agreement between...

the provisions of this Agreement shall not apply to persons...

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If the foregoing proposals are acceptable to the Government of...  
I avail myself of this opportunity to extend to your...

Explanatory Note