



NEWSLETTER

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Qatar and Malta

Convention for the avoidance of double taxation

On 26 August 2009, Qatar and Malta signed a convention for the avoidance of double taxation, in Doha. The convention is based on the OECD Model Tax Convention and provides, amongst others for:

- 0% withholding tax in relation to dividends and interest;
- 5% withholding tax on royalties.

For the purposes of this convention “royalties” includes payments of any kind received as a consideration for the use of, including cinematograph films or films, tapes or discs for radio or television broadcasting.

Air transport agreement

On 26 August 2009, Qatar and Malta signed an air transport agreement in Doha. The agreement will permit a designated carrier from either party to operate air services between the two countries without any restrictions on the number of frequencies or aircraft type, as well as enter into code-share arrangements. Intermediate points and points beyond Malta and Qatar can be also operated at the discretion of the respective aeronautical authorities.

Germany and Malta

Protocol to convention on the avoidance of double taxation between Malta and Germany initialled

On 4 September 2009, Malta and Germany initialled an amending protocol to the convention on the avoidance of double taxation of 8



March 2001. The protocol provides for exchange of information in accordance with the OECD-Model Tax Convention (2008).

Serbia and Malta

On 9 September 2009, Serbia and Malta signed a convention for the avoidance of double taxation, in Valletta, Malta. The convention provides, amongst others, for:

- 5% withholding tax on dividends in cases where a 25% or higher participation exists;
- 10% withholding tax on interest;
- 5 % withholding tax on royalties for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films or films or tapes used for radio or television broadcasting;
- 10% withholding tax for royalties for the use of, or the right to use, 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.

The convention departs from the OECD Model Tax Convention in certain areas. Amongst these:

- a. With respect to the provisions on permanent establishment, a building site or construction or installation project must last for a period of more than 9 months as opposed to the customary 12 months in the OECD Model Tax Convention.
- b. In accordance with the convention, profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State. The Contracting States substituted the standard rule under the OECD Model Tax Convention. In effect this constitutes a move of the exclusive taxing right from the State in which the place of effective management is situated to the State of residence.



Malta and San Marino

On 10 September 2009, Malta and San Marino signed an amending protocol to the convention for the avoidance of double taxation of 3 May 2005. The protocol amends the exchange of information clause, in line with the OECD Model Tax Convention, extending to the widest possible extent, co-operation and exchange of information between the tax administrations of the two States.

