

**AGREEMENT BETWEEN  
JERSEY AND  
THE REPUBLIC OF RWANDA**

**FOR THE AVOIDANCE OF DOUBLE TAXATION  
AND THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME**

## Table of Contents

PREAMBLE .....	3
<u>CHAPTER I: SCOPE OF THE AGREEMENT</u> .....	4
<u>Article 1: Persons Covered</u> .....	4
<u>Article 2: Taxes Covered</u> .....	4
<u>CHAPTER II: DEFINITIONS</u> .....	4
<u>Article 3: General Definitions</u> .....	4
<u>Article 4: Resident</u> .....	5
<u>Article 5: Permanent Establishment</u> .....	6
<u>CHAPTER II: TAXATION OF INCOME</u> .....	8
<u>Article 6: Income from Immovable Property</u> .....	8
<u>Article 7: Business Profits</u> .....	8
<u>Article 8: Shipping and Air Transport</u> .....	9
<u>Article 9: Associated Enterprises</u> .....	9
<u>Article 10: Dividends</u> .....	10
<u>Article 11: Interest</u> .....	10
<u>Article 12: Royalties</u> .....	11
<u>Article 13: Management or Professional Fees</u> .....	12
<u>Article 14: Capital Gains</u> .....	13
<u>Article 15: Income from Employment</u> .....	13
<u>Article 16: Directors' Fees and Remuneration of Top-Level Managerial Officials</u> .....	13
<u>Article 17: Entertainers and Sportspersons</u> .....	14
<u>Article 18: Pensions and Annuities</u> .....	14
<u>Article 19: Government Service</u> .....	14
<u>Article 20: Students and Business Apprentices</u> .....	15
<u>Article 21: Other Income</u> .....	15
<u>CHAPTER III: METHODS FOR ELIMINATION OF DOUBLE TAXATION</u> .....	15
<u>Article 22: Elimination of Double Taxation</u> .....	15
<u>CHAPTER IV: SPECIAL PROVISIONS</u> .....	16
<u>Article 23: Non-Discrimination</u> .....	16
<u>Article 24: Mutual Agreement Procedure</u> .....	16
<u>Article 25: Exchange of Information</u> .....	17
<u>Article 26: Members of Diplomatic Missions and Consular Posts</u> .....	18
<u>CHAPTER V: FINAL PROVISIONS</u> .....	18
<u>Article 27: Entry into Force</u> .....	18
<u>Article 28: Termination</u> .....	19

## **PREAMBLE**

Jersey and the Republic of Rwanda, 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:

**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 Parties.

**Article 2**  
**Taxes Covered**

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting Party or of its political 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, as well as taxes on the total amounts of wages or salaries paid by enterprises.

3. The existing taxes to which the Agreement shall apply are in particular:

(a) In Jersey:

-- the income tax

(hereinafter referred to as "Jersey tax");

(b) in Rwanda:

(i) the personal income tax;

(ii) the corporate income tax;

(iii) the withholding taxes; and

(iv) the tax on rent of immovable properties

(hereinafter referred to as "Rwandan tax").

4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed by either Contracting Party after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting Parties shall notify each other of any significant changes that have been made in their taxation laws.

**CHAPTER II**  
**DEFINITIONS**

**Article 3**  
**General Definitions**

1. For the purposes of this Agreement, unless the context otherwise requires:

(a) the term "Jersey" means the Bailiwick of Jersey, including its territorial sea;

(b) the term "Rwanda" means the Republic of Rwanda, and when used in a geographical sense, includes all the territory, lakes and any other area in the lakes and in the air within which Rwanda may exercise sovereign rights or jurisdiction in accordance with international law;

- (c) the term "a contracting Party" and "the other Contracting Party" mean Jersey or Rwanda as the context requires;
- (d) the term "person" includes an individual, a company and any other body of persons;
- (e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- (f) the term "enterprise" applies to the carrying on of any business;
- (g) the terms "enterprise of a Contracting Party" and "enterprise of the other Contracting Party" mean respectively an enterprise carried on by a resident of a Contracting Party and an enterprise carried on by a resident of the other Contracting Party;
- (h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting Party, except when the ship or aircraft is operated solely between places in the other Contracting Party;
- (i) the term "competent authority" means:
  - (i) in Jersey, the Treasury and Resources Minister or his authorised representative, and
  - (ii) in Rwanda, the Minister responsible for Finance or his authorised representative;
- (j) the term "national" means:
  - (i) in relation to Jersey, any individual resident in Jersey or any legal person, partnership or association deriving its status as such from the laws in force in Jersey, and;
  - (ii) in relation to Rwanda, any individual possessing the nationality or citizenship of Rwanda or any legal person, partnership or association deriving its status as such from the laws in force in a Contracting Party; and
- (k) the term "business" includes the performance of professional services and of other activities of an independent character.
- (l) the term "statutory body" or "public entity" means a body or entity, as the case may be, constituted by statute and performing only non-commercial functions which would otherwise be performed by the Government of a Contracting Party.

2. As regards the application of the Agreement at any time by a Contracting Party, 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 Party for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

#### **Article 4 Resident**

1. For the purposes of this Agreement, the term "resident of a Contracting Party" means any person who, under the laws of that Party, is liable to tax therein by reason of that person's domicile, residence, place of management or any other criterion of a similar nature, and also includes that Party and any political subdivision, local authority or statutory body thereof.

2. Where by reason of the provisions of paragraph 1 of this Article an individual is a resident of both Contracting Parties, then that individual's status shall be determined as follows:

- (a) the individual shall be deemed to be a resident only of the Party in which a permanent home is available to the individual; if a permanent home is available to the individual in both Parties, the individual shall be deemed to be a resident only of the Party with which the individual's personal and economic relations are closer (centre of vital interests);
- (b) if the Party in which the centre of vital interests of the individual is situated cannot be determined, or if the individual has not a permanent home available to the individual in either Party, the individual shall be deemed to be a resident only of the Party in which the individual has an habitual abode;
- (c) if the individual has an habitual abode in both Parties or in neither of them, the individual shall be deemed to be a resident only of the Party of which the individual is a national;
- (d) in any other case, the competent authorities of the Contracting Parties 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 endeavour to determine by mutual agreement the Contracting State of which such person shall be deemed to be a resident for the purposes of the Convention, 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 Convention except to the extent and in such manner as may be agreed upon by the competent authorities of the Contracting States.

## **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 warehouse in relation to a person providing storage facilities for others;
- (g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; and
- (h) a farm, plantation or other place where agricultural, forestry plantation or related activities are carried on.

3. The term "permanent establishment" also encompasses:

- (a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only if such site, project or activities last more than 6 months;
- (b) the furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purpose, but only if activities of that nature continue (for the same or a connected project) within a Contracting Party for a period or periods aggregating more than 183 days in any twelve-month period.
- (c) for an individual, the performing of services in a Contracting State by that individual, but only

if the individual's stay in that State, for the purpose of performing those services, is for a period or periods aggregating more than 183 days within any twelve month period commencing or ending in the fiscal year concerned.

- (d) an installation or structure used in the exploration for natural resources provided that the installation or structure continues for a period of not less than 90 days.

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

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
- (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in 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.

5. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, where a person - other than an agent of an independent status to whom paragraph 7 of this Article applies - is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting Party an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that Party in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 of this Article which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

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

7. An enterprise shall not be deemed to have a permanent establishment in a Contracting Party merely because it carries on business in that Party 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.

8. The fact that a company which is a resident of a Contracting Party controls or is controlled by a company which is a resident of the other Contracting Party, or which carries on business in that other Party (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

## **CHAPTER III TAXATION OF INCOME**

### **Article 6 Income from Immovable Property**

1. Income derived by a resident of a Contracting Party from immovable property (including income from agriculture or forestry) situated in the other Contracting Party may be taxed in that other Party.
2. The term "immovable property" shall have the meaning which it has under the law of the Contracting Party 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 and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 of this Article shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 of this Article shall also apply to the income from immovable property of an enterprise.

### **Article 7 Business Profits**

1. The profits of an enterprise of a Contracting Party shall be taxable only in that Party unless the enterprise carries on business in the other Contracting Party 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 Party 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;
  - c) other business activities carried on in that other state of the same or similar kind as those affected through that permanent establishment.
2. Subject to the provisions of paragraph 3 of this Article, where an enterprise of a Contracting Party carries on business in the other Contracting Party through a permanent establishment situated therein, there shall in each Contracting Party 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 business of the permanent establishment, including executive and general administrative expenses so incurred, whether in the Contracting 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 interest on moneys lent to the permanent establishment. Likewise, no account shall be taken, in the determination of the profits of a permanent establishment, for amounts charged (otherwise than towards reimbursement of actual expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of



commission for specific services performed or for management, or, except in the case of a banking enterprise by way of interest 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 of this Article, 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 Shipping and Air Transport**

1. Profits derived by an enterprise of a Contracting Party from the operation of ships or aircraft in international traffic shall be taxable only in that Party.

2. The provisions of paragraph 1 of this Article shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

3. For the purposes of this Article, profits from the operation of ships or aircraft in international traffic shall include:

- (a) profits from the rental on a bareboat basis of ships or aircraft; and
- (b) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers), used for the transport of goods or merchandise.

where such rental or such use, maintenance or rental, as the case may be, is incidental to the operation of ships or aircraft in international traffic.

### **Article 9 Associated Enterprises**

1. Where

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

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 Party includes in the profits of an enterprise of that Party - and taxes accordingly - profits on which an enterprise of the other Contracting Party has been charged to tax in

that other Party and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Party if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Party 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 Parties shall if necessary consult each other.

#### **Article 10 Dividends**

1. Dividends paid by a company which is a resident of a Contracting Party to a resident of the other Contracting Party may be taxed in that other Contracting Party.

2. However, such dividends may also be taxed in the Contracting Party of which the company paying the dividends is a resident and according to the laws of that Party, but if the beneficial owner of the dividends is a resident of the other Contracting Party, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends. The competent authorities of the Contracting Parties shall by mutual agreement settle the mode of application of this limitation. This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting Party of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the dividends, being a resident of a Contracting Party, carries on business in the other Contracting Party of which the company paying the dividends is a resident through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5. Where a company which is a resident of a Contracting Party derives profits or income from the other Contracting Party, that other Party 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 Party or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other Party, 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 Party.

6. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the shares or other rights in respect of which the dividend is paid to take advantage of this Article by means of that creation or assignment.

#### **Article 11 Interest**

1. Interest arising in a Contracting Party and paid to a resident of the other Contracting Party may be taxed in that other Contracting Party.

2. However, such interest may also be taxed in the Contracting Party in which it arises and according to the laws of that Contracting Party, but if the beneficial owner of the interest is a resident of the other Contracting Party, the tax so charged shall not exceed 10 per cent of the gross amount of the interest. The competent authorities of the Contracting Parties shall settle the mode of application of this limitation by mutual agreement.

3. Notwithstanding the provisions of paragraph 2 of this Article, interest arising in a Contracting Party and paid to the Government of the other Contracting Party shall be exempt from tax in the first-mentioned Party. For the purpose of this paragraph, the term "Government":

- (a) In the case of Jersey, means the Government of Jersey and shall include:
  - (i) a statutory body; and
  - (ii) any institution wholly owned by the Government of Jersey.
- (b) In the case of Rwanda, means the Government of Rwanda and shall include:
  - (i) any public entity exempt from corporate income tax under Rwandan tax laws; and
  - (ii) any institution wholly owned by the Government of Rwanda.

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 of this Article shall not apply if the beneficial owner of the interest, being a resident of a Contracting Party, carries on business in the other Contracting Party in which the interest arises through a permanent establishment situated therein and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

6. Interest shall be deemed to arise in a Contracting Party when the payer is a resident of that Party. Where, however, the person paying the interest, whether that person is a resident of a Contracting Party or not, has in a Contracting Party a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Party in which the permanent establishment is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, 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 Party, due regard being had to the other provisions of this Agreement.

8. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment.

## **Article 12 Royalties**

1. Royalties arising in a Contracting Party and paid to a resident of the other Contracting Party may be taxed in that other Contracting Party.

2. However, such royalties may also be taxed in the Contracting Party in which they arise and according to the laws of that Party, but if the beneficial owner of the royalties is a resident of the other Contracting Party, the tax so charged shall not exceed 10 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 films, or films or tapes or discs used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the royalties, being a resident of a Contracting Party, carries on business in the other Contracting Party in which the royalties arise through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 shall apply.

5. Royalties shall be deemed to arise in a Contracting Party when the payer is a resident of that Party. Where, however, the person paying the royalties, whether that person is a resident of a Contracting Party or not, has in a Contracting Party a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Party in which the permanent establishment is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the 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 of each Contracting Party, due regard being had to the other provisions of this Agreement.

7. No relief shall be available under this Article if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment.

### **Article 13 Management or Professional Fees**

1. Management or professional fees arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such management or professional fees may also be taxed in the Contracting State in which they arise and according to the law of that State, but if the beneficial owner of the management or professional fees is a resident of the other Contracting State, the tax so charged shall not exceed 12 per cent of the gross amount of the management or professional fees.

3. The term "management or professional fees" as used in this Article means payments of any kind to any person, other than to an employee of the person making the payments, in consideration for any services of a technical, managerial, professional or consultancy nature not covered under any other Article of this Agreement.

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

5. Management or professional fees shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the management or professional fees, whether that person is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the obligation to pay the management or professional fees was incurred, and such management or professional fees are borne by such permanent establishment, then such management or professional fees shall be deemed to arise in the State in which the permanent establishment is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the management or professional fees paid exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

**Article 14**  
**Capital Gains**

1. Gains derived by a resident of a Contracting Party from the alienation of immovable property referred to in Article 6 and situated in the other Contracting Party may be taxed in that other Contracting Party.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting Party has in the other Contracting Party, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), may be taxed in that other Contracting Party.
3. Gains derived by a resident of a Contracting Party from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Party.
4. 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 Party of which the alienator is a resident.

**Article 15**  
**Income from Employment**

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting Party in respect of an employment shall be taxable only in that Party unless the employment is exercised in the other Contracting Party. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other Party.
2. Notwithstanding the provisions of paragraph 1 of this Article, remuneration derived by a resident of a Contracting Party in respect of an employment exercised in the other Contracting Party shall be taxable only in the first-mentioned Party if:
  - (a) the recipient is present in the other Party for a period or periods not exceeding in the aggregate 183 days in any twelve-month period; and
  - (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other Party; and
  - (c) the remuneration is not borne by a permanent establishment which the employer has in the other Party.
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 by an enterprise of a Contracting Party shall be taxable only in that Party. However, if the remuneration is derived by a resident of the other Contracting Party, it may also be taxed in that other Party.

**Article 16**  
**Directors' Fees and Remuneration of Top-Level Managerial Officials**

1. Directors' fees and other similar payments derived by a resident of a Contracting Party in that person's capacity as a member of the board of directors of a company which is a resident of the other Contracting Party may be taxed in that other Contracting Party.
2. Salaries, wages and other similar remuneration derived by a resident of a Contracting Party in the individual's capacity as an official in a top-level managerial position of a company which is a resident of the other Contracting Party may be taxed in that other Party.

**Article 17**  
**Entertainers and Sportspersons**

1. Notwithstanding the provisions of Articles 7 and 15, income derived by a resident of a Contracting Party as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from that resident's personal activities as such exercised in the other Contracting Party, may be taxed in that other Contracting Party.

2. Where income in respect of personal activities exercised by an entertainer or a sportsperson acting as such accrues not to the entertainer or sportsperson, but to another person, that income may, notwithstanding the provisions of Articles 7 and 15, be taxed in the Contracting Party in which the activities of the entertainer or sportsperson are exercised.

3. The provisions of paragraphs 1 and 2 of this Article shall not apply to income derived from activities exercised in a Contracting Party by an artiste or a sportsperson if the visit to that Party is wholly or mainly supported by public funds of one or both of the Contracting Parties or political subdivisions, local authorities or statutory bodies thereof. In such case, the income shall be taxable only in the Contracting Party in which the artiste or the sportsperson is a resident.

**Article 18**  
**Pensions and Annuities**

Subject to the provisions of paragraph 2 of Article 19 pensions and other similar remuneration including annuities arising in a Contracting Party shall be taxable only in the first-mentioned Party.

**Article 19**  
**Government Service**

1.(a) Salaries, wages and other similar remuneration paid by a Contracting Party or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that Party or subdivision, authority or body shall be taxable only in that Party.

(b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting Party if the services are rendered in that Party and the individual is a resident of that Party who:

(i) is a national of that Party; or

(ii) did not become a resident of that Party solely for the purpose of rendering the services.

2.(a) Notwithstanding the provisions of paragraph 1 of this Article, pensions and other similar remuneration paid by, or out of funds created by, a Contracting Party or a political subdivision, a local authority or a statutory body thereof to an individual in respect of services rendered to that Party or subdivision, authority or body shall be taxable only in that Party.

(b) However, such pensions and other similar remuneration shall be taxable only in the other Contracting Party if the individual is a resident of, and a national of, that Party.

3. The provisions of Articles 15, 16, 17 and 18 shall apply to salaries, wages, pensions, other similar remuneration, and social security payments in respect of services rendered in connection with a business carried on by a Contracting Party or a political subdivision, a local authority or a statutory body thereof.

**Article 20**  
**Students and Business Apprentices**

Payments which a student or business apprentice who is or was immediately before visiting a Contracting Party a resident of the other Contracting Party and who is present in the first-mentioned Party 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 Party, provided that such payments arise from sources outside that Party.

**Article 21**  
**Other Income**

1. Items of income of a resident of a Contracting Party, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that Party.

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, if the recipient of such income, being a resident of a Contracting Party, carries on business in the other Contracting Party through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 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 Agreement and arising in the other Contracting State may also be taxed in that other Contracting State.

**CHAPTER IV**  
**METHODS FOR ELIMINATION OF DOUBLE TAXATION**

**Article 22**  
**Elimination of Double Taxation**

1. Double taxation shall be eliminated as follows:

(a) In Jersey:

- (i) when imposing tax on its residents Jersey may include in the basis upon which such taxes are imposed the items of income, which, according to the provisions of this Agreement, may be taxed in Rwanda;
- (ii) where a resident of Jersey derives income which, in accordance with the provisions of this Agreement, may be taxed in Rwanda, Jersey shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in Rwanda. Such deduction in either case 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 Rwanda.

(b) In Rwanda:

Jersey tax paid by a resident of Rwanda in respect of income taxable in Jersey, in accordance with the provisions of this Agreement, shall be deducted from taxes due in accordance with Rwandan tax law. Such deduction shall not, however, exceed the tax payable in Rwanda that would otherwise be payable on the income taxable in Jersey.

2. Where in accordance with any provisions of the Agreement income derived by a resident of a Contracting State is exempt from tax in that State, such State may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

3. For the purposes of paragraph 1, the terms "Rwanda tax paid" and "Jersey tax paid" shall be deemed to include the amount of tax which would have been paid in Rwanda or Jersey as the case

may be, but for an exemption or reduction granted in accordance with laws which establish schemes for the promotion of economic development in Rwanda or Jersey, as the case may be, such schemes having been mutually agreed by the competent authorities of the Contracting States as qualifying for the purposes of this paragraph.

## **CHAPTER V SPECIAL PROVISIONS**

### **Article 23 Non-Discrimination**

1. Nationals of a Contracting Party shall not be subjected in the other Contracting Party 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 Party in the same circumstances, in particular with respect to residence, are or may be subjected.
2. The taxation on a permanent establishment which an enterprise of a Contracting Party has in the other Contracting Party shall not be less favourably levied in that other Contracting Party than the taxation levied on enterprises of that other Contracting Party carrying on the same activities. This provision shall not be construed as obliging a Contracting Party to grant to residents of the other Contracting Party 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. Enterprises of a Contracting Party, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting Party, shall not be subjected in the first-mentioned Party 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 Party are or may be subjected.
4. Where a Contracting Party grants tax incentives to its nationals designed to promote economic or social development in accordance with its national policy and criteria, it shall not be construed as discrimination under this Article.
5. The provisions of this Article shall apply to the taxes which are the subject of this Agreement.

### **Article 24 Mutual Agreement Procedure**

1. Where a person considers that the actions of one or both of the Contracting Parties 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 Parties, present the case to the competent authority of the Contracting Party of which that person is a resident or, if the case comes under paragraph 1 of Article 23, to that of the Contracting Party of which that person 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 Party, 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 Parties.
3. The competent authorities of the Contracting Parties 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 Parties may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs of this Article.



5. Where,
- (a) under paragraph 1, a person has presented a case to the competent authority of a Contracting State on the basis that the actions of one or both of the Contracting States have resulted for that person in taxation not in accordance with the provisions of this Agreement, and
  - (b) the competent authorities are unable to reach an agreement to resolve that case pursuant to paragraph 2 within three years from the presentation of the case to the competent authority of the other Contracting State,

any unresolved issues arising from the case shall be submitted to arbitration if either competent authority so requests. The person who has presented the case shall be notified of the request. These unresolved issues shall not, however, be submitted to arbitration if a decision on these issues has already been rendered by a court or administrative tribunal of either State. The arbitration decision shall be binding on both States and shall be implemented notwithstanding any time limits in the domestic laws of these States unless both competent authorities agree on a different solution within six months after the decision has been communicated to them or unless a person directly affected by the case does not accept the mutual agreement that implements the arbitration decision. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this paragraph.

## **Article 25**

### **Exchange of Information**

1. The competent authorities of the Contracting Parties 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 Parties, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.
2. Any information received under paragraph 1 of this Article by a Contracting Party shall be treated as secret in the same manner as information obtained under the domestic laws of that Party 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 of this Article, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes, when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying Contracting Party authorizes such use.
3. In no case shall the provisions of paragraphs 1 and 2 of this Article be construed so as to impose on a Contracting Party the obligation:
  - (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting Party;
  - (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 Party;
  - (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 Party in accordance with this Article, the other Contracting Party shall use its information gathering measures to obtain the requested information, even though that other Party 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 of this Article but in no case shall such limitations be construed to permit a Contracting Party to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 of this Article be construed to permit a Contracting Party to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

**Article 26**  
**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 27**  
**Entry into Force**

1. Each of the Contracting Parties shall notify the other in writing of the completion of the procedures required by its law for the bringing into force of this Agreement.

2. The Agreement shall enter into force on the date of receipt of the later of these notifications and its provisions shall have effect:

(a) in Jersey:

- (i) in respect of taxes withheld at source, on income derived on or after the first day of January next following the year in which the Agreement enters into force;
- (ii) in respect of other taxes on income, for taxes chargeable for any fiscal year beginning on or after the first day of January next following the year in which the Agreement enters into force.

(b) in Rwanda:

- (i) with regard to taxes withheld at source, in respect of amounts paid or credited on or after the first day of January of the calendar year next following the year in which the Agreement enters into force;
- (ii) with regard to other taxes, in respect of taxable years beginning on or after the first day of January of the calendar year next following the year in which the Agreement enters into force; and
- (iii) in respect of Article 25 (Exchange of Information), for requests made on or after the date of entry into force concerning information for taxes relating to taxable periods beginning on or after first day of January of the calendar year next following the year in which the Agreement enters into force; or where there is no taxable period, for all charges to tax arising on or after first day of January of the calendar year next following the year in which the Agreement enters into force.

**Article 28  
Termination**

This Agreement shall remain in force until terminated by a Contracting Party. Either Contracting Party may terminate the Agreement, in writing, by giving notice of termination not later than 30 June of any calendar year after the expiration of a period of five years from the date of its entry into force. In such event, the Agreement shall cease to have effect:

(a)

in Jersey:

- (i) in respect of taxes withheld at source, on income derived on or after the first day of January next following the year in which the notice is given;
- (ii) in respect of other taxes on income, for taxes chargeable for any taxation year beginning on or after the first day of January next following the year in which the notice is given.

(b)

in Rwanda:

- (i) with regard to taxes withheld at source, in respect of amounts paid or credited after the end of the calendar year in which the notice is given; and
- (ii) with regard to other taxes, in respect of taxable years beginning after the end of the calendar year in which the notice is given.
- (iii) in all other cases, including requests made under Article 25 (Exchange of Information), after the end of the calendar year in which the notice is given.

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

DONE in duplicate at *London* on this *26* day of *June 2015* in the English language.

*Philip Barrow*

FOR THE GOVERNMENT OF  
JERSEY

*Samuel Curumana*  
FOR THE GOVERNMENT OF  
THE REPUBLIC OF RWANDA