

**A G R E E M E N T
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T H E G O V E R N M E N T O F
T H E S Y R I A N A R A B R E P U B L I C**

for

the Avoidance of Double Taxation and the Prevention of Fiscal Evasion

with respect to Taxes on Income

The Government of Ukraine and the Government of the Syrian Arab Republic, 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:

Article 1

PERSONAL SCOPE

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

Article 2

TAXES COVERED

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

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

a) In the case of the Syrian Arab Republic:

- i) the income tax on commercial, industrial, and non-commercial profits;
- ii) the income tax on salaries and wages;
- iii) the income tax on non-residents;
- iv) the income tax on revenue of movable and immovable capital; and
- v) surcharges imposed as percentages of the above mentioned taxes, including surcharges imposed by the local authorities.

(Hereinafter referred to as "*The tax of the Syrian Arab Republic*").

b) In the case of Ukraine :

- i) the tax on profit of enterprises; and
- ii) the individual income tax;

(hereinafter referred to as "*Ukrainian tax*").

4. The Agreement shall apply also to any identical or similar taxes which are imposed 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 substantial changes which have been made in their respective taxation laws.

Article 3

GENERAL DEFINITIONS

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

- a) The terms "*a Contracting State*" and "*other Contracting State*" mean the Syrian Arab Republic or Ukraine, as the context requires.
- b) The term "*Syria*" means the Syrian Arab Republic in its geographical sense which means the territories of the Syrian Arab Republic, its internal water, territorial sea, the subsoil of these territories and the airspace above them, and the marine region over which Syria has sovereign rights.
- c) The term "*Ukraine*", when used in a geographical sense, means the territory of Ukraine, its Continental Shelf and its exclusive (maritime) economic zone, including any area outside the territorial sea of Ukraine which in accordance with international law has been or may hereafter be designated, as an area within which the rights of Ukraine with respect to the sea bed and subsoil and their natural resources may be exercised.
- d) The term "*person*" includes an individual, a company and any other body of persons.
- e) 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.
- f) The term "*company*" means any body corporate or any entity which is treated as a body corporate for tax purposes.

- g) The terms "*enterprise of a Contracting State*" and "*enterprise of the other Contracting State*" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State.
- h) The term "*international traffic*" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State.
- i) The term "*competent authority*" means:
 - (i) In the case of Syria, the Minister of Finance or his authorised representative;
 - (ii) In the case of Ukraine, the State Tax Administration of Ukraine or its authorised representative.

2. As regards the application of the provisions of the Agreement by a Contracting State, any term not defined therein shall have the meaning which it has under the laws of that State to which the Agreement applies, which meaning shall prevail over the meaning provided for such term in other branches of law 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 registration or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in a Contracting State in respect only of income arising from sources in that State.

2. Where by reason of the provisions of paragraph 1 of this Article an individual is a resident of both Contracting States, then his status shall be determined 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 Contracting State with which his personal and economic relations are closer (center of vital interests).
- b) If the State in which he has his center 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 Contracting 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 Contracting State of which he is a national.
 - d) If he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the Contracting State in which its place of registration is situated.

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "*permanent establishment*" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
2. The term "*permanent establishment*" includes especially:
 - a) A place of management.
 - b) A branch.
 - c) An office.
 - d) A factory.
 - e) A workshop.
 - f) A mine, an oil or gas well, a quarry or any other place of extraction of natural resources including an offshore drilling site.
 - g) Premises used as sales outlets.
3. A building site, a construction, assembly or installation project or supervisory activities in connection therewith constitutes a permanent establishment but only where such site, project or activities continue for a period of more than six months.
4. Notwithstanding the preceding provisions of this Article, the term "*permanent establishment*" shall be deemed not to include:
 - a) The use of facilities solely for the purpose of storage 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 activities 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 in a Contracting State - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise in the other Contracting State and has, and habitually exercises, in the first mentioned State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 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. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, he will not be considered an agent of an independent status within the meaning of this paragraph.

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

Article 6

INCOME FROM IMMOVABLE PROPERTY

1. Income from immovable property (including income from agriculture or forestry) is taxed in the Contracting State in which such immovable property is situated in accordance with the laws of that State.

2. For the purposes of this Agreement, the term "*immovable property*" shall have the meaning which it has under the laws 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 the 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, or to explore for, mineral deposits, sources and other natural resources. Ships, boats or aircraft 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.

5. Where the ownership of shares or other rights in a company, trust or comparable institution and is thereby entitled to the enjoyment of immovable property situated in a Contracting State and held by that company, trust or comparable institution, income from direct use, letting, or use in any other form of such a right of enjoyment may be taxed in that State notwithstanding the provisions of Articles 7 and 14.

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 Contracting State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions 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.

4. Insofar 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 embodied 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

INTERNATIONAL TRANSPORT

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in the State in which its place of registration is situated. Such profits shall include profits derived by the enterprise from other activities, and in particular from the use or rental of containers used for the transport of goods or merchandise in international traffic, provided that such activities are incidental to the operation of ships or aircraft in international traffic by the enterprise.
2. The provisions of paragraph 1 shall also apply to profits derived from the participation in a pool, a joint business or an international operating agency.

Article 9

ASSOCIATED ENTERPRISES

1. Where :
 - a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
 - b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would 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 if that other State considers the adjustment justified. 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.

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 are taxed in that other State and in accordance with its laws.

2. Dividends mentioned in paragraph 1 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. However, if the beneficial is the actual owner of the dividends and who is a resident of the other Contracting State, then the tax so charged shall not exceed 10 percent of the total amount of the dividends.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

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 any shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.

4. 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.

5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on

the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment 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.

Article 11

INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxed in that other State in accordance with its laws.
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, who is the beneficial owner of the interest, is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State shall be exempted from tax in that State if it is derived and beneficially owned by the Government of the other Contracting State, a political subdivision or a local authority thereof. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this provision in any particular case.
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 and 2 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. 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 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 12

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxed in that other State in accordance with its laws.
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 the tax so charged shall not exceed 18 percent 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 and recordings for radio and television, 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 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. 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 in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the Contracting 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 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 law of each Contracting State, due regard being had to the other provisions of this Agreement.

Article 13

CAPITAL GAINS

1. Gains derived from the alienation of immovable property shall be taxed in the Contracting State where such immovable property is situated and in accordance with the laws of that State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains arising from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.

3. Gains from the alienation of property forming part of the business property of an enterprise of a Contracting State and consisting of ships or aircraft operated by such enterprise in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of registration is situated.

4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 shall be taxable only in the Contracting State of which the alienator is a resident

Article 14

INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State. However, such income may be taxed in the other Contracting State in the following circumstances:

- 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 Contracting State; or
- b) If his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in any twelve-month period

commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from the activity exercised in the other Contracting 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, dentists and accountants.

Article 15

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18 and 19 of this Agreement, 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 all the following conditions are fulfilled:

- 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 and ending in the fiscal year concerned;
- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of that other State; and
- c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

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

Article 16

DIRECTORS' FEES

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 17

ARTISTES AND 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 theater, 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, whether a resident of a Contracting State or not, 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. Notwithstanding the provisions of paragraphs 1 and 2, income derived by a resident of a Contracting State as an entertainer or a sportsperson from his personal activities as such exercised in the other Contracting State shall be taxable only in the first-mentioned State if those activities in the other State are supported mainly by public funds of the first-mentioned State, its political subdivisions or local authorities.

Article 18

PENSIONS

1. Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid in consideration of past employment to a resident of a Contracting State shall be taxable only in that State, in accordance with its laws.

2. Notwithstanding the provisions of paragraph 1, pensions and other payments under the public social security legislation or civil service law of a Contracting State may be taxed in that State.

3. Nothing contained in paragraphs 1 and 2 shall affect the provisions of the law of a Contracting State concerning the exemption of pensions from tax.

Article 19

GOVERNMENT SERVICES

1. a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State, a political subdivision or a local authority thereof to an individual in respect of services rendered to that State, political subdivision or local 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, a political subdivision or a local authority thereof to an individual in respect of services rendered to that State, subdivision or authority shall be taxable only in that State.
- b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national, of that State.
3. The provisions of Articles 15, 16 and 18 shall apply to 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, a political subdivision or a local authority thereof.
4. Nothing contained in paragraph 2 shall affect the provisions of the law of a Contracting State concerning the exemption of pensions from tax.

Article 20

TEACHERS AND RESEARCHERS

1. The individual who is a resident of either Contracting States and who, at the invitation of a university, college or one of the institutions of Supreme Education solely for the purpose of teaching or carrying out a research at such institutions for a period not exceeding one year shall not be taxable in that other State on his remuneration for such activity.
2. The provisions of paragraph 1 shall not apply to the remuneration received for research carried out basically for the personal interest of one or more particular persons and not for public interest.

Article 21

STUDENTS AND TRAINEES

1. The individual who is a resident of a Contracting State and is present on a temporary basis in the other Contracting State only for being:
- a) a student at a university, college or school in the other Contracting State;
- b) a business, industrial or technical trainee; or
- c) a recipient of a scholarship, admittance or a prize for the purpose of study or research from a religious, charitable, scientific or educational institution,
- shall not be taxable in the other Contracting State in respect of his scholarship.
2. The same provision applies to any amount that represents a reward received by that individual for services rendered in the other Contracting State, provided that these

services are pertinent to his study or training and are necessary for maintenance purposes.

3. Payments received by an individual who is a resident of a Contracting State and immediately moves to the other Contracting State for the purpose of education, training or carrying out research, shall not be taxable in this last case, provided that such payments arise from sources outside that State.

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 beneficial owner 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.

Article 23

ELIMINATION OF DOUBLE TAXATION

1. 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, then the first Contracting State shall allow as a deduction from the tax on the income of that resident an amount equal to the income tax paid in the other Contracting State; 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 the other Contracting State.

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

Article 24

NON-DISCRIMINATION

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

other State in the same circumstances, in particular with respect to residence, are or may be subjected.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably 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 7 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 that enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which similar enterprises of the first-mentioned State are or may be subjected.

Article 25

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 national 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 endeavor, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall endeavor 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 for the purpose of reaching an agreement in the sense of the preceding paragraphs of this Article. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a commission consisting of the competent authorities of the Contracting States.

5. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Agreement.

Article 26

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws and administrative 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*).

Article 27

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.

Article 28

ENTRY INTO FORCE

1. The Contracting States shall notify each other through diplomatic channels that the legal requirements for the entry into force of this Agreement have been complied with. This Agreement shall enter into force thirty days after the date of the later of these notifications.
2. The provisions of the Agreement shall have effect in respect of:
 - a) Taxes withheld at source: shall have effect on the amounts paid or credited to the account on or after the first day of January immediately following the calendar year in which the Agreement enters into force as per paragraph 1 of this Article.
 - b) Other income taxes: shall have effect in the fiscal periods beginning or after the first of January following the calendar year in which the Agreement enters into force as per paragraph 1 of this Article.

Article 29

TERMINATION

1. This Agreement shall remain in force indefinitely unless terminated by a Contracting State. After the period of five years from the date on which the Agreement enters into force, either Contracting State may terminate the Agreement through diplomatic channels by giving notice of termination on at least six months before the end of any calendar year.
2. In such event, the Agreement shall cease to have effect as follows:
 - a) In respect of taxes withheld at the source:
The Agreement shall cease to have effect in respect of the amounts paid or credited to the account on or after 1 January of the calendar year following the year in which the notice of termination has been given.
 - b) In respect of income taxes:
the Agreement shall cease to have effect in respect of income realized during the fiscal periods beginning on or after 1 January in the calendar year following the year in which the notice of termination has been given.

In witness whereof, the undersigned, duly authorized thereto by their respective governments, have signed this Agreement.

Done in duplicate at Kyiv on 5 June 2003 in the Ukrainian, Arabic and English languages, the three texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

**For the Government of
Ukraine**



**For the Government of
the Syrian Arab Republic**



PROTOCOL

At the signing today of the Agreement between the Government of Ukraine and the Government of the Syrian Arab Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (hereafter referred to as "the Agreement"), the undersigned have agreed upon the following provisions which shall form an integral part of the Agreement:

With reference to paragraph 3 of Article 5 and paragraph 2 of Article 12

If after entry into force of this Agreement, the Government of the Syrian Arab Republic under the context of an agreement with a third party agrees to provide it with more favorable treatment with respect to paragraph 3 of Article 5 and paragraph 2 of Article 12, then the competent authorities of the Contracting States shall without undue delay extend this favorable treatment to their respective residents.

In witness whereof, the undersigned, duly authorized thereto by their respective governments, have signed this Protocol.

Done in duplicate at Kyiv on 5 June 2003 in the Ukrainian, Arabic and English languages, the three texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

For the Government of
Ukraine



For the Government of
the Syrian Arab Republic

