



**AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED ARAB EMIRATES
AND THE GOVERNMENT OF THE BOLIVARIAN REPUBLIC OF VENEZUELA
FOR THE AVOIDANCE OF
DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH
RESPECT TO TAXES ON INCOME AND ON CAPITAL**

The Government of the United Arab Emirates and the Government of the Bolivarian Republic of Venezuela, hereinafter referred to as "the Contracting States";

Desiring to **promote their mutual economic and financial relations** by concluding an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital;

Have agreed as follows:

**Article 1
PERSONS COVERED**

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

**Article 2
TAXES COVERED**

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of each Contracting State or of its political subdivision or local authorities, irrespective of the manner in which they are levied.
2. There 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.
3. The existing taxes to which the Agreement shall apply are in particular:
 - a) in the case of the United Arab Emirates (UAE):
 - (i) the income tax;
 - (ii) the corporate tax;(hereinafter referred to as "UAE tax")
 - b) in the case of Venezuela:



- (i) the taxes on income;
(hereinafter referred to as "Venezuelan tax").

- 4. The Agreement shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any substantial changes which have been made in their respective taxation laws.

Article 3 INCOME FROM HYDROCARBONS

Nothing in this Agreement shall affect the right of either one of the Contracting States or of any of their local Governments or local authorities thereof to apply their domestic laws and regulations related to the taxation of income and profits derived from hydrocarbons and its associated activities situated in the territory of the respective Contracting State as the case may be.

Article 4 GENERAL DEFINITIONS

- 1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the term "Venezuela" means in its geographical sense, the territory of the Bolivarian Republic of Venezuela, including its land territory, islands, lakes and rivers, internal waters and waters included within the straight base lines adopted by the Bolivarian Republic of Venezuela, its territorial sea and the air space over these areas, as well as the exclusive economic zone and the continental shelf beyond the exclusive economic zone, over which the Bolivarian Republic of Venezuela exercises in accordance with its legislation and international law, sovereign rights or jurisdiction;

the term "United Arab Emirates" means when used in a geographical sense, means the territory of the United Arab Emirates which is under its sovereignty as well as the area outside the territorial water, airspace and submarine areas over which the United Arab Emirates exercises sovereign and jurisdictional rights in respect of any activity carried on its water, sea bed and subsoil in connection with the exploration for the



exploitation of natural resources by virtue of its law and international law;

- b) the terms "a Contracting State" and "the other Contracting State" mean the Bolivarian Republic of Venezuela or the United Arab Emirates as the context requires;
- c) the term "person" includes an individual, a company and any other body of persons;
- d) the term "company" means any legal person or any entity which is treated as a separate entity for tax purposes;
- e) 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;
- f) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places situated in the other Contracting State;
- g) the term "place of effective management" means the place, where the decision making and executive management of a company take place.
- h) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State;
- i) the term "competent authority" means:
 - (i) in the case of Venezuela, the Superintendent of the Integrated National Service of Tax and Custom Administration (SENIAT), or his authorized representative;
 - (ii) in the case of the United Arab Emirates, the Ministry of Finance AND INDUSTRIES or its authorized representative.



2. As regards the application of the Agreement by a Contracting State any term not defined therein shall, unless the context otherwise requires, have the meaning that it has under the law of that Contracting State concerning the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under laws of that State.

Article 5 RESIDENT

1. For the purposes of this Agreement , the term "resident of a Contracting State" means:
 - a) in the case of the United Arab Emirates:
 - i) an individual who under the laws of the United Arab Emirates or of any political subdivision or local government thereof is a national
 - ii) any person other than an individual that is incorporated or otherwise recognized under the laws of the United Arab Emirates or any political subdivision or local government thereof.
 - iii) Statutory bodies and agents and other instrumentalities.
 - b) in the case of the Bolivarian Republic of Venezuela:
 - i) any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of registration or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:
 - (a) he shall be deemed to be a resident only 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 only 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 has not a permanent home available to



- him in either Contracting State, he shall be deemed to be a resident only of the Contracting State in which he has an habitual abode;
- (c) If he has a habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident only of the Contracting State of which he is a national;
- (d) If his status cannot be determined under the provisions of subparagraph c), the competent authorities of the Contracting States 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 only of the country where the place of effective management is situated.

Article 6 PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of 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, an oil or gas well, a quarry or any other place of extraction of natural resources or any activities related thereof including an offshore drilling site.
3. A building site, a construction, assembly or installation project or supervisory activity in connection therewith or drilling rig or ship used for exploration or exploitation of natural resources, constitutes a permanent establishment only if such site, project or activity lasts, more than 6 month.
4. Notwithstanding the preceding provisions of this article, the term "permanent establishment" shall be deemed not to include:
 - a) the use of facilities solely for the purpose of storage, or display or delivery of goods or merchandise belonging to the enterprise;



as long as it is not considered a sale;

- b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery; as long as it is not considered a sale;
 - 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 of 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-paragraph a) to e) 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, where a person -other than an agent of an independent status to whom paragraph 7 applies- is acting on behalf of an enterprise and has, and habitually exercises in a Contracting an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 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. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall, except in regard to re-insurance, be 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 situated therein through a person other than an agent of an independent status to whom paragraph 7 applies.
7. An enterprise shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in



that State through a broker, general commission agent or any other agent of another independent status, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, he will not be considered an agent of an independent status within the meaning of this paragraph.

3. 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 State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 7 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 State.
2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. This 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 law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Ships and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraph 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 8 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. 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, 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 the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of business of the permanent establishment, including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere, which are allowed under the provisions of the domestic law of the Contracting State in which the permanent establishment is situated. However, no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or any of its other offices by way of royalties, fees or other similar payments in return 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 bank, by way of interest on moneys lent to the permanent establishment. Likewise, no account shall be taken, in the determination of the profits of a permanent establishment, for amounts charged (otherwise than towards reimbursement of actual expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return 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 bank, by way of interest on moneys lent to the head office of the enterprise or any of its other offices.
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 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; 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 by that permanent establishment of goods or merchandise for the enterprise.
6. For the purposes 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 good and sufficient reason to the contrary.
7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provision of those Articles shall not be affected by the provisions of this Article.

Article 9 SHIPPING AND AIR TRANSPORT

Notwithstanding the provisions of Article 8 of this Agreement:

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State where the effective place of management is situated.
2. For the purposes of this Article profits from the operation of ships or aircraft in international traffic include profits from the rental on a bareboat basis of ships or aircraft.

Article 10 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 State --and taxes 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 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 Agreement and the competent authorities of the Contracting States shall, if necessary, consult each other.

Article 11 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 recipient is the beneficial owner of the dividends the tax so charged shall not exceed:
 - a) 5 percent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 10 per cent of the capital of the company paying the dividends;
 - b) 10 percent 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. Notwithstanding the provisions of paragraph 1 and 2 of this article, dividends derived by a statutory body, agent or instrumentalities from enterprises of a Contracting State shall be exempt from taxes in that state.



4. For the purpose of paragraph 3 above, the term statutory body, agent or instrumentality shall mean in particular, but not exclusively, in the case of United Arab Emirates, Abu Dhabi Investment Authority, Abu Dhabi Investment Council, UAE Investment Authority and Dubai World, Mubadala Development, Abu Dhabi International Petroleum Investment Company and, in the case of the Bolivarian Republic of Venezuela, the Central Bank of Venezuela, and any person, institution, fund, enterprise, organization, or other entity owned or controlled directly or indirectly by a Government of the Bolivarian Republic of Venezuela or any political subdivision or local government thereof.
5. The term "dividends" as used in this Article means income from 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 State of which the company making the distribution is a resident.
6. The provisions of 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 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 8 or Article 15, as the case may be, shall apply.
7. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, 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 Contracting State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a 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 State.

Article 12 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 other Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 10 percent of the amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest mentioned in paragraph 1 shall be taxable only in the Contracting State where the recipient of the interest is a resident if one of the following requirements is fulfilled:
 - a) the recipient thereof is the Government of a Contracting State, the Central Bank of a Contracting State or a political subdivision or local authority thereof; and banks wholly owned by Government particularly but not exclusively, in the case of United Arab Emirates, Abu Dhabi Investment Authority, Abu Dhabi Investment Council, UAE Investment Authority and Dubai World, Mubadala Development, Abu Dhabi International Petroleum Investment Company and in the case of the Bolivarian Republic of Venezuela, the Central Bank of Venezuela, and any person, institution, fund, enterprise, organization, or other entity owned or controlled directly or indirectly by a Government of the Bolivarian Republic of Venezuela or any political subdivision or local government thereof;
 - b) the interest is paid by any of the persons mentioned in subparagraph (a).
4. The term "interest" as used in the 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 securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
5. The provisions of paragraphs 1, 2, and 3 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 fixed base. In such case the provisions of Article 8 or Article 15, as the case may be, shall apply.
6. Interest shall be deemed to arise in a Contracting State when the payer is 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.

7. 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 Articles shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 13

ROYALTIES AND FEES FOR TECHNICAL ASSISTANCE

1. Royalties and fees for technical assistance 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 and fees for technical assistance may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner is a resident the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the royalties or fees for technical assistance.
3. The term "fees for technical assistance" as used in this Agreement means payments of any kind to any person in consideration for the rendering of any technical, managerial or consultancy services, if such services make available technical knowledge, experience, skills, know-how, or processes.
4. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematograph films, any patent, trademark, deign or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment or for information concerning industrial, commercial or scientific experience.



5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties or fees for technical assistance, being a resident of a Contracting State carries on business in the other Contracting State in which the royalties or fees for technical assistance 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 or fees for technical assistance are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 8 or Article 15, as the case may be, shall apply.
6. Royalties and fees for technical assistance shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties or fees, 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 liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties 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, the amount of the royalties, or fees for technical assistance, having regard to the use, right or information for which they are 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 the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 14
GAINS FROM THE ALIENATION OF PROPERTY
(CAPITAL GAINS)

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 7 and situated in the other Contracting State may be taxed in that other State.
2. 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 of 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 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 that Contracting State.
4. Gains from the alienation of shares or other rights of the capital stock of a company, the property of which consists directly or indirectly principally of immovable property situated in a Contracting State may be taxed in that State.
5. Gains from the alienation of shares other than those mentioned in paragraph 4 representing a participation of at least 50 percent in a company which is a resident of a Contracting State may be taxed in that State.
6. Gains from the alienation of any property other than that referred to in the paragraphs 1 to 5, shall be taxable only in the Contracting State of which the alienator is a resident.

Article 15 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 State. However, such income may also be taxed in the other Contracting State if:
 - a) the individual has a fixed base regularly available to him in that other State for the purpose of performing his activities, but only so much thereof as is attributable to that fixed base; or
 - b) the individual is present in that other State for a period or periods exceeding in the aggregate 183 days within any 12 month period, but only so much thereof as is attributable to the services performed in that State.
2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.



Article 16

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 17, 19, 20, 21 and 22, 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 there from may be taxed in that other Contracting 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 12 month period commencing or ending 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 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 provision of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that Contracting State.
4. Notwithstanding the provision of paragraph 1 and 2, salaries and remunerations derived by ground staff in the Contracting State who is a national of the other Contracting State will be taxable only in that other contracting state.

Article 17

DIRECTOR'S FEES

Director's fees and other similar payments 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 State.



Article 18
ARTISTES AND SPORTSMEN

1. Notwithstanding the provisions of Articles 15 and 16, income derived by a resident of a Contracting State as an entertainer, such as a theater, motion picture, radio or television artiste, 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 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, 8, 15 and 16, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.
3. Income derived by a resident of a Contracting State from activities exercised in the other Contracting State as specified in paragraphs 1 and 2 of this Article shall be exempt from tax in that other State if the visit to that other State is supported wholly or mainly by funds of the first-mentioned Contracting State or its local authorities thereof, or takes place under a cultural or sports agreement or arrangement between the Governments of the Contracting States.

Article 19
PENSIONS

1. Subject to the provisions of paragraph 2 of Article 20, pensions, annuities and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.
2. Notwithstanding the provisions of paragraph 1, payments received by an individual being a resident of a Contracting State under the social security legislation of the other Contracting State shall be taxable only in that other State.

Article 20
GOVERNMENT SERVICE

1. a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a local authority thereof to an individual in respect of services rendered to that State or local 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:
 - (i) is a national of that State; or
 - (ii) did not become a resident of that 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 local authority thereof to an individual in respect of services rendered to that State or local 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, and a national of, that State.
3. The provisions of Articles 16, 17, 18 and 19 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 local authority thereof.
4. Notwithstanding the provisions of paragraphs 1, b) it is understood that wages and salaries and similar remunerations paid by a Contracting State or local authority thereof to an individual in respect of services rendered to that state or local authority or local government will be taxable only at that state.

Article 21
TEACHERS AND RESEARCHERS

1. An individual who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who, at the invitation of the Government of the first-mentioned Contracting State or under an official program of cultural exchange is present in that Contracting State for a period not exceeding 2 consecutive years solely for the purpose of teaching, giving lectures or carrying out research at such institution shall be exempt from tax in that Contracting State on his remuneration for such activity, provided that payment of such remuneration arises from sources outside that Contracting State.



Article 22 STUDENTS

1. Payments which a student, business apprentice or trainee who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.
2. In respect of grants, scholarships and remuneration from employment not covered by paragraph 1, a student, business apprentice or trainee described in paragraph 1 shall, in addition, be entitled during such education or training to the same exemptions, relieves or reductions in respect of taxes available to residents of the State which he is visiting.

Article 23 OTHER INCOME

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing articles of this Agreement shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of article 7, if the recipient of such income, being a resident of a Contracting State, 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 8 or article 15, as the case may be, shall apply.

Article 24 CAPITAL

1. Capital represented by immovable property referred to in Article 7, 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 business property 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 available to a resident of a



Contracting State in the other Contracting State for the purpose of performing 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 and aircrafts, shall be taxable only in that Contracting State.
4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 25 ELIMINATION OF DOUBLE TAXATION

It is agreed that double taxation shall be avoided in accordance with the following paragraphs of this Article.

1. In the case of Venezuela:

Where a resident of Venezuela derives income or owns property (capital) which, in accordance with the provisions of this Agreement, may be taxed in the United Arab Emirates, Venezuela shall allow:

- a) as a tax credit from the tax on the income of that resident, an amount equal to the income tax paid in the United Arab Emirates;
- b) as a tax credit from the tax on property (capital) of the resident, an amount equal to the property (capital) tax paid in the United Arab Emirates;

The tax credit allowed under sub-paragraphs a) and b) of this Article shall not exceed that part of the Venezuelan income or property (capital) tax, as computed before the deduction is given, which is attributable to the income or property (capital) which may be taxed in the United Arab Emirates.

2. In the case of the United Arab Emirates:

Where a resident of the United Arab Emirates derives income, which in accordance with the provisions of this agreement may be taxed in Venezuela, the United Arab Emirates shall allow as a deduction from tax on the income of that resident, an amount equal to the income tax paid in Venezuela, such deduction shall not however, exceed that part of the income tax computed before the deduction is given, which is attributable to the income which may be taxed in Venezuela.



Such deductions in either case shall not, however, exceed that part of the income tax or property (capital) tax as computed before the deduction is given, which is attributable to that income or property (capital).

Article 26 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 the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, 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 States.
2. The taxation on 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 State than the taxation levied on 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 reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Except where the provisions of paragraph 1 of Article 10, paragraph 7 of Article 12, or paragraph 6 of Article 13, 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 State.
4. 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 property of such enterprise, be deductible under the same conditions as if they had been contacted to a resident of the first-mentioned State.
5. 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 subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and



connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

6. Notwithstanding the provisions of paragraphs 2, 3 and 4 of this Article, nothing in this Article shall affect the right of either Contracting State to grant exemption or reduction of tax in accordance with its own laws, regulations or administrative practice to its own nationals and companies.

Article 27 **MUTUAL AGREEMENT PROCEDURE**

1. When a person considers that the actions of one or both of the Contracting State result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of 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 26, to 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 Agreement.
2. The competent authority shall endeavor, if the objection appears to it to be justified 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 which is not in accordance with the Agreement. Any Agreement reached shall be implemented notwithstanding any time limits in the domestic law 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 the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.
4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach an agreement to have an oral exchange of options, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.



Article 28 EXCHANGE OF INFORMATION

- i. The competent authorities of the Contracting States shall exchange such information as is foreseeable relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1 and 2.
2. Any information under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with 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. The competent authorities shall, through consultation, develop appropriate conditions, methods and techniques concerning the matters in respect of which such exchanges of information shall be made, including, where appropriate, exchanges of information regarding tax avoidance.
3. In no case shall the provisions of paragraph 1 be construed so as to impose 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 the 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 (order 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 29

DIPLOMATIC AGENTS AND CONSULAR OFFICERS

Nothing in this Agreement shall affect the fiscal privileges of diplomatic agents or consular officers under the general rules of international law or under the provision of special agreements.

ARTICLE 30

ENTRY INTO FORCE

1. This Agreement shall enter into force after the Contracting States notify each other through diplomatic channel in written form that all the necessary domestic procedures have been complied.
2. This Agreement shall enter into force on the date of receipt of the last notification referred to in paragraph 1 and its provisions shall have effect:
 - a) in respect of taxes withheld at source on income derived or credited on or after the first day of January in the calendar year next following the year in which the Agreement enters into force;
 - b) in respect of other taxes, for taxes chargeable for any tax period beginning on or after the first day of January in the calendar year next following the year in which the Agreement enters into force.
3. This Agreement shall have effect as respect taxes paid during the taxable years beginning on or after the first day of January following the calendar in which this Agreement has entered into force.



Article 31 TERMINATION

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Agreement, through diplomatic channel, by giving notice of termination at least six months before the end of any calendar year following after the period of five years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect:

- a) in respect of taxes withheld at source, to income derived on or after the first day of January in the calendar year next following that in which the notice of termination is given;
- b) in respect of other taxes on income, and taxes on capital, to income or capital in any taxable year beginning on or after the first day of January in the calendar year next following that in which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

Done at *Caracas* this day *11-12* of *2010* , in duplicate in the English, Arab and Spanish languages, all texts being equally authentic. In the case of divergence, the English language version shall prevail.

For the Government of the
Bolivarian Republic of Venezuela

For the Government of The
United Arab Emirates



PROTOCOL

At the moment of signing the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital, this day concluded between the Bolivarian Republic of Venezuela and the United Arab Emirates, the undersigned have agreed that the following provisions shall form an integral part of the Convention.

1. With reference to paragraph 6 of article 14:

It is understood that paragraph 6 shall include capital gains from the alienation of shares and other corporate rights, securities, bonds and other form of debentures other than those mentioned in the paragraphs 4 and 5.

2. With respect to the income derived by the pension fund of a Contracting State, it is understood that such income shall be subject to tax according with the law and regulations of the Contracting State in which such income is derived.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Protocol.

Done at *Caracas* this day *11-12* of *2010* , in duplicate in the English, Arab and Spanish languages, all texts being equally authentic. In the case of divergence, the English language version shall prevail.

For the Government of the
Bolivarian Republic of Venezuela

For the Government of The
United Arab Emirates