

# **SYNTHESISED TEXT OF THE MLI AND THE AGREEMENT BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE KINGDOM OF SAUDI OF ARABIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

## **General disclaimer on the Synthesised text document**

**This comprehensive document (the "Document") of the companion text of the Multilateral Convention promulgated by Presidential Decree No. 446 of 2020 and the Agreement on Avoidance of Double Taxation and Prevention of Tax Evasion with regard to Income Taxes between the Governments of the Arab Republic of Egypt and the Kingdom of Saudi Arabia and published in the Official Gazette 35 on 5/9/2017 (" Agreement"), is only a guiding text translated from the Arabic language text of the Agreement, bearing in mind that that Arabic version of the is the most likely and the first to be applied on the part of the authentic in case of difference between the versions of different languages themselves, without any responsibility on the authority that issued those texts.**

This document presents the synthesised text for the application of the Agreement between **the Arab Republic of Egypt** and **the Kingdom of Saudi of Arabia** with respect to Taxes on Income signed on **8 April 2016** ("the Agreement"), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by **Egypt on 7 June 2017** and by **Saudi of Arabia on 18 September 2018** ("the MLI").

The document was prepared on the basis of the MLI position of **Egypt** submitted to the Depository upon ratification on **30 September 2020** and of the MLI position of **Saudi of Arabia** submitted to the Depository upon ratification on **23 January 2020**. These MLI positions are subject to modifications as provided in the MLI. Modifications made to MLI positions could modify the effects of the MLI on the Agreement.

The authentic legal texts of the Agreement and the MLI take precedence and remain the legal texts applicable.

The provisions of the MLI that are applicable with respect to the provisions of the Agreement are included in boxes throughout the text of this document in the context of the relevant provisions of the Agreement. The boxes containing the provisions of the MLI have generally been inserted in accordance with the ordering of the provisions of the 2017 OECD Model Tax Convention.

Changes to the text of the provisions of the MLI have been made to conform the terminology used in the MLI to the terminology used in the Agreement (such as "Covered Tax Agreement" and "Convention"/"Agreement", "Contracting Jurisdictions" and "Contracting States"), to ease

the comprehension of the provisions of the MLI. The changes in terminology are intended to increase the readability of the document and are not intended to change the substance of the provisions of the MLI. Similarly, changes have been made to parts of provisions of the MLI that describe existing provisions of the Agreement: descriptive language has been replaced by legal references of the existing provisions to ease the readability.

In all cases, references made to the provisions of the Agreement or to the Agreement must be understood as referring to the Agreement as modified by the provisions of the MLI, provided such provisions of the MLI have taken effect.

### **References**

The authentic legal texts of the MLI and the Agreement can be found [[www.eta.gov.eg](http://www.eta.gov.eg)]

## **Disclaimer on the entry into effect of the provisions of the MLI**

The provisions of the MLI applicable to this Agreement do not take effect on the same dates as the original provisions of the Agreement. Each of provisions of the MLI could take effect on different dates, depending on the types of taxes involved (taxes withheld at source or other taxes levied) and on the choices made by **the Arab Republic of Egypt** and **the Kingdom of Saudi of Arabia** in their MLI positions.

Dates of the deposit of instruments of ratification, acceptance or approval: **30 September 2020** for **Egypt** and **23 January 2020** for **Saudi of Arabia**.

Entry into force of the MLI: **1 January 2021** for **Egypt** and **1 May 2020** for **Saudi of Arabia**. This document provides specific information on the dates on or after which each of the provisions of the MLI has effect with respect to the Agreement throughout this document and has effect as follows:

(a) The provisions of the MLI shall have effect in each Contracting State with respect to the Convention:

(i) with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021; and  
(ii) With respect to all other taxes levied by that Contracting State, for taxes levied with respect to taxable periods beginning on or after 1 July 2021.

b) Notwithstanding (a), Article 16 (Mutual Agreement Procedure) of the MLI shall have effect with respect to the Agreement for a case presented to the competent authority of a Contracting State on or after 1 January 2021, except for cases that were not eligible to be presented as of that date under the Agreement prior to its modification by the MLI, without regard to the taxable period to which the case relates.

**AGREEMENT  
BETWEEN  
THE ARAB REPUBLIC OF EGYPT AND  
THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND  
THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME**

**Preamble**

**[MODIFIED by paragraph 3.6.2. of Article 6 (3) of the MLI]**

The Government of the Arab Republic of Egypt and the Government of the Kingdom of Saudi Arabia,

~~Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,~~

Have agreed as follows:

*The following paragraph 1 and paragraph 3 of Article 6 of the MLI {replace the text referring to an intent to eliminate double taxation in the preamble of this Agreement:}*

**ARTICLE 6 OF THE MLI – PURPOSE OF A COVERED TAX AGREEMENT**

Desiring to further develop their economic relationship and to enhance their co-operation in tax matters,

Intending to eliminate double taxation with respect to the taxes covered by [*this Agreement*] without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in [*the Agreement*] for the indirect benefit of residents of third jurisdictions),

## **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 imposed on behalf of a Contracting State or of its administrative subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property/real estate properties.
3. The existing taxes to which the Agreement shall apply are in particular:
  - a) **In Egypt:**
    - (1) The individual income tax including:
      - Income from wages and salaries.
      - Income from commercial and industrial activities.
      - Income from professional or non commercial activities (independent personal services)
      - Income from real estate properties.
    - (2) The corporate income tax.
    - (3) The withholding tax.
    - (4) Additional taxes levied as a percentage of the above mentioned taxes or levied in another manner.  
(Hereinafter referred to as "Egyptian tax").
  - b) **In Saudi Arabia:**
    - (1) The Zakat.
    - (2) The income tax including the natural gas investment tax.  
(Hereinafter referred to as "Saudi tax").
4. The Agreement shall also apply to any identical or substantially similar taxes that are imposed by either of the Contracting States 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 or tax systems.

### **ARTICLE 3 GENERAL DEFINITIONS**

1. For the purposes of this Agreement, unless the context otherwise requires:
  - a) the term "**Egypt**" means the territory of the Arab Republic of Egypt, and when used in a geographical sense it means its territorial sea as well as any adjacent area beyond the territorial sea over which Egypt exercises in accordance with the Egyptian legislation and international laws, which has been or may hereafter be designated as an area over which Egypt may exercise sovereign rights regarding the sea-bed, the subsoil or the natural resources.
  - b) the term "**Kingdom of Saudi Arabia**" means the territory of the Kingdom of Saudi Arabia and includes any area outside the territorial waters on which, the Kingdom of Saudi Arabia exercises its sovereign and jurisdictional rights in their waters, sea bed, subsoil and natural resources by virtue of its law and international law;
  - c) the term "Contracting State" and "the other Contracting State" means the Arab Republic of Egypt or the Kingdom of Saudi Arabia as the context requires;
  - d) the term "person" includes an individual, a company and any other body of persons including the State and its administrative subdivisions and local authorities;
  - e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
  - f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
  - g) the term "international traffic" means any maritime, air or road transport through ship or aircraft or road vehicles operated by an enterprise which has its place of effective management in a Contracting State, except when the ship, aircraft or vehicle is operated solely between places in the other Contracting State;
  - h) the term "national" means:
    - (1) any individual possessing the nationality of a Contracting State;
    - (2) any legal person, partnership or association deriving such status from the laws in force in a Contracting State;
  - i) the term "competent authority" means:
    - (1) in the case of the Arab Republic of Egypt, the Ministry of Finance or his legal representative;
    - (2) in the case of the Kingdom of Saudi Arabia, the Ministry of Finance represented by the Minister of Finance or his authorized representative;

2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of 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 other laws of that State.

#### **ARTICLE 4 RESIDENT**

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar nature, and includes also 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 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) 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 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, a quarry or any other place of extraction of natural resources; and
  - g) a sale point.

3. The term "permanent establishment" also includes:

- a) **[MODIFIED by paragraph 1 of Article 14 of the MLI]**[a building site, a construction, installation or assembly project or supervisory activities in connection therewith, but only where such site, project or activities lasts more than six months.]

*The following paragraph 1 of Article 14 of the MLI applies and supersedes the provisions of this agreement:*

#### **ARTICLE 14 OF THE MLI – SPLITTING-UP OF CONTRACTS**

For the sole purpose of determining whether [the six months] referred to in [subparagraph {a} paragraph {3} of Article {5} of the Agreement] has been exceeded:

a) where an enterprise of a [Contracting State] carries on activities in the other [Contracting State] at a place that constitutes a building site, a construction, installation or assembly project {or carries on supervisory activities in connection with such a place}, and these activities are carried on during one or more periods of time that, in the aggregate, exceed 30 days without exceeding [the six months]; and

b) where connected activities are carried on in that other [Contracting State] at {(or, where applies to supervisory activities, in connection with)} the same building site, a construction, installation or assembly project during different periods of time, each exceeding 30 days, by one or more enterprises closely related to the first-mentioned enterprise,

these different periods of time shall be added to the aggregate period of time during which the first mentioned enterprise has on activities at that a building site, a construction, installation or assembly project.

- b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel engaged for such purposes, but only if the activities of that nature continue (for the same or a connected project) within a Contracting State for a period or periods aggregating more than six months within any twelve-month period.

4. **[MODIFIED by paragraph 2 of Article 13 of the MLI]**~~[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 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 or display;~~
- c) ~~the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of operating or 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 subparagraphs 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.]~~

*The following paragraph 2 of Article 13 of the MLI replaces paragraph {4} of Article {5} of this Agreement:*

**ARTICLE 13 OF THE MLI – ARTIFICIAL AVOIDANCE OF PERMANENT ESTABLISHMENT STATUS THROUGH THE SPECIFIC ACTIVITY EXEMPTIONS (Option A)**

Notwithstanding [*Article {5} of the Agreement*], the term “permanent establishment” shall be deemed not to include:

- a) 1- the use of facilities for the purpose of storage, display of goods or merchandise belonging to the enterprise;
- 2- the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display;
- 3- the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise.
- 4- the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
- b) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any activity not described in subparagraph a);
- c) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) and b),

*Provided that* such activity or, in the case of subparagraph c), the overall activity of the fixed place of business, is of a preparatory or auxiliary character.

*The following paragraph 4 of Article 13 of the MLI applies to paragraph {4} of Article {5} of this Agreement {as modified by paragraph {2} of Article 13 of the MLI}:*

[*Article {5} of the Agreement, {as modified by paragraph {2} of Article 13 of the MLI}*] shall not apply to a fixed place of business that is used or maintained by an enterprise if the same enterprise or a closely related enterprise carries on business activities at the same place or at another place in the same [*Contracting State*] and:



a) that place or other place constitutes a permanent establishment for the enterprise or the closely related enterprise under the provisions of [Article {5} of the Agreement]; or

b) the overall activity resulting from the combination of the activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, is not of a preparatory or auxiliary character,

provided that the business activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, constitute complementary functions that are part of a cohesive business operation.

5. **[REPLACED by paragraph 1 of Article 12 of the MLI]**~~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) applies is acting in a Contracting State on behalf of an enterprise of the other contracting state, 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, when that person:~~

a) ~~has and habitually exercises, in a Contracting State an authority to conclude contracts in the name of 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 this fixed place of business a permanent establishment under the provisions of that paragraph.~~

*The following paragraph 1 of Article 12 of the MLI replaces subparagraph (a) paragraph {5} of Article {5} of this Agreement:*

**ARTICLE 12 OF THE MLI – ARTIFICIAL AVOIDANCE OF PERMANENT ESTABLISHMENT STATUS THROUGH COMMISSIONNAIRE ARRANGEMENTS AND SIMILAR STRATEGIES**

Notwithstanding [Article {5} of the Agreement], but subject to [paragraph 2 of Article 12 of the MLI], where a person is acting in a [Contracting State] on behalf of an enterprise and, in doing so, habitually concludes contracts, or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification by the enterprise, and these contracts are:

a) in the name of the enterprise; or

b) for the transfer of the ownership of, or for the granting of the right to use, property owned by that enterprise or that the enterprise has the right to use; or

c) for the provision of services by that enterprise,

that enterprise shall be deemed to have a permanent establishment in that [Contracting State] in respect of any activities which that person undertakes for the enterprise unless these activities, if they were exercised by the enterprise through a fixed place of business of that enterprise situated in that [Contracting State], would not cause that fixed place of business to be deemed to

constitute a permanent establishment under the definition of permanent establishment included in the provisions of *[Article {5} of the Agreement]*.

- b) has no such authority, but habitually maintains in the first-mentioned State a stock of goods or merchandise belonging to the enterprise from which he regularly delivers goods on behalf of the enterprise.
  - c) he regularly takes orders in the first mentioned State entirely or almost entirely on behalf of the enterprise.
6. **[REPLACED by paragraph 2 of Article 12 of the MLI]**~~[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, and conditions are made or imposed between that enterprise and the agent in their commercial and financial relations which differ from those which would have been made between independent enterprises, he will not be considered an agent of an independent status within the meaning of this paragraph].~~

*The following paragraph 2 of Article 12 of the MLI replaces paragraph {6} of Article {5} of this Agreement:*

**ARTICLE 12 OF THE MLI – ARTIFICIAL AVOIDANCE OF PERMANENT  
ESTABLISHMENT STATUS THROUGH COMMISSIONNAIRE  
ARRANGEMENTS AND SIMILAR STRATEGIES**

*[Paragraph 1 of Article 12 of the MLI]* shall not apply where the person acting in a *[Contracting State]* on behalf of an enterprise of the other *[Contracting State]* carries on business in the first-mentioned *[Contracting State]* as an independent agent and acts for the enterprise in the ordinary course of that business. Where, however, a person acts exclusively or almost exclusively on behalf of one or more enterprises to which it is closely related, that person shall not be considered to be an independent agent within the meaning of this paragraph with respect to any such enterprise.

- 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.
- 8. Notwithstanding the preceding provisions of this article, an insurance enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it collects premiums on the territory of the other State or it insures risks situated therein.

*The following paragraph 1 of Article 15 of the MLI applies to provisions of this Agreement:*

**ARTICLE 15 OF THE MLI – DEFINITION OF A PERSON CLOSELY RELATED TO AN ENTERPRISE**

For the purposes of the provisions of [Article {5} of the Agreement], a person is closely related to an enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons or enterprises. In any case, a person shall be considered to be closely related to an enterprise if one possesses directly or indirectly more than 50 per cent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise.

**ARTICLE 6  
INCOME FROM IMMOVABLE/REAL ESTATE 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/real estate 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/real estate property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable/real estate 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/real estate 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 paragraphs (1) and (3) shall also apply to the income from immovable/real estate property of an enterprise and to income from immovable/real estate property used for the performance of independent personal services.

**ARTICLE 7**  
**COMMERCIAL AND INDUSTRIAL PROFITS/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 determining the profits of a permanent establishment, there shall be allowed as deductions all expenses which are incurred for the purposes of the 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. 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 banking enterprise) by way of income from debt claims 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 banking enterprise by way of income from debt claims on moneys lent to the head office of the enterprise or any of its other offices.
4. In so far 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 provisions of those Articles shall not be affected by the provisions of this Article.
8. The term “commercial and industrial profits/ business profits” shall include, without being limited to, income derived from industrial, commercial, banking and insurance activities, or the rendering of services or the rental of personal movable properties. The term shall not include income from personal services rendered by an individual as an employee or in an independent manner.

## **ARTICLE 8**

### **SHIPPING, AIR AND ROAD TRANSPORT**

1. Profits from the operation of ships or aircraft or road vehicles 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 harbor of the ship is situated, or, if there is no such home harbor, in the Contracting State of which the operator of the ship is a resident.
3. The provisions of paragraph (1) shall also apply to profits from the participation in a pool, a joint business or an international operating agency. The profits shall be determined in proportion to the contribution in the pool, joint business or international business agency.

## **ARTICLE 9**

### **ASSOCIATED ENTERPRISES**

1. Where:
  - a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
  - b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State, and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes, in the profits of an enterprise of that State - and taxes accordingly profits on which an enterprise of the other Contracting State has been charged to tax in that other State and where 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 agreed profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement. The competent authorities of the Contracting States shall consult each other when necessary.
3. A Contracting State shall not adjust the profits of an enterprise in the cases mentioned under paragraph (1) after the end of the time limit mentioned in its domestic law and regulations, and in any case, no adjustment shall be made after 5 years from the end of the year on which those profits have been subject to such adjustment and was due to the enterprise in that State.
4. The provisions of paragraph (2) of this Article shall not apply in cases of tax evasion.

## **ARTICLE 10 DIVIDENDS**

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed:
  - a) five per cent (5%) of the gross amount of the dividends if the beneficial owner is a company - other than a partnership - which holds directly at least twenty per cent (20%) of the capital of the company paying the dividends;
  - b) ten per cent (10%) of the gross amount of the dividends in all other cases.
3. Notwithstanding the provisions of paragraph (2) of this Article, dividends are exempt from tax in the Contracting State where they arise if the beneficial owner of such dividends is the government of the other Contracting State.
4. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.
5. 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 State independent personal services from a fixed base situated therein, and the holding in respect of which the

dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article (7) or Article (14), as the case may be, shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other 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 or a fixed base 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 such other State.

## **ARTICLE 11**

### **INTEREST or INCOME FROM DEBT CLAIMS**

1. Interests or income from debt claims 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 or income from debt claims may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest or income from debt claims is a resident of the other Contracting State, the tax so charged shall not exceed ten per cent (10%) of the gross amount of interest or income from debt claims.
3. Notwithstanding the provisions of paragraph (2) of this Article, interest or income from debt claims arising in a Contracting State are exempt from tax in that State if the beneficial owner of such interest or income from debt claims is the government of the other Contracting State.
4. The term "interest or income from debt claims" 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, including premiums and prizes attaching to such securities and bonds. Penalty or charges for late payment shall not be regarded as interest or income from debt claims for the purpose of this Article.
5. The provisions of paragraphs (1) and (2) shall not apply if the beneficial owner of the interest or income from debt claims, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest or income from debt claims 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 or income from debt claims is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article (7) or Article (14), as the case may be, shall apply.
6. Interest or Income from debt claims 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 or income from debt claims, 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 or income from debt claims was incurred, and such income is borne by such permanent establishment or fixed base, then such interest or income from debt claims 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 or income from debt claims, having regard to the debt claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of 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 12 ROYALTIES**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed ten per cent (10%) of the gross amount of the royalties.
3. Notwithstanding the provisions of paragraph (2) of this Article, royalties arising in a Contracting State are exempt from tax if the beneficial owner of such royalties is the government of the other Contracting State.
4. The term "royalties" means payments of any kind received as a consideration for the use of, or the right to use any copyright of artistic, literary or scientific work including cinematography films or films or tapes for radio or television broadcasting, any patent, trade mark, design or model, computer software, process, secret formula, or for the use of, or the right to use, industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience as well as payments for technical assistance related to these rights.
5. The provisions of paragraphs (1) and (2) shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
6. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, the person paying the royalties, 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, 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 and regulations of each Contracting State, due regard being had to the other provisions of this Agreement.

### **ARTICLE 13 CAPITAL GAINS**

1. Gains derived by a resident of a Contracting State from the alienation of immovable/real estate property referred to in Article (6) 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 a fixed base, may be taxed in that other State.
3. Gains from the alienation of ships, aircraft or road vehicles operated in international traffic or movable property pertaining to the operation of such ships, aircraft or vehicles shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. Gains from the alienation of shares or other rights representing a participation in the share capital of a company of a Contracting State, in addition to gains from the alienation of instruments and financial options related to these shares or rights, may be taxed in that Contracting State.
5. Notwithstanding the provisions of paragraph (4) of this Article, capital gains are exempt from tax in the Contracting State where they are arising if the gains are paid to the government of the other Contracting State.
6. Gains from the alienation of any property other than that referred to in the previous paragraphs, shall be taxable only in the Contracting State of which the alienator is a resident.

**ARTICLE 14**  
**INDEPENDENT PERSONAL SERVICES**

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State except in one of the following circumstances, when such income may also be taxed in the other Contracting State:
  - a) if he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State;
  - b) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, in that case, only so much of the income as is derived from his activities performed in that other State may be taxed in that other State.
2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

**ARTICLE 15**  
**DEPENDENT PERSONAL SERVICES**

1. Subject to the provisions of Articles (16), (18), (19), (20) and (21), salaries, wages and other similar remunerations 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 State.
2. Notwithstanding the provisions of paragraph (1), remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
  - a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve 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 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.
4. Where the remunerations received by a resident of a Contracting State from activities aboard an aircraft operating in international traffic through a pool or a joint business as referred to under paragraph (3) of Article 8, such remunerations shall be taxable only in the Contracting State where the recipient of the remuneration is a resident.

## **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 or control or any other similar body of a company which is a resident of the other Contracting State may be taxed in that other State.

## **ARTICLE 17 ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles (14) and (15), income derived by a resident of a Contracting State as a theatre, cinema, radio or as television artiste, or a musician, or as a sportsman, from his personal activities exercised in the other Contracting State, may be taxed in that other State.
2. Where income in respect of or in connection with personal activities exercised by an entertainer or a sportsman accrues not to the entertainer or sportsman 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 sportsman are exercised.
3. Income derived by a resident of a Contracting State from activities exercised in the other Contracting State in accordance with paragraphs (1) and (2) of this article are exempt in that other Contracting State if the visit to that State is wholly or partly supported by public funds of one or both Contracting States or one of its political subdivisions or local authorities, in such case the tax shall be levied only in the Contracting where the entertainer or sportsman is a resident.

**ARTICLE 18  
PENSIONS AND ANNUITIES**

1. Subject to the provisions of paragraph 2 of Article 19 of this Agreement, pensions and other similar remuneration and annuities paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that Contracting 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 payments in return for adequate and full consideration in money or money's worth.

**ARTICLE 19  
GOVERNMENT SERVICE**

- 1.a) Salaries, wages and other similar remuneration, other than pension, paid by the Government of a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to the Government of that State or a political subdivision or a local authority thereof, in the discharge of functions of a governmental nature, shall be taxable only in that State.
- b) However, such salaries, wages and other similar remunerations shall be taxable only in the other Contracting State if the services are rendered in that other State and the individual is a resident of that other State who:
  - (1) is a national of that State; or
  - (2) 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 to which contributions are made by the Government of a Contracting State or administration subdivision or local authority thereof to an individual in respect of services rendered to the Government of that State or one of its administration subdivision or local authority thereof 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 other State.
3. The provisions of Articles (15), (16), (17) and (18) 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 the Government of a Contracting State or a political subdivision or local authority thereof.

**ARTICLE 20**  
**STUDENTS AND TRAINEES**

1. Payments which a student, professional 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. Notwithstanding the provisions of Articles (14) and (15) of this agreement, payments received by the student, 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 Contracting State solely for the purpose of his education or training and which constitute remuneration in respect of services performed in that other Contracting State are not taxable in that other State, provided the services are connected with education or training or the remunerations for those services are necessary for maintenance, studies or training purposes, for a period of not more than 3 years.

**ARTICLE 21**  
**TEACHERS AND RESEARCHERS**

1. Payments which a teacher or a researcher 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 scientific research and paid in respect of such activities shall not be taxed in that other Contracting State for a period of not more than 3 years.
2. The provisions of paragraph 1 of this Article shall not apply to income from research if such research is undertaken not in the public interest but for the private benefit of a specific person or persons.

**ARTICLE 22**  
**OTHER INCOME**

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.
2. The provisions of paragraph 1 of this Article shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6 of this Convention, 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 7 or Article 14 of this Convention, as the case may be, shall apply.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other State.

## **ARTICLE 23 METHODS FOR THE ELIMINATION OF DOUBLE TAXATION**

Where a resident of a Contracting State derives income which, in accordance with the provisions of this Agreement, may be taxed in the other Contracting State, the first-mentioned State shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in other Contracting State. Such deduction shall not, however, exceed that part of the tax on income, as computed before the deduction is given, which is attributable to the income which may be taxed in that other Contracting State.

## **ARTICLE 24 MUTUAL AGREEMENT PROCEDURE**

1. ~~[The first sentence of paragraph 1 of Article 24 of this Convention is REPLACED by paragraph 1 of Article 16 of the MLI][Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this 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.~~

*The following first sentence of paragraph 1 of Article 16 of the MLI replaces the {first sentence} of paragraph {1} of Article {24} of this Agreement:*

### **ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE**

Where a person considers that the actions of one or both of the [*Contracting States*] result or will result for that person in taxation not in accordance with the provisions of [this Agreement], that person may, irrespective of the remedies provided by the domestic law of those [*Contracting States*], present the case to the competent authority of either [*Contracting State*].

The case must be presented within 3 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 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 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 States.

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 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 for the purpose of reaching an agreement in the sense of the preceding paragraphs.

## **ARTICLE 25**

### **EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information through diplomatic channels as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation there under is not contrary to the Agreement especially to prevent tax avoidance or fiscal evasion. The exchange of information is not restricted by the provisions of Article (1) of this Agreement.
2. Any information received 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 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 Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
3. In no case shall the provisions of paragraph (1) 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 practices of that State 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 State 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 .
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 limitation of paragraph (3) of this Article 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.

## **ARTICLE 26**

### **DIPLOMATIC AGENTS AND CONSULAR OFFICERS**

Nothing in this Agreement shall affect the tax privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

## **ARTICLE 27**

### **SPECIAL PROVISIONS**

~~The provisions of the Convention shall not apply in a Contracting State to any agreement, arrangement, enterprise or transaction if the main purpose or one of the main purposes of this agreement or arrangement, or of the creation of the enterprise or transaction, was to obtain benefits under this Convention. In such case the provisions of the tax laws in force in that Contracting State are applicable.~~

*The following paragraph 1 of Article 7 of the MLI replaces Article {27} of this Agreement*

### **ARTICLE 7 OF THE MLI –PREVENTION OF TREATY ABUSE**

#### **(Principal purposes test provision)**

Notwithstanding any provisions of a Covered Tax [*Agreement*], a benefit under the Covered Tax [*Agreement*] shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the Covered [*Tax Agreement*].

## **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 Agreement. This Convention shall enter into force on the first day of the second month following the month in which the latter of these notifications was received.



2. The provisions of this Convention shall apply:
  - a) with regard to taxes withheld at source, in respect of amounts paid on or after the first day of January next following the date upon which this Convention enters into force;
  - b) with regard to other taxes, in respect of taxable years beginning on or after the first day of January next following the date upon which this Convention enters into force;

## **ARTICLE 29 TERMINATION**

1. This Convention shall remain in force indefinitely but either of the Contracting States may, on or before the 30 of June of any calendar year as from the fifth year following that in which the agreement entered into force, give to the other Contracting State, through diplomatic channels, written notice of termination.
2. In such event, this Convention shall cease to have effect:
  - a) with regard to taxes withheld at source, in respect of amounts paid or credited after the end of the calendar year in which the termination notice is given; and
  - b) with regard to other taxes, in respect of taxable years beginning after the end of the calendar year in which the termination notice is given.

In Witness whereof the undersigned, being duly authorized thereto have signed this Agreement.

Done at [Cairo] on [8 April 2016] corresponding to [...] in two original copies in the Arabic language. Both copies have equally authenticity.

## **PROTOCOL**

At the moment of signing the Convention for the avoidance of double taxation and the prevention of tax evasion with respect to taxes on income, between the Government of the Arab Republic of Egypt and the Government of the Kingdom of Saudi Arabia, the undersigned have agreed that the following provisions shall form an integral part of the Convention:

**1. Regarding paragraph 1 of Article 4 of the Agreement:**

It is understood that the term "resident" also includes:

- 1) a legal person organized under the laws of a Contracting State and that is generally exempt from tax in that State and is established and maintained there either:
  - (a) exclusively for a religious, charitable, educational, scientific, or any other similar purpose; or
  - (b) to provide pensions or other similar benefits to employees.

**2. Regarding Article 5 of the Agreement:**

- a) The term "permanent establishment" includes a farm or a plantation or any other place where a farming activity is carried on.
- b) An enterprise of Contracting State is considered to have a "permanent establishment" in the other Contracting State if substantial equipments connected to the exploitation or exploration of natural resources are located in the other Contracting State where:
  - Such equipments - whether owned or leased by the enterprise - are used for the activity of the enterprise.
  - Such equipments are assembled by the enterprise.

**3. Regarding Article 7 of the Agreement:**

Business profits derived by an enterprise of Contracting State from the exports of goods to the other Contracting State shall not be subject to tax in that other Contracting State. Furthermore, where export contracts include other activities carried on in the other Contracting State, profits derived from such activities may be taxed in the other Contracting State if these activities are carried on through a permanent establishment according to Article 5 of the Agreement.

**4. Regarding paragraph (3) of Article 10, paragraph (3) of Article 11, paragraph (3) of Article 12 and paragraph (5) of Article 13 of the Agreement:**

The term "Government of a Contracting State" covers:

- a) in the case of the Kingdom of Saudi Arabia:
  - (1) the Saudi Arabia Monetary Agency (SAMA);
  - (2) the Public Pension Agency;
  - (3) the General Organization for Social Insurance;

- (4) The Saudi Public Investment Fund and its wholly or partially owned entities at a rate of not less than (50%) of its capital.<sup>1</sup>
- (5) any institution or legal entity the capital of which is wholly or almost wholly owned by the Government of the Kingdom of Saudi Arabia as agreed upon in advance between the competent authorities of the Contracting States.

b) in the case of the Arab Republic of Egypt:

- (1) the Central Bank of Egypt;
- (2) the Social Insurance Fund of Egypt;
- (3) The Sovereign Fund of Egypt and entities wholly or partially owned by it with a percentage of not less than (50%) of Capital<sup>2</sup>
- (4) any institution or legal entity the capital of which is wholly or almost wholly owned by the Government of the Arab Republic of Egypt as agreed upon in advance between the competent authorities of the Contracting States.

**5. Regarding Article 11 of the Agreement:**

The definition of interests or income from debt claims referred to under paragraph 4 of this Article includes payments for services rendered for the purpose of obtaining loans -such as services for arranging and managing loans- or for guarantees related to these loans.

**6. Regarding Article 23 of the Agreement:**

In the case of the Kingdom of Saudi Arabia, the methods for elimination of double taxation will not prejudice to the provisions of the Zakat collection regime as regards Saudi nationals.

7. In case the Kingdom of Saudi Arabia will apply an income tax on its resident nationals and that, on the basis of this, the Kingdom of Saudi Arabia will include, after the signature of this Agreement, the article on nondiscrimination in a tax treaty with any other country (except countries which are members of the Gulf Cooperation Council), the provisions of the non-discrimination article shall apply to this Agreement as of the date of the entry into force of that treaty.

**8. Regarding Article 25 of the Agreement:**

1. The competent authorities in both Contracting States shall apply the relevant standard to ensure the confidentiality of information when used in public courts according to its laws and regulations. Such information should not be used for any other purposes, or by any other authorities as referred to under paragraphs (1) and (2) of Article 25 of this Agreement.

2. Notwithstanding the provisions of Article 25 of this Agreement, when the domestic tax laws and regulations of the Contracting States will allow for the exchange of any information available to a bank or another financial institution or agent or nominee, in this case, the Contracting States shall exchange such information.<sup>3</sup>

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<sup>1</sup> It has become one of the entities that are covered by the phrase "Government of a Contracting State" in accordance with the agreement between the republic government of Egypt and the government of the Kingdom of Saudi Arabia regarding the investment of a Saudi Public Investment Fund in the Arab Republic of Egypt. Published in October 2022 in October 2022 and it is effective from 1/8/2022.

<sup>2</sup> It has become one of the entities that are covered by the phrase "Government of a Contracting State" in accordance with the agreement between the republic government of Egypt and the government of the Kingdom of Saudi Arabia regarding the investment of a Saudi Public Investment Fund in the Arab Republic of Egypt. Published in October 2022 in October 2022 and it is effective from 1/8/2022.

<sup>3</sup> This paragraph is entry into force from 1/1/2023.

3. A Contracting State may not provide the other Contracting State with information when that State is not committed to secrecy rules as referred to under Article 25 of this Agreement.

In Witness whereof the undersigned, being duly authorized thereto have signed this protocol.

Done at [Cairo] on [8 April 2016] corresponding to [...] in two original copies in the Arabic language. Both copies have equally authenticity.