

**Disclaimer:**

This document of the Agreement on Avoidance of Double Taxation and Prevention of Tax Evasion with regard to Income and property Taxes between the Governments of the Arab Republic of Egypt and The Republic of Uzbekistan is a copy from the Official Gazette no. 10 on 5/3/2020 ("Agreement"), is only a guiding text translated from the Arabic language text of the Convention, bearing in mind that that Arabic version of the Agreement 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 this text.

**AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE ARAB REPUBLIC OF  
EGYPT AND  
THE GOVERNMENT OF THE REPUBLIC OF  
UZBEKISTAN  
FOR THE ELIMANTION OF DOUBLE TAXATION  
WITH RESPECT OF TO TAXES ON INCOME AND  
ON PROPERTY AND  
THE PREVENTION OF TAX EVASION AND  
AVOIDANCE**

The Arab Republic of Egypt and the Republic of Uzbekistan,

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

**Have agreed as follows:**

## **Chapter I**

### **SCOPE OF THE AGREEMENT**

#### **ARTICLE 1**

##### **PERSONS COVERED**

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

#### **ARTICLE 2**

##### **TAXES COVERED**

1. This Agreement shall apply to taxes on income and on property imposed on behalf of a Contracting State or of its administrative-territorial subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income and on property all taxes imposed on total income, on total property, or on elements of income or of property, including taxes on gains from the alienation of movable or immovable property and taxes on total amounts of wages and salaries paid by enterprises, as well as taxes on property appreciation.
3. The existing taxes to which the Agreement shall apply are in particular:
  - a) **in the Arab Republic of Egypt:**
    - (i) The tax on income of individuals including:
      1. Income from salaries and wages;
      2. Income from commercial and industrial activities;
      3. Income from professional activities (independent personal services).
      4. Income derived from immovable property;
    - (ii) The tax on the profits of legal entities;
    - (iii) Tax withheld at source;
    - (iv) The supplementary taxes imposed as percentage of taxes mentioned above or otherwise; (hereinafter referred to as "Egyptian tax").
  - b) **in the Republic of Uzbekistan:**
    - (i) the tax on profit of legal persons;
    - (ii) the tax on income of individuals, and
    - (iii) the property tax;(hereinafter referred to as "Uzbekistan tax"),

4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed in either Contracting State 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.

## **Chapter II**

### **DEFINITIONS**

#### **ARTICLE 3**

##### **GENERAL DEFINITIONS**

1. In 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, includes the territorial sea and any area adjacent to the coast beyond the territorial waters, over which the Arab Republic of Egypt exercises sovereign rights in accordance with Egyptian legislation and international law, which has been or may hereafter be designated as an area within which Egypt may exercise rights with respect to the sea bed and sub-soil and their natural resources;
  - b) the term "**Uzbekistan**" means the Republic of Uzbekistan, and when used in a geographical sense includes its territory, the territorial waters and air space over them where the Republic of Uzbekistan may exercise sovereign rights and jurisdiction including rights to use the subsoil and natural resources in accordance with international law and the laws of the Republic of Uzbekistan
  - c) the terms "a Contracting State" and "the other Contracting State" mean the Arab Republic of Egypt or the Republic of Uzbekistan, as the context requires;
  - d) the term "person" includes an individual, a company and any other body of persons;
  - e) the term "company" means anybody corporate or any entity which is treated as a body corporate for tax purposes;

f) the term "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 "tax" means Egyptian tax or Uzbekistan tax, as the context requires;

h) the term "international traffic" means any transport by a ship or aircraft or railway or road transport vehicle operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft or railway or road transport vehicle is operated solely between places in the other Contracting State;

i) the term "competent authority" means:

(i) In the Arab Republic of Egypt, the Minister of Finance or his authorized representative;

(ii) in the case of the Republic of Uzbekistan, the Chairman of the State Tax Committee or his authorized representative;

j) the term "national" means:

(i) any individual possessing the nationality of a Contracting State;

(ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State.

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 management, or any other criterion of a similar nature, and also includes that State and any administrative-territorial subdivisions 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 property 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 only 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 only 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 only 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, the competent authorities of the Contracting States shall endeavor to determine by mutual agreement the Contracting State of which such person shall be deemed to be a resident for the purposes of this Agreement having regard to its place of effective management, the place where it is incorporated or otherwise constituted and any other relevant factors. In the absence of such agreement, such person shall not be entitled to any relief or exemption from tax provided by this Agreement.

## **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, an oil or gas well, a quarry or any other place of extraction of natural resources;
  - g) a farm or plantation, and
  - h) premises and warehouse used as sales outlets.

3. the term "permanent establishment" also includes:

- a) a building site, a construction, installation or assembly project or a supervisory activities in connection therewith, but only if such site, project or activities is continued for more than six months;
- b) any activities involving the use of substantial equipment (including installation of such equipment) carried on in a Contracting State in connection with the extraction , exploration or exploitation of natural resources situated in that State;
- c) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel engaged by the enterprise for such purposes, but only if activities of that nature continue(for the same or a connected project)within a contracting state for a period or periods aggregating more than 183 days in any twelve month period.

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

- a) the use of facilities solely for the purpose of storage or display 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 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), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 7 applies - is acting 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 first mentioned Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person:

- a) has and habitually exercises in that State an authority to conclude 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:
  - i) in the name of the enterprise; or
  - ii) 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
  - iii) For the provision of services by that enterprise,

unless the activities of such person are limited to those mentioned in paragraph 4 which ,if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph; or

- b) has no such authority, but habitually maintains in the first mentioned state a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the enterprise.

6. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall, except in regard to re-insurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of the other State or insures risks situated therein through a person other than an agent of an independent status to whom paragraph 7 applies.

7. An enterprise shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of 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 shall not be considered to be an agent of an independent status within the meaning of this paragraph.

8. 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.

9. For the sole purpose of determining whether the period (or periods) referred to in paragraph 3 of this Article that stipulates a period (or periods) of time after which specific projects or activities shall constitute a permanent establishment 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, construction project, installation project or other specific project identified in paragraph 3 of this Article, or carries on supervisory or consultancy activities in connection with such a place, in the case of a provision of this

Agreement that refers to such activities, and these activities are carried on during one or more periods of time that, in the aggregate, are not exceeding the period or periods referred to in paragraph 3 or this Article: and

- b) where connected activities are carried on in that other Contracting State at (or, where paragraph 3 of this Article applies to supervisory or consultancy activities, in connection with) the same building site, construction or installation project, or other place identified in paragraph 3 or this Article, during different periods of time, by one or more enterprises closely related to the first-mentioned enterprise,

These difference periods of time shall be added to the aggregate period of time during which the first – mentioned enterprise has carried on activities at that building site, construction or installation project, or other place identified in paragraph 3 of this Article.

10. For the purposes of this Article, a person or enterprise 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 or enterprise 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 or enterprise 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 or in the two enterprises.

### **Chapter III**

## **TAXATION OF INCOME**

### **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, aircraft, railway and road vehicle shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

## **ARTICLE 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 (a) that permanent establishment; (b) sales in that other State of goods or merchandise of the same or similar kind as those sold through that permanent establishment; or (c) other business activities carried on in that other state of the same or similar kind as those effected through that permanent establishment.
2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.
3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere. However, no such deduction shall be allowed in respect of:
  - (a) any amount, 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 banks, by way of interest on money lent to the permanent establishment;

(b) any amount 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 of similar payments in return for the use of patents or other rights, or by way of commission for specific service performed or for management, or, except in the case of banks, by way of interest on money lent to the head office of the enterprise or any of its other offices.

4. Insofar 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 only 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.

## **ARTICLE 8**

### **INTERNATIONAL TRAFFIC**

1. Profits from the operation of ships, aircraft, railway or road transport 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 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 paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

4. Whenever enterprises from different countries have agreed to carry on an air transportation business together in the form of a consortium or a similar form of association the provisions of paragraph (1), (3) shall apply to such part of the profits of the consortium or association as corresponds to the participation held in that consortium or association by an enterprise which is a resident of a Contracting State

## **ARTICLE 9**

### **ASSOCIATED ENTERPRISES**

#### 1. Where

- a) an enterprise of a Contracting State participates directly or indirectly in the management, control or property of an enterprise of the other Contracting State, or
- b) the same persons participate directly or indirectly in the management, control or property of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the profits of an enterprise of that State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.
3. A Contracting State shall not change the profits of an enterprise in the circumstances referred to in paragraph 2 after the expiry of the time limits provided in its national laws.
4. The provisions of paragraph 2 shall not apply in the case of fraud, wilful default or neglect.

## 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 beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:
  - a) (5) per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the property of the company paying the dividends throughout a 365 day period that includes the day of the payment of the dividend (for the purpose of computing that period, no account shall be taken of changes of ownership that would directly result from a corporate reorganisation, such as a merger or divisive reorganisation, of the company that holds the shares or that pays the dividend;
  - b) (10) per cent of the gross amount of the dividends in all other cases.

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

3. Where dividends are derived and beneficially owned by the Government of a Contracting State, such dividends shall be taxable only in that State.

For the purposes of this paragraph, the term "Government of a Contracting State" shall include:

- a) in the case of **the Arab Republic of Egypt**:
  - the central Bank of the Arab Republic of Egypt;
  - the social insurance funds of Egypt;
  - the national investment bank;
  - or statutory body or any similar institution wholly or mainly owned by the Government of Egypt as may be agreed from time to time between the competent authorities of the Contracting State.
- b) in the case of **the Republic of Uzbekistan**
  - the central Bank
  - The National Bank of foreign Economy Activity or other same financial institution wholly or mainly owned by the Government of Republic of Uzbekistan as may be agreed from time to time between the competent authorities of the Contracting State.

4. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining share, founders` shares or other rights, not being debt-claims, participating in profits, as well as income from other rights, including 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 the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.
7. Notwithstanding any other provision of this Agreement, where an enterprise which is a resident of a Contracting State has a permanent establishment in the other Contracting State, the profits taxable under paragraph 1 of Article 7 may be subject to an additional withholding tax in that other Contracting State, in accordance with its taxation laws, when the profits are remitted to the head office.

## **ARTICLE 11**

### **INTEREST**

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest and 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, interest shall be exempt from tax in the Contracting State in which it arises. if the beneficial owner is the Government of a Contracting

State as defined in paragraph 3 of Article 10, or an administrative- territorial subdivision or a local authority of the other Contracting State.

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, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such 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 shall be deemed to arise in a Contracting State when the payer is a resident of that State itself, an administrative-territorial 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 or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this 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 12 per cent of the gross amount of the royalties.

3. 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 and video films, or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, computer software, 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. It also includes payments for technical assistance performed in a Contracting State by a resident of the other Contracting State where it is related to the application of any such rights, property or information.
4. 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.
5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State itself, an administrative-territorial 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 or a fixed base with which the right or property in respect of which the royalties are paid is effectively connected, 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.
6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid, 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 a case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

## **ARTICLE 13**

### **PROPERTY GAINS**

1. Gains derived by a resident of a Contracting State from the alienation of immovable 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 purposes of performing independent personal services, including such gains from the alienation of such a permanent establishment or such fixed base (alone or with the whole enterprise), may be taxed in that other State.

3. Gains from the alienation of ships or aircraft or railway or road transport vehicles operated in international traffic by an enterprise of a Contracting State or from the alienation of movable property pertaining to the operation of such ships or aircraft or railway or road transport vehicles shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. With respect to gains derived by an air transport consortium or a similar form of association formed by companies from different countries, the provisions of paragraph 3 shall apply only to such part of the gains as corresponds to the participation held in that consortium or association by a company that is a resident of a Contracting State.
5. Gains derived by a resident of a Contracting State from the alienation of shares or any other comparable interest deriving, at any time during the 365 days preceding the alienation, more than 50 per cent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.
6. Gains derived by a resident of a Contracting State from the direct or indirect alienation of shares, comparable interests, securities or other rights representing the property of a company which is a resident of the other Contracting State may be taxed in that other Contracting State.
7. Gains from the alienation of any property other than that referred to in the preceding paragraphs of this Article shall be taxable only in the Contracting State of which the alienator is a resident.
8. The provisions of paragraph 7 shall not affect the right of a Contracting State to levy according to its own law a tax on property gains from the alienation of any property derived by a person who is a resident of the other Contracting State and has been a resident of the first-mentioned Contracting State at any time during the five years immediately preceding the alienation of the property.



## **ARTICLE 14**

### **INDEPENDENT PERSONAL SERVICES**

1. Income derived by a resident of a Contracting State in respect of professional or other activities of an independent character shall be taxable only in that State except in 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; or
  - b) if his stay in the other Contracting State is for period or periods amounting to or exceeding in the aggregate 183 days in any twelve- months commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from his activities 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 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, 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 or railway or road transport vehicles operated in international traffic by an enterprise of a Contracting State may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.
4. Where a resident of a Contracting State derives remuneration in respect of an employment exercised aboard an aircraft operated in international traffic by a consortium or association as referred to in paragraph 4 of Article 8, such remuneration shall be taxable only in the Contracting State of which the recipient 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 any other similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.

## **ARTICLE 17**

### **ARTISTES AND SPORTSPERSONS**

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 a sportsperson, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.
2. Where income in respect of personal activities exercised by an entertainer or a sportsperson in his capacity as such accrues not to the entertainer or sportsperson 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 sportsperson are exercised.
3. Income derived by an entertainer or sportsperson who is a resident of a contracting state from that resident personal activities relating to that residents reputation as an entertainer or sportsperson exercised in the other contracting state may be taxed in that other state.

## **ARTICLE 18**

### **PENSIONS AND ANNUITIES**

1. Subject to the provisions of paragraph 2 of Article 19, pensions, annuities and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.
2. The term "annuity" means a stated sum payable to an individual periodically at stated times during his 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 a pension, paid by a Contracting State or an administrative-territorial 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 salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
  - (i) is a national of that State; or
  - (ii) did not become a resident of that State solely for the purpose of rendering the services.
2. a) Any pension paid by, or out of funds created by, a Contracting State or an administrative-territorial 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, 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 a Contracting State or an administrative-territorial subdivision or a local authority thereof.

## **ARTICLE 20**

### **STUDENTS, APPRENTICES AND TRAINEES**

1. Payments which a student, an apprentice or a 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 Article 15, remuneration which a student, an apprentice or a 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 dependent personal services rendered in that first-mentioned State shall not be taxable in that State, provided that such services are directly related to his education or training or the remuneration for those services is necessary to supplement the resources for his maintenance. However, in any case, the benefits of this paragraph shall not be granted for a period of more than two consecutive years from the date of his first arrival in the first-mentioned State.

## **ARTICLE 21**

### **PROFESSORS, TEACHERS AND RESEARCHERS**

1. Notwithstanding the provisions of Article 15, a professor, teacher or researcher who makes a temporary visit to one of the Contracting States for a period not exceeding three years for the purpose of teaching or carrying out research at a university, college or other establishment for higher education in that State and who is, or immediately before such visit was, a resident of the other Contracting State shall, in respect of remuneration for such teaching or research, be exempt from tax in the first - mentioned State.
2. The provisions of this Article shall not apply to income from research if such research is undertaken not in the public interest but wholly or mainly 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 Agreement shall be taxable only in that State.

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, 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, as the case may be, shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing articles of the Agreement and arising in the other Contracting State may also be taxed in that other state.

## **Chapter IV**

### **TAXATION OF PROPERTY**

#### **ARTICLE 23**

#### **PROPERTY**

1. Immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.
2. Movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State, or by movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, may be taxed in that other State.
3. Property represented by ships and aircraft or railway or road transport vehicles operated in international traffic, and by movable property pertaining to the operation of such ships and aircraft or railway or road transport vehicles, shall be taxable only in the State in which the place of effective management of the enterprise is situated.
4. Property of an enterprise of a Contracting State represented by containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise shall be taxable only in that Contracting State, except insofar as those containers or trailers and related equipment are used for transport solely between places within the other Contracting State.
5. All other elements of property of a resident of a Contracting State shall be taxable only in that State.

**Chapter V**  
**METHODS FOR ELIMINATION OF DOUBLE TAXATION**

**ARTICLE 24**

**ELIMINATION OF DOUBLE TAXATION**

Double taxation shall be eliminated as follows:

- a) 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 that other Contracting State on that income;
- b) Such deduction shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable, to the income which may be taxed in the other Contracting State.

**Chapter VI**  
**SPECIAL PROVISIONS**

**ARTICLE 25**

**NON-DISCRIMINATION**

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.
2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Except where the provisions of paragraph 1 of Article 9, paragraph 6 of Article 11, or paragraph 6 of Article 12 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining

the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable property of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

4. Enterprises of a Contracting State, the property of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.
5. In this Article the term “taxation” means taxes which are the subject of this Agreement.

## **ARTICLE 26**

### **MUTUAL AGREEMENT PROCEDURE**

1. 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 or, if his case comes under paragraph 1 of Article 24, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
2. The competent authority shall 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.
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 directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

## ARTICLE 27

### EXCHANGE OF INFORMATION

- 1- The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their administrative-territorial subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1 and 2.
2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
3. In no case shall the provisions of paragraph 1 and 2 be construed so as to impose on a Contracting State the obligation:
  - a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
  - b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
  - c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).
4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3, but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.



## **ARTICLE 28**

### **ANTI-ABUSE RULES**

Notwithstanding any provisions of this Agreement, a benefit under this Agreement shall not apply if the main purpose or one of the main purposes of any resident or any person connected with such resident is to take advantage of this Agreement.

## **ARTICLE 29**

### **MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS**

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

## **Chapter VI**

### **FINAL PROVISIONS**

## **ARTICLE 30**

### **ENTRY INTO FORCE**

1. The Contracting States shall notify each other in writing through diplomatic channels when the constitutional requirements for the entry into force of this Agreement have been complied with.
2. The Agreement shall enter into force on the date of the later of the notifications referred to in paragraph 1 and its provisions shall have effect in both Contracting States:
  - a) in respect of taxes withheld at source, on income or on property derived on or after the first day of January in the calendar year next following the year in which the Agreement enters into force;
  - b) in respect of other taxes on income or on property for taxes chargeable for any fiscal year beginning on or after the first day of January in the calendar year next following the year in which the Agreement enters into force.

**ARTICLE 31**  
**TERMINATION**

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving written notice of termination at least six months before the end of any calendar year beginning after the expiry of five years from the date of entry into force of the Agreement.

In such event, the Agreement shall cease to have effect:

- a) in respect of taxes withheld at source, to Income derived on or after 1 January in the calendar year next following the year in which the denouncement notice is given;
- b) in respect of other taxes, to such taxes chargeable for any tax year beginning on or after 1 January in the calendar year next following that in which the denouncement notice is given.

In witness whereof the undersigned, duly authorised to that effect, have signed this Agreement.

Done in duplicate at Tashkent this Wednesday day of 05/09/ 2018 in the Arabic, English and Uzbek languages, all three texts being equally authentic. In the case of divergence of interpretation, the English text shall prevail.

**For The Government of**  
**The Arab Republic of Egypt**

**For The Government of**  
**The Republic of Uzbekistan.**