

## 1983 No. 1903

## INCOME TAX

**The Double Taxation Relief (Taxes on Income) (Trinidad and Tobago) Order 1983**

*Laid before the House of Commons in draft*

Made - - - - 21st December 1983

At the Court at Buckingham Palace, the 21st day of December 1983

Present,  
The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 497(8) of the Income and Corporation Taxes Act 1970(a), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of that draft:

Now therefore, Her Majesty, in exercise of the powers conferred upon Her by section 497 of the said Income and Corporation Taxes Act 1970, and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1. This Order may be cited as the Double Taxation Relief (Taxes on Income) (Trinidad and Tobago) Order 1983.

2. It is hereby declared—

- (a) that the arrangements specified in the Convention set out in the Schedule to this Order have been made with the Government of the Republic of Trinidad and Tobago with a view to affording relief from double taxation in relation to income tax, corporation tax or capital gains tax and taxes of a similar character imposed by the laws of Trinidad and Tobago; and
- (b) that it is expedient that those arrangements should have effect.

*N. E. Leigh,*  
Clerk of the Privy Council.

(a) 1970 c. 10; section 497 was amended and extended by sections 98(2) and 100(1) of the Finance Act 1972 (c. 41) and section 10 of the Capital Gains Tax Act 1979 (c. 14).

## SCHEDULE

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Trinidad and Tobago;

Desiring to conclude a 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

**Personal scope**

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

## ARTICLE 2

**Taxes covered**

(1) The taxes which are the subject of this Convention are:

(a) in the United Kingdom:

- (i) the income tax; and
- (ii) the corporation tax;

(hereinafter referred to as "United Kingdom tax");

(b) in Trinidad and Tobago:

- (i) the income tax;
- (ii) the corporation tax;
- (iii) the unemployment levy; and
- (iv) the petroleum profits tax;

(hereinafter referred to as "Trinidad and Tobago tax").

(2) This Convention shall also apply to any identical or substantially similar taxes which are imposed by either Contracting State after the date of signature of this Convention 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 are made in their respective taxation laws.

## ARTICLE 3

**General definitions**

- (1) In this Convention, unless the context otherwise requires:
- (a) the term “United Kingdom” means Great Britain and Northern Ireland, including any area outside the territorial sea of the United Kingdom which in accordance with international law has been or may hereafter be designated, under the laws of the United Kingdom concerning the Continental Shelf, as an area within which the rights of the United Kingdom with respect to the sea bed and sub-soil and their natural resources may be exercised;
  - (b) the term “Trinidad and Tobago” means the islands of Trinidad and Tobago including any area adjacent to the territorial waters of Trinidad and Tobago which by Trinidad and Tobago legislation and in accordance with international law concerning the Continental Shelf has been or may hereafter be designated as an area within which the rights of Trinidad and Tobago with respect to the sea bed and the sub-soil and their natural resources may be exercised.
  - (c) the term “national” means:
    - (i) in relation to the United Kingdom, any individual who has under the law in the United Kingdom the status of United Kingdom national, provided he has the right of abode in the United Kingdom, and any legal person, partnership, association or other entity deriving its status as such from the law in force in the United Kingdom;
    - (ii) in relation to Trinidad and Tobago, any individual who is a Trinidad and Tobago citizen and any legal person, partnership and association deriving its status as such from the law of Trinidad and Tobago.
  - (d) the terms “a Contracting State” and “the other Contracting State” mean the United Kingdom or Trinidad and Tobago as the context requires;
  - (e) the term “person” comprises an individual, a company and any other body of persons;
  - (f) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;
  - (g) 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;
  - (h) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
  - (i) the term “competent authority” means, in the case of the United Kingdom, the Commissioners of Inland Revenue or their authorised representative, and in the case of Trinidad and Tobago, the Minister of Finance or his authorised representative.

(2) As regards the application of this Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Convention.

#### ARTICLE 4

##### **Fiscal domicile**

(1) For the purposes of this Convention, the term “resident of a Contracting State” means any person who, under the law of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature.

(2) Where by reason of the provisions of paragraph (1) of this Article an individual is a resident of both Contracting States, then his status shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
- (b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
- (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;
- (d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

(3) Where by reason of the provisions of paragraph (1) of this Article a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the 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 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) premises used as a sales outlet;
- (g) a warehouse, in relation to a person providing storage facilities for others;
- (h) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; and
- (i) an installation or structure including a floating structure, a drilling rig or other drilling vessel used for or in connection with the exploration or exploitation of natural resources.

(3) A building site or construction or assembly or installation project constitutes a permanent establishment only if it lasts more than three months.

(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, 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 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-paragraphs (a) to (e) of this paragraph, 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, where a person, other than an agent of an independent status to whom paragraph (6) of this Article applies, is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State 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) of this Article which, if exercised through a fixed place of business, would not make that 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 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. 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.

(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 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 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. 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 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, boats 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 form of immovable property.

(4) The provisions of paragraphs (1) and (3) of this Article 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 7

##### **Business profits**

(1) The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. 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) 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 an allocation of executive and general administrative expenses incurred for the purposes of the enterprise as a whole, whether in the State in which the permanent establishment is situated or elsewhere.

(4) 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.

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

(2) If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.

(3) The provisions of this Article shall also apply to profits derived from participation in a pool, a joint business or an international operating agency.

#### ARTICLE 9

##### **Associated enterprises**

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.

#### ARTICLE 10

##### Dividends

- (1) (a) (i) Dividends derived from a company which is a resident of the United Kingdom by a resident of Trinidad and Tobago may be taxed in Trinidad and Tobago.
- (ii) Where a resident of Trinidad and Tobago is entitled to a tax credit in respect of such a dividend under sub-paragraph (b) of this paragraph, tax may also be charged in the United Kingdom and according to the laws of the United Kingdom on the aggregate of the amount or value of that dividend and the amount of that tax credit at a rate not exceeding 20 per cent.
- (iii) Except as aforesaid dividends derived from a company which is a resident of the United Kingdom by a resident of Trinidad and Tobago who is the beneficial owner of the dividends shall be exempt from any tax in the United Kingdom which is chargeable on dividends.
- (b) A resident of Trinidad and Tobago who receives a dividend from a company which is a resident of the United Kingdom shall, subject to the provisions of sub-paragraph (c) of this paragraph and provided he is the beneficial owner of the dividend, be entitled to the tax credit in respect thereof to which an individual resident in the United Kingdom would have been entitled had he received that dividend and to the payment of any excess of that tax credit over his liability to United Kingdom tax.
- (c) The provisions of sub-paragraph (b) of this paragraph shall not apply where the beneficial owner of the dividend is a company which either alone or together with one or more associated companies controls, directly or indirectly, at least 10 per cent of the voting power in the company paying the dividend. For the purposes of this sub-paragraph, two companies shall be deemed to be associated if one controls, directly or indirectly, more than 50 per cent of the voting power in the other company, or a third company controls more than 50 per cent of the voting power in both of them.
- (2) Dividends derived from a company which is a resident of Trinidad and Tobago by a resident of the United Kingdom may be taxed in the United Kingdom. Such dividends may also be taxed in Trinidad and Tobago and according to the laws of Trinidad and Tobago, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:
- (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which controls, directly or indirectly, at least 25 per cent of the voting power in the company paying the dividends;
- (b) 20 per cent of the gross amount of the dividends in all other cases.
- (3) 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 assimilated to income from shares by the taxation



law of the State of which the company making the distribution is a resident and also includes any other item which, under the law of the Contracting State of which the company paying the dividend is a resident, is treated as a dividend or distribution of a company.

(4) 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, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

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

## ARTICLE 11

### Interest

(1) Interest arising in a Contracting State which is derived by a resident of the other Contracting State may be taxed in that other State.

(2) However, such interest may also be taxed in the Contracting State in which it arises, and according to the law of that State; but where the beneficial owner of such 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.

(3) 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 derived and beneficially owned by the Government of the other Contracting State or a local authority thereof or any agency or instrumentality of that Government or local authority.

(4) 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 securities and income from bonds or debentures but shall not include any item which is treated as a distribution under the provisions of Article 10 of this Convention.

(5) 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, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

(6) Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. 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 in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by that permanent establishment, then such interest shall be deemed to arise in the State in which the permanent establishment 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 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 payment shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

## ARTICLE 12

### Royalties

(1) Royalties arising in a Contracting State which are derived by 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 law of that State; but where the beneficial owner of such royalties is a resident of the other Contracting State the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

(3) Notwithstanding the provisions of paragraph (2) of this Article, copyright royalties and other like payments in respect of the production or reproduction of any literary, artistic or scientific work (excluding royalties and like payments in respect of cinematograph films and films or tapes for radio or television broadcasting) arising in a Contracting State and which are derived and beneficially owned by a resident of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

(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, and films or tapes for radio or television broadcasting), any patent, trade mark, design 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, but does not include royalties or other amounts paid in respect of the operations of mines or quarries or in respect of the extraction or removal of natural resources.

(5) The provisions of paragraphs (1), (2) and (3) 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, and the right or

property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

(6) Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by that permanent establishment, then such royalties shall be deemed to arise in the State in which the permanent establishment 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 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 laws of each Contracting State, due regard being had to the other provisions of this Convention.

#### ARTICLE 13

##### **Technical fees**

(1) Technical fees arising in a Contracting State which are derived by a resident of the other Contracting State may be taxed in that other State.

(2) However, such technical fees may also be taxed in the Contracting State in which they arise, and according to the law of that State; but where the beneficial owner of such technical fees is a resident of the other Contracting State the tax so charged shall not exceed 10 per cent of the gross amount of the technical fees.

(3) The term "technical fees" as used in this Article means payments of any kind to any person, other than to an employee of the person making the payments, in consideration for any services of a technical, managerial or consultancy nature.

(4) The provisions of paragraphs (1) and (2) of this Article shall not apply if the beneficial owner of the technical fees, being a resident of a Contracting State, carries on business in the other Contracting State in which the technical fees arise, through a permanent establishment situated therein, and the technical fees are effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

(5) Technical fees shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the technical fees, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the obligation to pay the technical fees was incurred, and such technical fees are borne by that permanent establishment, then such technical fees shall be deemed to arise in the State in which the permanent establishment is situated.

(6) Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the technical fees 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 law of each Contracting State, due regard being had to the other provisions of this Convention.

#### ARTICLE 14

##### **Independent personal services**

(1) Subject to the provisions of Article 13, income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character may be taxed in that State. Such income may also be taxed in the other Contracting State if the individual is present in that other State for a period or periods exceeding in the aggregate 30 days in the tax year concerned, but only so much thereof as is attributable to 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 15

##### **Dependent personal services**

(1) Subject to the provisions of Articles 16, 18, 19 and 20, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

(2) Notwithstanding the provisions of paragraph (1) 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 State if:

- (a) the recipient is present in the other 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 State; and
- (c) the remuneration is not borne by a permanent establishment which the employer has in the other State.

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

## ARTICLE 16

**Directors' fees**

Directors' 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 17

**Artistes and athletes**

(1) Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as an athlete, 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 an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

(3) The provisions of paragraphs (1) and (2) of this Article shall not apply to income derived from activities performed in a Contracting State by entertainers or athletes if the visit to that Contracting State is wholly or substantially supported by public funds of the other Contracting State.

## ARTICLE 18

**Pensions**

(1) Subject to the provisions of paragraph (2) of Article 19, pensions and other similar remuneration paid in consideration of past employment to a resident of a Contracting State and any annuity paid to such a resident shall be taxable only in that State.

(2) The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payment in return for adequate and full consideration in money or money's worth.

## ARTICLE 19

**Government service**

(1) (a) Remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

- (b) However, such 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 political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
- (b) However, such 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 15, 16 and 18 shall apply to remuneration and 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 20

##### Students

- (1) An individual who is or was a resident of one of the Contracting States immediately before making a visit to the other Contracting State and is temporarily present in that other Contracting State solely as a student at a university, college, school or other similar recognised educational institution in that other Contracting State or as a business or technical apprentice therein, shall be exempt from tax in that other Contracting State on:
- (a) all remittances for the purposes of his maintenance, education or training made to him from sources outside that other Contracting State; and
  - (b) any income derived from the other Contracting State in respect of services rendered in that other Contracting State (other than services rendered by a business or technical apprentice to the person or partnership to whom he is apprenticed) with a view to supplementing the resources available to him for such purposes, not exceeding the sum of 1,000 pounds sterling or the equivalent in Trinidad and Tobago dollars at the parity rate of exchange during any year of assessment in addition to any personal allowances provided under the law of that other State. Provided that the benefits of this sub-paragraph shall extend only for such period of time as may be reasonably or customarily required to complete the education or training undertaken but in no event shall an individual have the benefits of this sub-paragraph for more than five consecutive years of assessment.
- (2) An individual who is or was a resident of one of the Contracting States immediately before making a visit to the other Contracting State and is temporarily present in that other Contracting State for the purposes of study, research or training solely as a recipient of a grant, allowance or award from the Government of either of the Contracting States or from a scientific, educational, religious or charitable organisation or under a technical assistance

programme entered into by the Government of either of the Contracting States shall be exempt from tax in that other Contracting State for a period not exceeding two years from the date of his first arrival in that other State in connection with the visit on:

- (a) the amount of such grant, allowance or award; and
- (b) any income derived from that other Contracting State in respect of services in that other Contracting State if the services are performed in connection with his study, research, training, or are incidental thereto.

(3) An individual who is or was a resident of one of the Contracting States immediately before making a visit to the other Contracting State and is temporarily present in that other Contracting State solely as an employee of, or under contract with, the Government or an enterprise of the first-mentioned Contracting State for the purpose of acquiring technical, professional or business experience shall be exempt from tax in that other Contracting State for a period not exceeding twelve months from the date of his first arrival in that other State in connection with that visit on:

- (a) all remittances for the purposes of his maintenance, education or training made to him from sources outside that other Contracting State; and
- (b) any remuneration not exceeding the sum of 1,000 pounds sterling or the equivalent in Trinidad and Tobago dollars at the parity rate of exchange in addition to any personal allowance provided under the law of that other Contracting State for personal services rendered in that other State, provided such services are in connection with the acquisition of technical, professional or business experience.

#### ARTICLE 21

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

Where under any provision of this Convention income is relieved from tax in one of the Contracting States and, under the law in force in the other Contracting State, a person, in respect of the said income, is subject to tax by reference to the amount thereof which is remitted to or received in that other Contracting State and not by reference to the full amount thereof, then the relief to be allowed under this Convention in the first-mentioned Contracting State shall apply only to so much of the income as is remitted to or received in the other Contracting State.

#### ARTICLE 22

##### **Income not expressly mentioned**

Notwithstanding the provisions of any other Article of this Convention, items of income of a resident of a Contracting State, wherever arising, which are not expressly mentioned in the foregoing Articles of this Convention may be taxed by each Contracting State in accordance with the provisions of its domestic law.

## ARTICLE 23

**Elimination of double taxation**

(1) Subject to the provisions of the law of the United Kingdom regarding the allowance as a credit against United Kingdom tax of tax payable in a territory outside the United Kingdom (which shall not affect the general principle hereof):

- (a) Trinidad and Tobago tax payable under the laws of Trinidad and Tobago and in accordance with this Convention, whether directly or by deduction, on profits or income from sources within Trinidad and Tobago (excluding in the case of a dividend, tax payable in respect of the profits out of which the dividend is paid) shall be allowed as a credit against any United Kingdom tax computed by reference to the same profits or income by reference to which the Trinidad and Tobago tax is computed;
- (b) in the case of a dividend paid by a company which is a resident of Trinidad and Tobago to a company which is a resident of the United Kingdom and which controls directly or indirectly at least 10 per cent of the voting power in the company paying the dividend, the credit shall take into account (in addition to any Trinidad and Tobago tax for which credit may be allowed under the provisions of subparagraph (a) of this paragraph) the Trinidad and Tobago tax payable by the company in respect of the profits out of which such dividend is paid.

(2) For the purposes of paragraph (1) of this Article, the term "Trinidad and Tobago tax payable" shall be deemed to include any amount which would have been payable as Trinidad and Tobago tax for any year but for an exemption from, or reduction of, tax granted for that year or any part thereof under any of the following provisions of Trinidad and Tobago law:

- (a) (i) The Fiscal Incentives Act, 1979 (Act No. 22 of 1979);
- (ii) Housing Act, 1962;
- (iii) Hotel Development Act, 1962;

so far as they were in force in, and have not been modified since, the date of signature of this Convention, or have been modified only in minor respects so as not to affect their general character; or

- (b) any other provision which may subsequently be made granting an exemption from or reduction of tax which is agreed by the competent authorities of the Contracting States to be of a substantially similar character, if it has not been modified thereafter or has been modified only in minor respects so as not to affect its general character;

Provided:

- (c) that relief from United Kingdom tax shall not be given by virtue of this paragraph in respect of income from any source if the income arises in a period starting more than ten years after the exemption from, or reduction of, Trinidad and Tobago tax was first granted in respect of that source.

(3) Subject to the provisions of the law of Trinidad and Tobago regarding the allowance as a credit against Trinidad and Tobago tax of tax payable in a



territory outside Trinidad and Tobago (which shall not affect the general principle hereof), the United Kingdom tax payable under the laws of the United Kingdom and in accordance with this Convention (excluding in the case of a dividend, tax payable on the profits or income of the company paying the dividend) whether by deduction from, or under a computation measured by reference to, profits or income from sources within the United Kingdom shall be allowed as a credit against any Trinidad and Tobago tax computed by reference to the same profits or income by reference to which the United Kingdom tax is computed. Where such income is a dividend paid by a company which is a resident of the United Kingdom to a company which is a resident of Trinidad and Tobago and which controls directly or indirectly not less than 10 per cent of the voting power in the United Kingdom company, the credit shall take into account (in addition to any United Kingdom tax payable in respect of the dividend) the United Kingdom tax payable by the company in respect of its profits.

(4) For the purposes of paragraphs (1) and (3) of this Article profits and income 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.

(5) Nothing in this Article shall entitle a person who is a resident of a Contracting State to credit against tax of that Contracting State of tax of the other Contracting State if the terms of the transactions giving rise to the profits on which the tax of the other Contracting State is payable are not such as might be expected in a bona fide commercial transaction and if they have as their main object or one of their main objects, the obtaining of that credit.

#### ARTICLE 24

##### **Non-discrimination**

(1) Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

(2) The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

(3) Notwithstanding the provisions of paragraph (2) of this Article, where a company which is a resident of one of the Contracting States, having a permanent establishment in the other Contracting State, derives profits or income from that permanent establishment, any remittance of such profits by the permanent establishment to a resident of the first-mentioned Contracting State may be taxed (in addition to the tax which would be chargeable on those profits if they were the profits of a company which was a resident of that other Contracting State) in accordance with the law of the other Contracting State, but the rate of tax so imposed shall not exceed 10 per cent of the amount of these profits remitted or deemed to be remitted.

(4) 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 that first-mentioned State are or may be subjected.

(5) Except where the provisions of Article 9, paragraph (7) of Article 11, paragraph (7) of Article 12, or paragraph (6) of Article 13 apply, interest, royalties, technical fees 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.

(6) Nothing contained in this Article shall be construed as obliging either Contracting State to grant to individuals not resident in that State any of the personal allowances, reliefs and reductions for tax purposes which are granted to individuals so resident.

(7) In this Article the term "taxation" means taxes of every kind and description.

#### ARTICLE 25

##### **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 this Convention, 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.

(2) The competent authority shall endeavour, 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 not in accordance with the Convention.

(3) The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention.

(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.

#### ARTICLE 26

##### **Exchange of information**

(1) The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the

Convention. Any information received by a Contracting State shall be treated as secret and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Convention. 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.

(2) In no case shall the provisions of paragraph (1) of this Article be construed so as to impose on the competent authority of either Contracting State the obligation:

- (a) to carry out administrative measures at variance with laws and administrative practice prevailing in either Contracting State;
- (b) to supply information which is not obtainable under the laws or in the normal course of the administration of either 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.

#### ARTICLE 27

##### **Diplomatic agents and consular officials**

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

(2) Notwithstanding the provisions of paragraph (1) of Article 4, an individual who is a member of the diplomatic or permanent mission or consular post of a Contracting State or any third State which is situated in the other Contracting State and who is subject to tax in that other State only if he derives income from sources therein, shall not be deemed to be a resident of that other State.

#### ARTICLE 28

##### **Entry into force**

(1) Each of the Contracting States shall notify to the other the completion of the procedures required by its law for the bringing into force of this Convention. The Convention shall enter into force on the date of the later of these notifications and shall thereupon have effect:

- (a) in the United Kingdom:
  - (i) in respect of income tax, for any year of assessment beginning on or after 6 April in the calendar year next following that in which the later of these notifications is given;
  - (ii) in respect of corporation tax, for any financial year beginning on or after 1 April in the calendar year next following that in which the later of these notifications is given; and

(b) in Trinidad and Tobago:

- (i) in respect of tax withheld at the source on amounts paid, credited or remitted to non-residents on or after 1 January, in the calendar year next following that in which the later of these notifications is given;
- (ii) in respect of other Trinidad and Tobago tax for the year of income commencing 1 January, in the calendar year next following that in which the later of these notifications is given.

(2) The Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income which was made in 1966(a) between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Trinidad and Tobago, as modified by the Protocol made in 1969(b) and the Supplementary Protocol made in 1971(c), (hereinafter referred to as the "1966 Agreement"), shall terminate and cease to have effect from the date upon which this Convention has effect in respect of the taxes to which this Convention applies in accordance with the provisions of paragraph (1) of this Article.

#### ARTICLE 29

##### Termination

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

(a) in the United Kingdom:

- (i) in respect of income tax, for any year of assessment beginning on or after 6 April in the calendar year next following that in which the notice is given;
- (ii) in respect of corporation tax, for any financial year beginning on or after 1 April in the calendar year next following that in which the notice is given; and

(b) in Trinidad and Tobago:

- (i) in respect of tax withheld at the source on amounts paid, credited or remitted to non-residents on or after 1 January, in the calendar year next following that in which the notice is given;
- (ii) in respect of other Trinidad and Tobago tax for the year of income commencing 1 January, in the calendar year next following that in which the notice is given.

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

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(a) S.I. 1967/484.  
(b) S.I. 1970/483.  
(c) S.I. 1971/2117.

Done in duplicate at Port of Spain this 31st day of December 1982.

For the Government of  
the United Kingdom  
of Great Britain and  
Northern Ireland:  
*D.N. Lane*

For the Government  
of the Republic of Trinidad  
and Tobago:  
*Geo M. Chambers*

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

The Convention with Trinidad and Tobago scheduled to this Order replaces the Agreement signed on 29th December 1966 modified by the Protocol signed on 10th December 1969 and the Supplementary Protocol signed on 15th November 1971. It provides that certain trading profits not arising through a permanent establishment are to be taxed only in the country of the taxpayer's residence. Profits attributable to a permanent establishment may be taxed in the country in which the permanent establishment is situated (Articles 5 and 7). The rate of tax on profits remitted by a branch establishment is not to exceed 10 per cent in the country in which they arise (Article 24). Shipping and air transport profits are to be taxed only in the country in which the place of effective management of the enterprise is situated (Article 8).

Income from immovable property (Article 6) may be taxed by the country in which the property is situated.

Where a United Kingdom company pays a dividend to a resident of Trinidad and Tobago, other than to a company which controls directly or indirectly at least 10 per cent of the voting power in the paying company, the recipient will, subject to certain conditions, receive the tax credit to which an individual resident in the United Kingdom would be entitled less tax at a rate not exceeding 20 per cent of the aggregate of the dividend and the tax credit. Dividends paid by a Trinidad and Tobago company to a resident of the United Kingdom may be taxed in Trinidad and Tobago at a rate not exceeding 10 per cent where the recipient is a company which controls at least 25 per cent of the voting power of the company paying the dividend, and not exceeding 20 per cent in all other cases (Article 10).

The rate of tax imposed in the source country on interest (Article 11), royalties (Article 12) and technical fees (Article 13) paid to a resident of the other country is, in general, not to exceed 10 per cent. The source country will exempt interest paid to the Government (or government agency) of the other country (Article 11) and copyright royalties in respect of literary, artistic or scientific work paid to a resident of the other country (Article 12).

The earnings of temporary business visitors are, subject to certain conditions, to be taxed only in the country of the taxpayer's residence (Articles 14 and 15). Public service salaries and pensions are normally to be taxed by the paying country only (Article 19). Other pensions are to be taxed only in the country of the taxpayer's residence (Article 18). Income derived from the activities of public entertainers may normally be taxed in the country in which those activities are exercised (Article 17). Some payment made to visiting students and business apprentices are to be exempt from tax in the country visited (Article 20).

Where income continues to be taxable in both countries, relief from double taxation is to be given by the country of the taxpayer's residence. The credit to be given in the United Kingdom for tax payable in Trinidad and Tobago is to include credit for tax spared under certain provisions of Trinidad and Tobago law (Article 22).

There are provisions safeguarding residents and enterprises of one country against discriminatory taxation in the other country (Article 24) and for

consultation and the exchange of information between the taxation authorities of the two countries (Articles 25 and 26).

The Convention will enter into force when the legislative procedures in both countries have been completed and will have effect in the United Kingdom from April in the following calendar year (Article 28).

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