

2004 Income and Capital Tax Convention and Final Protocol

Signed date: October 7, 2004

In force date: June 5, 2009

Effective date: January 1, 2010. See Article 28.

Status: In Force

AGREEMENT BETWEEN THE KINGDOM OF BELGIUM AND THE REPUBLIC OF TUNISIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FRAUD AND EVASION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL

The Government of the Kingdom of Belgium and the Government of the Tunisian Republic desiring to conclude a Convention for the avoidance of double taxation and prevent tax avoidance and evasion with respect to taxes on income and on capital, have agreed following:

Article 1 Persons Covered

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

Article 2 Taxes covered

1. The present Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State, its political subdivisions or local authorities, irrespective of the collection system .

2 . Shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital , including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital gains .

. 3 The existing taxes to which the Convention shall apply are:

a) in the case of Tunisia :

- The income tax ;
- The corporation tax ;
- Tax facilities for industrial , commercial or professional benefit local communities;
- Hotel tax ;
- Tax vocational training;
- Contribution to the fund for the promotion of housing for employees; (hereinafter referred to as " the Tunisian tax ");

b) in the case of Belgium:

- The individual income tax ;
- Corporation tax ;
- The corporation tax ;
- The tax on non -residents;
- The supplementary crisis contribution ;

including prepayments, the surcharges on these taxes and prepayments, and the supplements to the individual income taxes, (hereinafter referred to as " Belgian tax ") .

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place . The competent authorities of the Contracting States shall notify changes Important made in their respective taxation laws.

Article 3 General Definitions

. 1 For the purposes of this Convention, unless the context otherwise requires : a) the terms "a Contracting State" and "the other Contracting State" mean, as the context, Tunisia and Belgium ;

b) the term "Tunisia" used in a geographical sense, means the territory of the Republic Tunisia and adjacent to the territorial and airspace Tunisia waters on which , in accordance with international law , Tunisia may exercise sovereign rights or

jurisdiction ;

c) the term "Belgium" means the Kingdom of Belgium ; used in a geographical sense, means the territory of the Kingdom of Belgium, including the territorial sea as well as areas maritime and air within which , in accordance with international law , the Kingdom of Belgium has sovereign rights or jurisdiction ;

d) the term "person" includes an individual , a company and any other body of persons ;

e) the term " company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

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

g) the term " national " means:

- All natural persons who are nationals of a Contracting State ;

- All legal persons , partnerships and associations incorporated under the laws in force in a Contracting State;

h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State , except when the ship or aircraft is operated solely between places in the other Contracting State;

i) the term "competent authority" means:

- As in the case of Belgium , the Minister of Finance or his authorized representative;

- In the case of Tunisia , the Minister of Finance or his authorized representative.

2 . For the purposes of the Convention at any time by a Contracting State, any term or expression that is not defined shall, unless the context otherwise requires , have the meaning which it has assigned at that time under the law of that State concerning the taxes to which the Convention applies, any meaning under the applicable tax laws prevailing over that resulting from other laws of that State.

Article 4 Resident

1. The purposes of this Convention, the term "resident of a Contracting State" means any person who , under the law of that State , is liable to tax therein by reason of his domicile, residence, registered office , place of management or any other criterion of a similar nature, this term includes the state itself and its political subdivisions or local authorities.

The term "resident of a Contracting State " includes partnerships and other groups of persons whose place of management in that State and each member is personally liable to tax for its share of the profits under the domestic laws of that State.

. 2 Where, under the provisions of paragraph 1 of this Article, an individual is considered a resident of both Contracting States, then his status shall be determined as follows:

a) shall be deemed to be a resident only of the Contracting State in which he has a permanent home ; when it has a permanent home in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (center of vital interests) ;

b) if the Contracting State in which he has his center of vital interests State can not be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which it has an habitual abode State;

c) if the individual has an habitual abode in both Contracting States or if it does habitual abode in any of them , it is considered a resident only of the Contracting State of which he is a national;

d) if he is a national of both Contracting States , or if it is a national of neither of them , the competent authorities of the Contracting States shall settle the question by mutual agreement.

3 . Where, under the provisions of paragraph 1 a person other than an individual is considered a resident of both Contracting States, he is considered a resident only of the State in which its place of effective management .

Article 5 Permanent Establishment

1. The purposes of this Convention, the term "permanent establishment " means a fixed

place

business through which an enterprise is wholly or partly carried on .

. 2 The term "permanent establishment" includes especially :

- a) a place of management ;
- b) a branch;
- c) an office;
- d) a factory ;
- e) a workshop ;
- f) a mine, quarry or other place of extraction of natural resources ;
- g) a building site , or temporary mounting, or supervisory activities in connection therewith, where such site, temporary assembly or surveillance activities lasting more than 6 months.

. 3 is not considered that there is a permanent establishment if:

- a) The use of facilities solely for the purpose of storage , display or delivery of goods or merchandise belonging to the enterprise;
- b) goods or merchandise belonging to the enterprise solely for the purpose of storage storage, display or delivery;
- c) goods or merchandise belonging to the enterprise solely for storage of processing by another enterprise;
- d) a fixed place of business solely for the purpose of advertising;
- e) a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
- f) maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- g) a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to f) , provided that the overall activity of the fixed place of business resulting from this combination a preparatory or auxiliary character.

4 Notwithstanding the provisions of paragraphs 1 and 2, where a person - . Other than an agent of an independent status to whom paragraph 6 applies - is acting in a Contracting State to an enterprise of a Contracting State, this company is deemed to have a permanent establishment in the first-mentioned Contracting any activities which that person undertakes for the enterprise , if such a person:

a) in that State power, and habitually exercises authority to conclude contracts on behalf of the enterprise, unless the activities of such person are limited to those listed in paragraph 3 which, if exercised through a fixed place of business , would not make this fixed place of business a permanent establishment under the provisions of that paragraph; or

b) has no such authority, but habitually maintains in the first-mentioned State a stock of merchandise from which he regularly delivers goods for delivery on behalf of the company.

5 An insurance company , except for reinsurance undertakings , of a Contracting State . 's deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks that are incurred there through an employee or through a representative n does not fall within the class of persons referred to in paragraph 6 below .

6 . Shall not be deemed an enterprise of a Contracting State has a permanent establishment in the other Contracting State merely because it carries on business through a broker, general commission agent or State any other agent of an independent status that such persons are acting in the ordinary course of their business.

Company 7 . The fact that that is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State , or which carries on business (State whether by means of a permanent establishment or otherwise) is not sufficient in itself to make any company a permanent establishment of the other.

8. Where a partnership or other body of persons referred to in the second subparagraph of paragraph 1 of Article 4 of this Convention is a resident of a Contracting State :

- Each partner or member in the partnership or group , a resident of that Contracting State , is treated as having a permanent establishment in the other Contracting State if that company or group will have a permanent establishment ;

- Each partner or member , resident of the other Contracting State shall be deemed to have a permanent establishment in the first-mentioned Contracting State.

Article 6 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 Contracting State.

2 . The term "immovable property" is defined under the law of the Contracting State in which the property is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry , rights to which apply the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments for the use or the right to work, mineral deposits, sources and other natural resources. Ships, boats and aircraft shall not be regarded as immovable property .

3 . Paragraph 1 shall apply to income from operations or direct use, letting or leasing or any other form of immovable property.

4. Paragraphs 1 and 3 shall also apply to income from immovable property of businesses and income from immovable property used for the performance of independent personal services .

Article 7 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 situated therein, State located . If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment .

2 . Subject to the provisions of paragraph 3 of this Article, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein , there shall in each Contracting State to that permanent establishment the profits which it might be if it had a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently .

3 . In determining the profits of a permanent establishment, there shall be allowed as deductions

expenses incurred for the business of the permanent establishment, including expenses including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere.

However, no deduction is allowed in respect of amounts, if any, paid by the permanent establishment to the head office of the enterprise or any of its other institutions (other than reimbursement of actual expenses) by way of royalties , fees or other similar payments for the use of patents or other rights , or as commissions for services performed or for management, or , except in the case of a banking enterprise, by way of interest on moneys lent to the permanent establishment.

Similarly, it is not taken into account in determining the profits of a permanent establishment , for amounts charged by the permanent establishment to the head office of the enterprise or any of its other offices (other than reimbursement of actual expenses) by way of royalties , fees or other similar payments for the use of patents or other rights , or by way of commission for specific services performed or for management, or , except in the case of a banking enterprise by way of interest on moneys lent to the head office of the enterprise or any of its other offices .

4. It has been customary in a Contracting State to determine the profits attributable to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 n ' preclude that Contracting State from determining taxable according to the distribution used state benefits ; the method of apportionment adopted shall , however,

be such that the result shall be in accordance with the principles contained in this article.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase of goods for the company. Meanwhile no charge is allowed as a deduction from

the profits of the permanent establishment in the purchase of merchandise for the enterprise .

6 . Purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined each year by the same method , unless there is good and sufficient reason to the contrary.

The provisions of those Articles shall not be affected by the provisions of this Article 7. Where profits include items of income which are dealt with separately in other Articles of this Convention.

Article 8 Shipping and Air Transport

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

If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbor of the ship or , failing port of attachment in the Contracting State of which the operator of the ship is a resident .

2 . 2 . Paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

Article 9 Associated Enterprises

When 1 . :

a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or that

b) the same persons participate directly or indirectly in the management , control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State, and that in both case, the two enterprises in their commercial or financial relations, related conditions are made or imposed , which differ from those which would be made between independent enterprises, then any profits which would , but for those conditions, have accrued to one of

companies but could be by reason of those conditions, may be included in the profits of that enterprise and taxed accordingly.

2 . Where a Contracting State includes in the profits of an enterprise of that State imposes accordingly profits on which an enterprise of the other Contracting State has been charged to tax in

that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall adjustment as it considers appropriate to the amount of the tax currently charged therein on those profits. In determining such adjustment, given the other provisions of this Convention and , if necessary , the competent authorities of the Contracting States shall consult .

Article 10 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 dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the person receiving the dividends is the beneficial owner, the tax so charged shall not exceed:

a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends;

b) 15 per cent of the gross amount of the dividends in all other cases .

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid .

3 . The term "dividends " as used in this Article means income from shares, founders ' shares or other with the exception of receivables and income subjected to the same taxation treatment as income from shares by the taxation law of the State of which the company is a resident scheme .

4. Paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends , being a

resident of a Contracting State , carries on business in the other Contracting State of which the company paying the dividends is a resident , through a permanent or business through a permanent establishment situated therein , or an independent personal services from a fixed base situated therein , and the dividends are paid is effectively connected . In such cases ,

the provisions of Article 7 or Article 14 , as the case may be, shall apply .

Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State 5. , That other State may not impose any tax on the dividends paid by the

company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in paid is effectively connected with a permanent establishment or a fixed base situated in that other State , nor subject in respect of taxation retained earnings on the undistributed profits of the company, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 11 Interest

1. Interest 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 interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient of the interest is the beneficial owner , the tax

so charged shall not exceed 10 per cent of the gross amount of the interest .

3 Notwithstanding the provisions of paragraph 2. :

a) tax charged on interests not represented by bearer instruments granted to a company by a banking enterprise loans may not exceed , in the Contracting State in which it arises , 5 percent of the gross amount of the interest ;

b) interest paid in respect of a loan or a credit extended , guaranteed or insured by a Contracting State , a political subdivision , a local authority or central bank of that State or an entity which is financed mainly through public funds, are tax exempt in the Contracting State in which it arises .

4. The term " interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage or a right to participate in the debtor's profits , and in particular, income from government securities and bonds debentures, including premiums and prizes attaching to such securities. Penalty charges for late payment and income treated as dividends in the State in which it arises under Article 10 paragraph 3 shall not be regarded as interest for the purposes of this article.

The provisions of paragraphs 1 and 2 5. Shall not apply if the beneficial owner of being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises , or a trade or business through a permanent establishment situated therein , or performs personal services a fixed base situated therein , and the debt-claim interest is effectively connected . In such case the provisions of Article 7 or Article 14 , as the case may be, shall apply .

6 . Interest shall be deemed to arise in a Contracting State when the payer is that State itself , a political subdivision , a local authority or a resident of that State. However, the person paying the interest, whether he is a resident of a Contracting State, has in a Contracting State a permanent establishment or a fixed base in which the debt giving rise to the interest is paid was incurred, and who bears the burden of such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated .

7 . Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, third person, the amount of the interest, having regard to the indebtedness for which they are paid, exceeds the which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last . In this case, the excess part of the payments shall remain taxable in the Contracting State in which it arises and according to its laws .

Article 12 Charges

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 and according to its laws but if the recipient of the royalties is the beneficial owner , the tax so charged shall not exceed 11 percent the gross amount of the royalties.

3 . The term "royalties " as used in this Article means payments of any kind for the use or right to use a copyright in a literary, artistic or scientific work including films or films or tapes used for radio or television, any patent, trademark , design or model , plan , secret formula or process secrets as well as for the use or right to use , industrial , commercial or scientific equipment or for information concerning a experience in commercial or industrial, scientific or technical or economic studies or technical assistance carried out in the Contracting State in which the royalties arise .

4. Paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties , being a resident of a Contracting State , carries on business in the other Contracting State in which the royalties arise , a trade or business by ' through a permanent establishment situated therein , or performs professional services from a fixed base situated therein , and the right or property giving rise to the royalties is effectively connected .
In such case the provisions of Article 7 or Article 14 , as the case may be, shall apply .

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself , a political subdivision , a local authority or a resident of that State. However, the person paying the royalties, whether he is a resident of a Contracting State, has in a Contracting State a permanent establishment with which the liability to pay the royalties was incurred and borne by those then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated .

6 . Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, third person, the amount of the royalties, having regard to the use for which they are paid, exceeds the which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last . In this case, the excess part of the payments taxable in the Contracting State in which it arises and according to its laws.

Article 13 Capital Gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other Contracting State.

2 . Gains from the alienation of movable property forming part of the business property of a Stable an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the exercise of a profession independent , including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base , may be taxed in that other State .

3 . Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the State

which the place of effective management of the enterprise is situated .

4. Gains from the alienation of shares and shares part of a holding of at least 25 per cent in the capital of a company which is a resident of a Contracting State may be taxed in that State unless the disposition of such shares or shares held in the context of a merger, asset contribution (partial fusion) or exchange of shares or shares.

Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 5.

4 shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14 Independent Personal Services

1 . Income derived by a resident of a Contracting State from a professional services or other activities of an independent character shall be taxable only in that State . However, such income may also be taxed in the other Contracting State in the following cases :

a) if he has an habitual in the other Contracting State a fixed base for the conduct of its

business in its own name or on behalf of a legal person or any other group of persons referred to in the second subparagraph of paragraph 1 of Article 4 of this Agreement to which it is participating; in this case, only so much of the income as is attributable to that fixed base may be taxed in the other Contracting State; or
b) if his stay in the other Contracting State is for a period or periods totaling or exceeding 183 days during the tax year; in that case, only the fraction of income as is derived from his activities performed in that other Contracting State may be taxed in that other State.

2 . The term "professional services" includes especially independent scientific , literary, artistic, educational or teaching activities as well as the independent activities of physicians, dentists , lawyers, engineers , architects and accountants.

Article 15 Dependent Personal Services

1. Subject to the provisions of Articles 16, 18, 19 and 20, 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 the employment is exercised in the other Contracting State . If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State .

2 . Notwithstanding the provisions of paragraph 1, 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 if :

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve (12) month period commencing or ending in the taxable period; and

b) the remuneration is paid by, or on behalf of an employer who is not a resident of the other State; and

c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3 . Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed in the Contracting State in which the place of effective management the company is located .

Article 16 Directors' Fees

1. Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or supervisory board or a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State . The foregoing also applies to payments derived in respect of the exercise of functions under the legislation of the Contracting State of which the company is a resident, are regarded as functions of a similar nature to those exercised by a person referred to in that provision.

2 . Remuneration derived by a person referred to in paragraph 1 from a company which is a resident

of a Contracting State in respect of the discharge of a regular management, or technical nature and remuneration received by a resident of a Contracting State from his personal activities as a partner in a company, other a corporation that is a resident of a Contracting State , follow, for the award to one of the Contracting States of the power to tax , the provisions of Article 15 as if s' were remuneration derived by an employee an employment and as if the employer were the company.

Article 17 Artistes and Athletes

1. Notwithstanding the provisions of Articles 14 and 15 , income derived by a Contracting State from his personal activities as such exercised in the other Contracting State as an entertainer, such a state as a theater , film , radio or television , or as a musician or as an athlete , may be taxed in that other State .

2 . Where income in respect of an entertainer or athlete are exercised personally and capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, in the Contracting State in which the activities of the entertainer or sportsman are exercised.

Article 18 Pensions

Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in respect of past employment shall be taxable only in that State .

Article 19 Government Service

1. A) Salaries, wages and other similar remuneration , other than a pension , paid by a Contracting State or a political subdivision or local authority thereof to an individual in respect of services rendered to that State or subdivision or authority 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 State and the individual is a resident of that State who:

- A national of that State;

- Did not become a resident of that State solely for the purpose of rendering the services.

2 . A) Any pension paid by a Contracting State or a political subdivision or a local authority , either directly or by means of funds created to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

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

3 . The provisions of Articles 15, 16 and 18 shall apply to salaries, wages and other similar remuneration and to pensions in respect of services rendered in connection with any trade or business carried on by a Contracting State or a political subdivision or local government .

Article 20 Students

A student , apprentice or trainee who is or was immediately before visiting a Contracting State a resident of the other Contracting State and is temporarily present in the first-mentioned State solely for the purpose of his education or training, is exempt in that State :

a) amounts received from sources outside that State for the purposes of his maintenance, education or training ;

b) the remuneration in respect of an employment exercised in that State in connection with its

education or training and during the normal duration thereof , if such remuneration does not exceed , as applicable , for calendar year 5000 euros or the equivalent of this amount in dinars at the official exchange rate .

Article 21 Other Income

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention and which are effectively subject to the payment of tax in that State shall be taxable only in that State .

2 . Paragraph 1 shall not apply to income , other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent trade or through a permanent establishment situated therein , or an independent personal services from a fixed base situated therein and the right or property in respect of the income is effectively connected . In such case the provisions of Article 7 or Article 14 , as the case may be, shall apply .

Article 22 Taxation of Capital

1. Capital represented by immovable property referred to in Article 6, 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 assets of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or by movable property pertaining to a fixed base a resident of a Contracting State in the other Contracting State for the performance of independent personal services , may be taxed in that other State .

3 . Capital represented by ships and aircraft operated in international traffic and by movable property pertaining 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. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 23 Elimination of double taxation

1. Regarding Tunisia, double taxation shall be eliminated as follows : Where a resident of Tunisia derives income or owns capital which , in accordance with the provisions of this Convention , may be taxed in Belgium , Tunisia allows a deduction on its tax on the income or capital of an amount equal to the income tax or capital tax paid in Belgium. However, the credit may not exceed the portion of the Tunisian tax on such income or capital from computed before the deduction attributable to such income received or capital owned in Belgium.

2 In the case of Belgium , double taxation shall be avoided as follows:

a) Where a resident of Belgium derives income other than dividends, interest and royalties , or owns elements of capital which may be taxed in Tunisia in accordance with this Convention and which are effectively subject to the payment of tax Tunisia, Belgium shall exempt such income or such elements of capital , but may, in calculating the amount of tax on the remaining income or capital of that resident, apply the rate if income or items of property in question had not been exempted.

Notwithstanding the preceding paragraph, where a resident of Belgium derives profits tax which is attributed to Tunisia in accordance with Article 7 of the Convention but which are temporarily exempt from tax in Tunisia under special incentives for investment , the exemption provided in the preceding paragraph shall not apply in Belgium the profits attributable to the permanent establishment in Tunisia but the Belgian tax proportionately related to those profits is reduced, as applicable, to a quarter of corporation tax

or half of the personal income tax that would be imposed if these profits were made in Belgium . This provision shall apply for a period of 17 consecutive calendar years from the date of entry into force of the Convention.

b) Where a resident of Belgium derives income subject to Belgian tax consisting of dividends , interest or royalties, the Tunisian tax levied on such income is derived from the Belgian tax relating to such income .

Notwithstanding the first paragraph , Belgium grants a deduction at the rate of 20 percent on dividends that are paid by a company which is a resident of Tunisia from temporarily exempted profits in Tunisia of the corporate tax . This provision shall apply for a period of 17 consecutive calendar years from the date of entry into force of the Convention.

The deduction referred to in the preceding paragraphs shall not exceed that part of the Belgian tax relating to such income .

c) Where, in accordance with Belgian law, losses incurred by an enterprise carried on by a resident of Belgium in a permanent establishment situated in Tunisia have been effectively deducted from the profits of that enterprise for its taxation in Belgium , the exemption in a) does not apply in Belgium to the profits of other taxable periods attributable this establishment , up losses deducted in Belgium, provided that such losses have also been effectively deducted from the profits subject to the payment of taxes in Tunisia. Article 24 Non- discrimination

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than those which are or may be subjected nationals of that other State , which are in the same situation, particularly with regard to the residence. This provision shall, notwithstanding the provisions of Article

1 to nationals who are not residents of one or both of the Contracting States.

2 . The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be levied in that other State less favorably than the imposition of

enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and tax based on status or family responsibilities which it

grants to its own residents State.

3 . Unless the provisions of paragraph 1 of Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for determining the taxable profits of such enterprise, under the same conditions as if they had been paid to a resident of the first State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the determination of the taxable capital of such enterprise , under the same conditions as if they had been contracted to a resident of the first State.

4. Enterprises of a Contracting State, the capital of which is wholly or in part, directly or indirectly owned or controlled by one or more residents of the other Contracting State shall not be subjected in the first-mentioned State to any taxation or requirement connected therewith which is other or more burdensome than are or may be subjected other similar enterprises of the first State .

The provisions of this Article 5. Apply to the taxes referred to in Article 2.

Article 25 Mutual Agreement Procedure

When a person 1. Considers that the measures taken by a Contracting State or both of the Contracting States result or will result for him not in accordance with the provisions of this Convention taxation, it may, notwithstanding the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24 state that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

2 . The competent authority shall endeavor , if the objection appears to be based and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with

the competent authority of the other Contracting State, with a view to the avoidance of taxation consistent with the Convention . The agreement shall be implemented notwithstanding any time limits in the domestic law of the Contracting States .

3 . Competent authorities of the Contracting States shall endeavor to resolve by mutual agreement of difficulties or doubts arising as to the interpretation or application of the Convention.

4. The competent authorities of the Contracting States shall agree on the administrative measures necessary to implement the provisions of the Convention and in particular about the justifications provided by the residents of each Contracting State to benefit in another state exemptions or tax cuts under this Convention.

The competent authorities of the Contracting States 5. Can communicate directly with each other for the purposes of the Convention.

Article 26 Exchange of information

1. The competent authorities of the Contracting States shall exchange information necessary to implement the provisions of this Convention or of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated as secret and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of the taxes covered by this Convention , the enforcement or prosecution in respect of , or the determination of appeals in relation to taxes. Such persons or authorities shall use the information only for such purposes. They may be disclose the information in public court proceedings or in judicial decisions.

. 2 The provisions of the first paragraph may in no case be construed as imposing on a Contracting State the obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) to supply information which is not obtainable under its own laws or in the normal course of administrative practice of that or of the other Contracting State ;

c) to supply information which would disclose any trade , industrial, professional or trade process, or information the disclosure of which would be contrary to public order.
Article 27 Members of diplomatic missions and consular officers of this Convention shall affect the fiscal privileges of members of diplomatic missions or consular posts under the rules general international law or under the provisions of special agreements.

Article 28 Entry into force

1. Each Contracting State shall notify the other Contracting completion of the procedures required by its law for the entry into force of this Convention. The Convention shall enter into force on the fifteenth day following the receipt of the later of these notifications .

. 2 The provisions of the Convention shall apply :

- a) taxes due at source on income credited or payable on or after 1 January of the year following that of the entry into force of a Convention;
- b) other taxes charged on income of taxable periods ending on or after December 31 of the year immediately following the date of entry into force of the Convention year;
- c) taxes on capital charged on elements of capital existing on January 1 of any year after the date of entry into force of the Convention.

3 . Provisions of the Convention between the Government of the Kingdom of Belgium and the Government of the Tunisian Republic for the avoidance of double taxation and the settlement of other matters with respect to taxes on income and on capital signed at Tunis, February 22, 1975 , shall cease to apply to any Belgian or Tunisian tax relating to income for which this Convention has effect in respect of the tax in accordance with paragraph 2 .

Article 29 Termination

This Convention shall remain in force until it has been terminated by a Contracting State but either Contracting State may , until 30 June in any calendar year from the fifth year following the entry into force, the termination in writing through diplomatic channels to the other Contracting State. In case of termination before July 1 of such year, the Convention shall apply for the last time :

- a) taxes due at source on income credited or payable on or before December 31 of the year of termination ;
- b) other taxes charged on income of taxable periods ending before December 31 of the year immediately following the year of termination ;
- c) taxes on capital charged on elements of capital existing on January 1 of the year of termination .

In witness whereof the undersigned , being duly authorized by their respective Governments, have signed this Convention.

Made in Tunis, October 7, 2004 , in duplicate in the Arabic, French and Dutch languages, all three texts being equally authentic. The French text shall prevail in case of discrepancy between the texts .

FOR THE GOVERNMENT OF THE KINGDOM OF BELGIUM FOR THE GOVERNMENT OF THE REPUBLIC OF TUNISIA : PROTOCOL

At the time of the signing of the Convention between the Kingdom of Belgium and the Republic of Tunisia for the avoidance of double taxation and prevent tax avoidance and evasion with respect to taxes on income and on capital, the undersigned have agreed upon the following provisions which shall form an integral part of the Convention.

Ad Article 8

For the purposes of Article 8 of the Convention, profits derived from the operation in international traffic of ships or aircraft include:

- a) profits from the rental of ships or aircraft, manned and equipped , and Profits from the occasional bareboat basis of ships or aircraft, where such ships or aircraft operated in international traffic and the condition that they are owned by the company that hires out or operated by it in under a leasing agreement ;
- b) profits from the use or rental of containers used in international traffic , provided that these profits are supplementary or incidental to the profits to which the provisions of paragraph 1 of Article 8 of the Convention are applicable and provided that the containers are owned by the company ships or aircraft .

Ad Article 11 , paragraph 3 , a)

Notwithstanding Article 11 , paragraph 3 , a) interest paid by a Contracting State, a political

subdivision or local authority remain exempt from tax in the State where they come from when they are paid in a contracted before the entry into force of this Convention for a minimum of 5 years and not represented by bonds or other debt securities and are paid to a bank or a public credit institution loan

resident of the other Contracting State. Ad Article 11 , paragraph 3 b)

It is understood that the interest referred to in Article 11 , paragraph 3 b) includes interest paid under a public scheme organized by a Contracting State, a political subdivision or local authority to promote exports .

Ad Article 23, paragraph 2 a) and b)

The second subparagraph of paragraph 2 , a) and the second subparagraph of paragraph 2 , b) of Article 23 shall not apply to a resident of Belgium whose activities or investments in Tunisia essential purpose of wrongfully provisions of that paragraph , that is to say when is evidence that the activities or investments do not meet the legitimate needs of financial or economic . This is particularly the case when, before the end of the period or after the expiration of the period during which the exemption referred to in those paragraphs of the Tunisian tax is paid to a company which is a resident of Tunisia or a permanent establishment which a resident of Belgium in Tunisia, an associate, within the meaning of Article 9 audit or resident of Tunisia

Belgium as the case shows the activities of the first company or permanent establishment in Tunisia benefit of a new period of exemption of profits from these activities. For the purposes of this provision, the mere fact that a Belgian company operates in Tunisia or investing capital in a company which is a resident of Tunisia and the income derived from activities performed by the institution Stable or the company paid regularly in Tunisia of a temporary tax exemption does not allow itself to consider

that the main purpose of these activities or investment of wrongfully obtaining the second subparagraph of paragraph 2, a) and the second subparagraph of paragraph 2 , b).

Ad Article 23, paragraph 2 , b)

The first and second paragraphs of Article 23 , paragraph 2 , b) do not apply to income of an individual is not included in his total income for Belgian tax.

Ad Article 23, paragraph 2

Where a company which is a resident of Belgium owns at least 5 percent in the capital of a company which is a resident of Tunisia, Belgium will not apply a system exemption for dividends received from the latter different company exemption regime

dividends received by a company which is a resident of Belgium and paid by a company which is a resident of another Member State of the European Union .

In witness whereof the undersigned , being duly authorized by their respective Governments, have signed this Protocol .

Made in Tunis, October 7, 2004 , in duplicate in the Arabic, French and Dutch languages, all three texts being equally authentic. The French text shall prevail in case of discrepancy between the texts .

FOR THE GOVERNMENT OF THE KINGDOM OF BELGIUM FOR THE GOVERNMENT OF THE REPUBLIC OF TUNISIA :