



## CONVENTION

### BETWEEN THE GOVERNMENT OF THE UNITED ARAB EMIRATES AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United Arab Emirates and the Government of the Republic of Kazakhstan desiring to promote and strengthen the economic relations by concluding convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have agreed as follows:

#### Article 1 PERSONS COVERED

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

#### Article 2 TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of a Contracting State or its political subdivisions or administrative subdivisions or local authorities, or by local governments irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from alienation of movable or immovable property, taxes on the total amount of wages or salaries paid by enterprises, as well as taxes on capital appreciation.



3. The existing taxes to which this Convention shall apply are in particular:

(a) in the case of the Republic of Kazakhstan:

- (i) The corporate income tax;
- (ii) The individual income tax;

(Hereinafter referred to as "Kazakhstan tax");

(b) in the case of the United Arab Emirates:

- (i) Income tax; and
- (ii) Corporate tax;

(Hereinafter referred to as "U.A.E. tax").

4. This Convention shall also apply to any identical or substantially similar taxes which are imposed by either of the Contracting State after the date of signature of this Convention in addition to, or in place of, the existing taxes referred to in paragraph 3. The competent authorities of the Contracting States shall notify each other of any substantial changes which are made in their respective taxation laws.

### **Article 3 GENERAL DEFINITIONS**

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

(a) the terms a "Contracting State" and "the other Contracting State" mean, as the context requires, the Republic of Kazakhstan or the United Arab Emirates.

(b) the term "Kazakhstan" means the Republic of Kazakhstan. For the purpose of use geographical means the term "Kazakhstan" includes the State territory of the Republic of Kazakhstan and zones where the Republic of Kazakhstan exercise its sovereign rights and jurisdiction according to its national legislation and international agreements of which it is a participant;

(c) the term "United Arab Emirates", means the United Arab Emirates and when used in a geographical sense means the area in which the territory is under its sovereignty as well as



the territorial sea, airspace and submarine areas over which the United Arab Emirates exercises, in conformity with international laws and the national laws of United Arab Emirates sovereign rights, including the mainland and islands under its jurisdiction in respect of any activity carried on in connection with the exploration for or the exploitation of the natural resources:

(d) the term "person" includes an individual, a company or 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" means 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:

in case of either and the Contracting States shall means any individual possessing the nationality of the Contracting State and all legal persons, partnership, associations and any other entity deriving its status as such from the national laws in force in.

(h) the term "international traffic" means any transport by ships or aircraft operated by an enterprise of 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:

(i) in the case of Kazakhstan- the Ministry of Finance or its authorized representative;  
and

(ii) in the case of U.A.E. - the Ministry of Finance or its authorized representative.

2. In the application of this Convention by either of the Contracting States, any term not defined therein shall - unless the context otherwise requires - have the meaning which it has under the national laws of that Contracting State concerning the taxes to which the Convention applies.



#### **Article 4 RESIDENT**

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

(a) in the case of the Republic of Kazakhstan :

The term "resident of the Republic of Kazakhstan" means any person who, under the laws of the Republic of Kazakhstan, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation, or any other criterion of a similar nature. The term shall also include the Republic of Kazakhstan and any political subdivision, or local authorities thereof.

This term, however, does not include any person who is liable to tax in the Republic of Kazakhstan in respect only of income from sources in the Republic of Kazakhstan that State.

(b) in the case of the United Arab Emirates:

(i) The UAE national, any individual who under the laws of the UAE is considered as a resident thereof and any company and any other legal entity which is constituted or incorporated in the UAE;

(ii) The Government of the United Arab Emirates or any political subdivision or local government authority thereof;

(iii) Any governmental institutions created under public laws such as the Central Bank, funds, corporations, authorities, foundations, partnership, agencies, or any other similar entities established in the United Arab Emirates;

2. Where by reason of the provisions of paragraph 1 of this Article an individual is deemed to be a resident of both Contracting States then his status shall be defined as follows:

a) he shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him; if he has a permanent home available to him 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 cannot be determined, or if he does not have a permanent home available to him in either Contracting States, he shall be deemed to be a resident of the Contracting State in which he has habitual abode;



c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;

(d) if his status cannot be determined in accordance with the provisions of subparagraphs (a) to (c) of paragraph 2 of this Article, competent authorities of the Contracting State shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person, other than an individual, is a resident of both Contracting States then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

#### **Article 5 PERMANENT ESTABLISHMENT**

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a mine, an oil or gas well, a quarry, or any other place of extraction or exploration of natural resources or supervisory service connected therewith;

3. The term "permanent establishment" likewise encompasses:

(a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period of more than 9 months period;

(b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel in the other Contracting State, provided that such activities continue for the same project or a connected project for a period or periods aggregating more than 6 months within any twelve-month period;



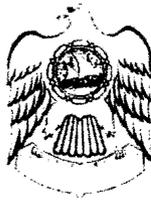
4. Notwithstanding the provisions of paragraphs 1 to 3 of this Article, the term "permanent establishment" shall be deemed not to include:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (c) the maintenance of a stock of goods or merchandise belonging to 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 merchandise, or for collecting information, for the enterprise;
- (e) the 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;
- (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a) to (e) of paragraph 4 of this Article provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2 of this Article a person acting in a Contracting State on behalf of an enterprise of the other Contracting State - other than an agent of an independent status to whom paragraph 6 of this Article applies - shall be deemed to be a permanent establishment in the first-mentioned Contracting State if:

- a) he habitually exercises in the first-mentioned Contracting State a general authority to negotiate and conclude contracts for, or on behalf of, such enterprise, or
- b) he maintains in that (first-mentioned) Contracting State a stock of goods or merchandise belonging to the enterprises, from which he regularly sells goods or merchandise for, or on behalf of, such enterprises, or unless the activities of such person are limited to those mentioned in paragraph 4 of this Article 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.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that Contracting State through a broker, general commission agent or any other agent of an independent status, provided that such



persons are acting in the ordinary course of their business.

7. 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 which carries on business in that other Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

#### **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.

But the tax so charged shall be reduced to 50% if beneficiary owner of the income derived from immovable property is the State itself or local authorities, political subdivision, local Governments or local financial institutions are belong to the Contracting State.

2. The term "immovable property" shall have the meaning, which it has under the national laws of the Contracting State in which the property in question 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 the provisions of general laws respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right of work, mineral deposits, sources and other natural resources Ships and aircraft shall not be regarded as immovable property.

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

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

5. The provisions of paragraphs 3 shall not apply if the beneficial owner of the income is the State itself or local authorities, political subdivision, local Governments or their financial institution.



**Article 7**  
**BUSINESS PROFITS**

1. The profits of an enterprise of a Contracting State shall only be taxable in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. 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:

(a) that permanent establishment;

(b) sales in that other State of goods or merchandise of the same or similar kind as those sold through that permanent establishment; or

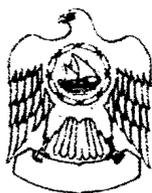
(c) other business activities carried on in that other State of the same or similar kind as those effected through that permanent establishment.

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 be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere.

The permanent establishment shall not be allowed a deduction for amounts paid to its head office or any of the other office of the resident by way of royalties, fees or other similar payment in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or by way of interest on moneys lent to the permanent establishment.

4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed 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 of this Article shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary, the methods 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 by the permanent establishment of goods or merchandise for the enterprise.

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

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

### **Article 8** **SHIPPING AND AIR TRANSPORT**

1. Profits derived by a resident of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State.

2. The provisions of paragraph 1 of this Article shall also apply to profits derived by a resident of a Contracting State from its participation in a pool, a joint business or an international operating agency.

3. In this Article the term "profits" includes:

- a) the sale of passage tickets on behalf of other enterprises;
- b) the operation of a bus service connecting a town with its airport;
- c) advertising and commercial propaganda;
- d) transportation of goods by truck connecting a depot with a port or airport.

### **Articles 9** **ASSOCIATED ENTERPRISES**

1. Where:

(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

(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 in either case conditions are made or imposed between the two enterprises in their commercial or financial relations 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 the enterprises, but by reason of those conditions, have not so accrued, 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 Contracting State, and taxes accordingly, profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Contracting State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Convention and the competent authorities of the Contracting States shall if necessary consult each other.

## **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 Contracting 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 national laws of that Contracting State, but if the beneficial owner of the dividends is a company (other than a partnership) which holds at least 10 percent of the capital of the company paying dividends the tax so charged shall not exceed 5 percent of the gross amount of the dividends.

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

3. Notwithstanding the provisions of paragraphs 1 and 2, dividends paid by a company which is a resident of a Contracting State shall be taxable only in the other Contracting State if the beneficial owner of the dividends is:

a) in the case of Kazakhstan:



- (i) the Government of the Republic of Kazakhstan, a political subdivision or local authorities;
  - (ii) the National Bank of the Republic of Kazakhstan;
  - (iii) JSC "Fund of the National prosperity"Samruk- Kazyna"; and
  - (iv) any other such government financial institution as may be agreed from time to time between the Contracting States;
- b) in the case of UAE:
- (i) the Government of the UAE or its political subdivision, or local authorities, local Government of their financial institutions;
  - (ii) UAE Central Bank;
  - (iii) Abu Dhabi Investment Authority;
  - (iv) Abu Dhabi Investment Council;
  - (v) Abu Dhabi Fund for Economic Development;
  - (vi) Mubadala;
  - (vii) Dubai Holding;
  - (viii) Dubai World;
  - (ix) Abu Dhabi International petroleum Company; and
  - (x) any other such government financial institution as may be agreed from time to time between the Contracting States.

4. The term "dividends" as used in this Article means income from shares, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.

5. The provisions of paragraphs 1 and 2 of this Article 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 establishment situated therein, or performs in that other Contracting State independent personal services from a fixed base situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of

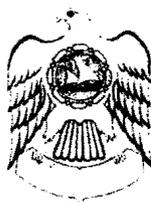


that other Contracting State, or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or fixed base situated in that other Contracting State nor subject the company's undistributed profits to a tax on the company's undistributed profits,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

7. Nothing in this Convention shall be construed as preventing a Contracting State from imposing a special tax on the profits of a company attributable to a permanent establishment in that State, in addition to the tax which would be chargeable on the profits of a company which is a national of that State, provided that any additional tax so charged shall not exceed 5 per cent of the amount of such profits which have not been subjected to such additional tax in previous taxation years. For the purpose of this provision, the profits shall be determined after deducting there from all taxes, other than the additional tax referred to in this paragraph, imposed in the Contracting State in which the permanent establishment exists.

## **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 Contracting State.
2. However, such interest may also be taxed in the Contracting State in which it arises and according to the national laws of that Contracting State, but if the recipient is the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
3. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government/state securities and income from bonds or debentures, including the premium and prizes attaching to such securities, bonds or debentures. Penalty charges for late payments shall not be regarded as interest for the purpose of this Article.
4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base



situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 and Article 14, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is the Government of that State, a political subdivision, local authorities thereof or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base 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, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount 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-mentioned amount. In such case, the excess part of payments shall remain taxable according to the national laws of each Contracting State, due regard being had to the other provisions of this Convention.

7. The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt-claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment.

8. Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting State shall be exempt from tax in that State if it is received and really held by:

- (a) In the case of Kazakhstan:
  - (i) the Government of the Republic of Kazakhstan, a political subdivision or local authorities;
  - (ii) the National Bank of the Republic of Kazakhstan;
  - (iii) JSC "Fund of the National Prosperity "Samruk- Kazyna"; and
  - (iv) any other such government financial institutions as may be agreed from time to time between the Contracting States;
- (b) in the case of the UAE:
  - (i) the Government of the UAE or its political subdivision, or local authorities, local



Government of their financial institutions:

(ii) UAE Central Bank;

(iii) Abu Dhabi Investment Authority;

(iv) Abu Dhabi Investment Council;

(v) Abu Dhabi Fund for Economic Development;

(vi) Mubadala;

(vii) Dubai Holding;

(viii) Dubai World;

(ix) Abu Dhabi International petroleum Company; and

(x) any other such government financial institution as may be agreed from time to time between the Contracting States.

## **Article 12 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 and according to the national laws of that Contracting State, but if the recipient is the beneficial owner of the royalties is the resident of the other Contracting State then the tax so charged shall not exceed 10 per cent of the gross amount of royalties.

3. The term "royalties" as used in this Article means payments of any kind received as a consideration:

(a) for the use of, or the right to use, any copyright of literary or artistic work (including cinematograph films, and films or tapes for radio or television broadcasting); and

(b) for the use of, or the right to use, any copyright of scientific work, patent, trademark, design or model, plan, secret formula or process, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraphs 1 and 2 of this Article 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, through a permanent establishment situated therein or performs in that other State independent personal services from a fixed base situated therein and the right or property in respect of which the royalties are paid is directly



connected with such permanent establishment or fixed base. 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, or administrative subdivisions or local authority thereof or a resident of that Contracting State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or a fixed base then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or a fixed base 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, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds for whatever reason, the amount 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-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the national laws of each Contracting State, due regard being had to the other provisions of this Convention.

7. The provisions of this Article shall not apply if the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment.

### **Article 13 CAPITAL GAINS**

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

2. Gains derived by a resident of a Contracting State from the alienation of:

- (a) shares deriving their value directly or indirectly from immovable property situated in the other Contracting State, or
- (b) a contribution in a partnership the assets of which consist principally of immovable property situated in the other Contracting State, or of shares referred to in sub-paragraph (a)



above shall be taxable only in that Contracting State.

3. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or a movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base may be taxed in that other Contracting State. But the tax so charged shall be reduced by an amount equal to 50% of such tax.

4. Gains from the alienation of ships or aircraft operated by an enterprise of a Contracting State in international traffic and movable property pertaining to the operation of such ships or aircraft shall be taxable only in that Contracting State.

5. Gains from the alienation of any property other than that referred to in paragraphs 1 to 4 of this Article, 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 in respect of professional services or other activities of an independent character shall be taxable only in that Contracting State unless such services are performed or were performed in the other Contracting State; and

a) the income is attributable to a fixed base which the individual has or had regularly available to him in that other Contracting State; or

b) such individual is present or was present in that other Contracting State for a period or periods exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned.

In such a case the income attributable to the services may be taxed in that other Contracting State in accordance with principles similar to those of Article 7 for determining the amount of business profits and attributing business profits to a permanent establishment.

3. 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, 17, 18, 19, 20 and 21 of this Convention, 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 Contracting State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived there from may be taxed in that other Contracting 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 Contracting State if:

(a) the recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned, and

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

(c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other Contracting 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 shall be taxable in the Contracting State of which the enterprise operating ship or aircraft is a resident.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Article remuneration of the ground staff of an air company of a Contracting State who are nationals of that State and who provide services connected with aircraft operation in the other Contracting State shall be taxable only in the first-mentioned Contracting State.

## **Article 16**

### **TEACHERS AND RESEARCHERS**

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any university, college, school or other similar educational institution or scientific research institution visits that other State for a period not exceeding three years solely for the purpose of teaching or research or both at



such educational institution or scientific research institution shall be exempted from tax for a period not exceeding three years in that other State on any remuneration for such teaching or research.

#### **Article 17 STUDENTS AND TRAINEES**

1. A student or business apprentice who, immediately before visiting a Contracting State is or was a resident of the other Contracting State and who is present in the first-mentioned Contracting State for the purpose of his education or training shall be exempt from tax in that first-mentioned Contracting State on payments made to him by persons residing outside that first-mentioned Contracting State for the purpose of his maintenance, education or training.

2. An individual who is, or immediately before visiting a Contracting State was a resident of the other Contracting State, and who is temporary present in the first-mentioned Contracting State for the purpose of study, research or training as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organization or under a technical assistance program entered into by the Government of a Contracting State shall, from the date of his arrival in the first-mentioned Contracting State in connection with that visit, be exempt from tax in the State, for a period not exceeding the period of the grant.

#### **Article 18 DIRECTORS' FEES**

Directors' fees and similar payment 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 Contracting State.

#### **Article 19 PENSIONS AND ANNUITIES**

Subject to the provisions of paragraph 2 of Article 20 pensions, annuities and other similar remuneration paid to the resident of a Contracting State in consideration of past employment shall be taxable only in that Contracting State.



**Article 20**  
**GOVERNMENT SERVICES**

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) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that Contracting State and the individual is a resident of that Contracting State who:

(i) is a national of that Contracting State; or

(ii) did not become a resident of that Contracting State solely for the purpose of rendering the services.

2 (a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision or administrative subdivision or a local authority thereof to an individual in respect of services rendered to that Contracting State or subdivision, or authority shall be taxable only in that Contracting State.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that Contracting State.

3. The provisions of Articles 15, 18 and 19 of this Convention shall apply to salaries, wages and other similar remuneration and to pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

**Article 21**  
**ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as a public entertainer, such as a theatre, motion picture, radio or television artists, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other Contracting State.



2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his 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 of this Convention, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article income derived from such activities performed within the framework of cultural agreements concluded between the Contracting States are reciprocally exempted from tax only if such activities are sponsored by the Government of a Contracting State or financed by public fund of both Contracting States and the activities are not carried out for the purpose of profits.

#### **Article 22 OTHER INCOME**

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

2. The provisions of paragraph 1 of this Article shall not apply to income, derived by a resident of a Contracting State, if this resident carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

#### **Article 23 SPECIAL PROVISION**

Notwithstanding the provisions of Articles 5, 7, 13 and 22 of this Convention any income and profits derived by a Contracting State, its political subdivisions, local governments, or local authorities thereof, or their financial institutions arising in the other Contracting State, including gains from the alienation of movable and immovable property situated in that other State, shall be taxable only in the State of residence. The list of the above-mentioned financial institutions shall be agreed from time to time between the competent authorities of the Contracting States.



**Article 24**  
**METHODS OF ELIMINATION OF DOUBLE TAXATION**

1. In the case of Kazakhstan, double taxation shall be avoided as follows:

a) Where a resident of Kazakhstan derives income which, in accordance with the provisions of this Convention, may be taxed in U.A.E., Kazakhstan shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in U.A.E.

The amount of the tax to be deducted pursuant to the above provision shall not exceed the tax which would have been charged on the same income in Kazakhstan under the rates applicable therein.

b) Where a resident of Kazakhstan derives income, which in accordance with the provisions of this Convention, shall be taxable only in U.A.E., Kazakhstan may include this income in the tax base but only for purposes of determining the rate of tax on such other income as is taxable in Kazakhstan.

2. In the case of the United Arab Emirates:

i) Where a resident of the United Arab Emirates derives income, which in accordance with the provisions of this Convention may be taxed in Kazakhstan, the United Arab Emirates shall allow as a deduction from tax on income of that person an amount equal to the tax on income paid in Kazakhstan.

ii) Such deductions in either case shall not exceed that part of income tax, as computed before the deduction is given, which is attributable, as the case may be, to the income which may be taxed in that other Contracting State.

iii) Where in accordance with any provision of the Convention income derived by a resident of a Contracting State is exempt from tax in that Contracting State, such Contracting State may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

iv) For the purposes of paragraph 1 of this Article, profits, income and capital gains owned by a resident of a Contracting State which may be taxed in the other Contracting State in accordance with this Convention shall be deemed to arise from sources in that other Contracting State.



**Article 25**  
**NON – DISCRIMINATION**

1. The 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 that which the nationals of the other Contracting State in same circumstances are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting State.
2. The taxation of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities in the same circumstances and under the same methods.
3. Except where the provisions of paragraph 1 of Article 9, paragraph 6 of Article 11, or paragraph 7 of Article 12 of this Convention apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned Contracting State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned Contracting State.
4. This Article shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, relief and reductions for taxation purposes on account of civil status or family responsibility which it grants to its own residents.
5. Nothing in this Article shall be construed as imposing a legal obligation on a Contracting State to extend to the residents of the other Contracting State the benefit of any treatment, preference or privilege which may be accorded to any other State or its residents by virtue of the formation of a customs union, economic union, a free trade area or by virtue of any regional or sub-regional arrangement relating wholly or mainly to taxation, to which the first-mentioned State may be a party pursuant to the practice of either Contracting State.
6. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State.



shall not be subject in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than that to which other similar enterprises of that first-mentioned State are subjected.

7. In this Article the term "taxation" means taxes of every kind and description which are the subject of this Convention.

#### **Article 26**

### **MUTUAL AGREEMENT PROCEDURE**

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, without prejudice to the remedies provided by the national laws of those States, address to the competent authority of the Contracting State of which he is a resident an application in writing stating the grounds for claiming the revision of such taxation. The said application may be submitted within three years from the first notification of the action resulting in taxation not in accordance with this Convention.

2. The competent authority of the Contracting State shall endeavor, if the objection appears to it to be justified and if it is not by itself able to arrive at an appropriate 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 not in accordance with this Convention. Any agreement reached shall be implemented notwithstanding any time limits in the domestic laws of the Contracting State.

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

4. The competent authorities of the Contracting States shall, when necessary, communicate with each other directly for the purpose of applying this Convention and reaching an agreement in the sense of the preceding paragraphs.

#### **Article 27**

### **EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information as is foreseeable relevant for carrying out the provisions of this Convention or to the



administration or enforcement of the national laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their central or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Article 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the national laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

3. In no case shall the provisions of paragraph 1 and 2 be construed so as to impose on a Contracting State the obligation:

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

b) to supply information which is not obtainable under the national laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.



**Article 28**  
**MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS**

Nothing in this Convention shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international laws or under the provisions of special agreements.

**Article 29**  
**AMENDMENTS**

In the mutual consent of the Contracting State modifications and additions to the present Convention can be made by the protocols being the integral part of the present Convention.

**Article 30**  
**ENTRY INTO FORCE**

1. This Convention shall be ratified and shall enter into force on the 30th day after date of the latter notification indicating that both Contracting States have complied with the domestic legal procedures required in each Contracting State for its entry into force.

2. The Convention shall apply:

a) with regard to taxes withheld at the source, in respect of amounts paid or credited on or after the first day of January in the calendar year next following the year in which the Convention enters into force; and

b) with regard to other taxes, in respect to taxable years beginning on or after the first day of January in the calendar year next following the year in which the Convention enters into force.



**Article 31  
TERMINATION**

The present convention is concluded for indefinite period and shall remain in force until expiration of six months from the date, when one of the Contracting State directs to other Contracting state the notice in writing of the desire to cease its operation. The direction of such notice is carried out only after the expiration of the first five years period of validity of this Convention. In such event, this Convention shall cease to have effect.

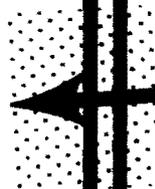
- a) in regard to taxes withheld at source, for amounts paid or credited on or after first January in the year next following that in which the notice of termination is given; and
- b) in regard to other taxes, for taxable periods beginning on or after first January in the year next following that in which the notice of termination is given.

IN WITNESS THEREOF the undersigned, being duly authorized thereto by their respective Government, have signed this Convention.

Done in duplicate at ~~Abu Dhabi~~ the 22 day of Dec 2008, in the Arabic, Kazakh, English and Russian languages, all texts being equally authentic. In the case of divergence of interpretation, the English text shall prevail.

**For the Government of  
the United Arab Emirates**

**For the Government of  
the Republic of Kazakhstan**





## PROTOCOL

At the moment of signing the Agreement between the Government of the United Arab Emirates and the Government of the Republic of Kazakhstan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the undersigned have agreed that the following provisions shall form an integral part of the Agreement.

1. Notwithstanding any other provisions of this Convention it is understood that the taxation of natural resources including hydrocarbons exploration, extraction and exploration is the sovereign right of individual Emirate in those territory such investment is made.

2. With reference of paragraph 7 of the Article 10:

The provision of this paragraph covers a privately owned enterprise.

3. Notwithstanding the provisions of the Convention income arising in a Contracting State including the income of charity organization and derived by a resident of the other Contracting State which was constituted the pension benefits to the employees shall be exempt from tax in that State.

IN WITNESS THEREOF the undersigned, being duly authorized thereto by their respective Government, have signed this Convention.

Done in duplicate at Abu Dhabi the 22 day of Dec 2008, in the Arabic, Kazakh, English and Russian languages, all texts being equally authentic. In the case of divergence of interpretation, the English text shall prevail.

**For the Government of  
the United Arab Emirates**

**For the Government of  
the Republic of Kazakhstan**