

AGREEMENT BETWEEN THE MACAO SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA AND THE KINGDOM OF BELGIUM FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

THE GOVERNMENT OF THE MACAO SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE KINGDOM OF BELGIUM,

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

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, 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 Macao:
- (i) the Professional Tax;
 - (ii) the Complementary Tax;
 - (iii) the Property Tax;
 - (iv) the Stamp Duty imposed as additional to the Property Tax,

(hereinafter referred to as "Macao tax");

- b) in the case of Belgium :

- (i) the Individual Income Tax;
- (ii) the Corporate Income Tax;
- (iii) the Income Tax on Legal Entities;
- (iv) the Income Tax on Non-Residents;
- (v) the Supplementary Crisis Contribution,
including the prepayments and, subject to paragraph 2 of Article 3, the surcharges
on these taxes and prepayments,

(hereinafter referred to as "Belgian tax").

4. The Agreement shall apply also to any identical or substantially similar taxes that 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 Parties shall notify each other of any significant changes that 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) (i) the term "Macao", means the Macao Special Administrative Region of the People's Republic of China; used in a geographical sense, it means the peninsula of Macao and the islands of Taipa and Coloane;
 - (ii) the term "Belgium", means the Kingdom of Belgium; used in a geographical sense, it means the territory of the Kingdom of Belgium, including the territorial sea and any other area in the sea and in the air within which the Kingdom of Belgium, in accordance with international law, exercises sovereign rights with

respect to the exploration for and exploitation of the natural resources of the seabed and subsoil thereof and the above-lying waters;

- b) the terms "a Contracting Party" and "the other Contracting Party" mean Macao or Belgium as the context requires;
 - c) the term "person" includes an individual, a company and any other body of persons;
 - d) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes in the Contracting Party of which it is a resident;
 - e) 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;
 - f) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting Party, except when the ship or aircraft is operated solely between places in the other Contracting Party;
 - g) the term "competent authority" means :
 - (i) in the case of Macao, the Chief Executive or his authorised representative, and
 - (ii) in the case of Belgium, the Minister of Finance or his authorised representative.
2. In the Agreement, the terms "Macao tax" and "Belgian tax" do not include any penalty or interest imposed under the laws of either Contracting Party relating to the taxes to which the Agreement applies by virtue of Article 2.
3. 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 laws 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 his domicile, residence, place of effective management or any other criterion of a similar nature, and also includes that Party and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that Party in respect only of income from sources in that Party.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting Parties, then his status shall be determined as follows :
 - a) he shall be deemed to be a resident only of the Party in which he has a permanent home available to him; if he has a permanent home available to him in both Parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closer (centre of vital interests);
 - b) if the Party in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Party, he shall be deemed to be a resident only of the Party in which he has an habitual abode;
 - c) if he has an habitual abode in both Parties or in neither of them, 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 Parties, then it shall be deemed to be a resident only of the Party in which its place of effective management is situated.

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
2. The term "permanent establishment" includes especially :
 - a) a place of management;
 - b) a branch;
 - c) an office;

- d) a factory;
 - e) a workshop;
 - f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources, and
 - g) a building site or a construction, assembly, installation or dredging project which exists for more than six months in any 12-month period.
3. An enterprise shall be deemed to have a permanent establishment in a Contracting Party and to carry on business through that permanent establishment if:
- a) it carries on supervisory activities in that Party for more than 6 months in any 12-month period in connection with a building site, or a construction, assembly, installation or dredging project which is being undertaken in that Party; or
 - b) it furnishes services, including consultancy services, through employees or other personnel engaged by it for such purpose, but only where activities of that nature continue within that Party for a period or periods aggregating more than 6 months within any 12-month period.
4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:
- a) the use of facilities solely for the purpose of storage, 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 sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom the provisions of paragraph 6 apply - is acting on behalf of an enterprise, 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 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 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. When the activities of such an agent, however, 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 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.

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 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting 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 that permanent establishment.
2. Subject to the provisions of paragraph 3, 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 Party in which the permanent establishment is situated or elsewhere.
4. Insofar as it has been customary in a Contracting Party 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 Party 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 from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting Party in which the place of effective management of the enterprise is situated.
2. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting Party in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting Party of which the operator of the ship is a resident.
3. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

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 such an adjustment as it considers appropriate 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 Party.
2. However, such dividends may also be taxed in the Contracting Party in which the company paying the dividends is a resident and according to the laws in 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:
 - a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends;

- b) 10 per cent of the gross amount of the dividends in all other cases.

Notwithstanding the preceding provisions of this paragraph, dividends shall not be taxed in the Contracting Party in which the company paying the dividends is a resident if the beneficial owner of the dividends is a company which is a resident in the other Party and which at the moment of the payment of the dividends holds, for an uninterrupted period of at least twelve months, shares representing directly at least 25 per cent of the capital of the company paying the dividends.

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, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income -even paid in the form of interest- which is subjected to the same taxation treatment as income from shares by the tax legislation of the Party of which the paying company 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 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, or performs in that other Party 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 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 or a fixed base 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.

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 Party.
2. However, such interest may also be taxed in the Contracting Party in which it arises, and according to the laws of that Party, but if the beneficial owner of the interest is a resident in the other Contracting Party, the tax so charged shall not exceed 10 per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest shall be exempted from tax in the Contracting Party in which it arises if it is :
 - a) Interest on commercial debt-claims - including debt-claims represented by commercial paper - resulting from deferred payments for goods, merchandise or services supplied by an enterprise;
 - b) Interest paid in respect of a loan granted, guaranteed or insured or a credit extended, guaranteed or insured under a scheme organized by a Contracting Party or one of its political subdivisions or local authorities in order to promote the export ;
 - c) Interest on debt-claims or loans of any nature - not represented by bearer instruments - paid to banking enterprises;
 - d) Interest on deposits made by an enterprise with a banking enterprise;
 - e) Interest paid to the other Contracting Party or one of its political subdivisions or local authorities.
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. However, the term "interest" shall not include for the purpose of this Article penalty charges for late payment or interest regarded as dividends under paragraph 3 of Article 10.
5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the interest, being a resident of a Contracting Party, carries on business in the other Contracting Party in which the interest arises, through a permanent establishment situated therein, or performs in that other Party 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 Party when the payer is a resident of that Party. Where, however, the person paying the interest, whether he is a resident of a Contracting Party or not, has in a Contracting Party 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 Party 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 exceeds for whatever reason 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.

Article 12

ROYALTIES

1. Royalties arising in a Contracting Party and paid to a resident in the other Contracting Party may be taxed in that other 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 in the other Contracting Party, the tax so charged shall not exceed 5 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 and films or tapes for television or radio 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 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, or performs in that other Party 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 Party when the payer is a resident of that Party. Where, however, the person paying the royalties, whether he is a resident of a Contracting Party or not, has in a Contracting Party 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 Party 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, 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.

Article 13

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 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 or of movable property pertaining to a fixed base available to a resident of a Contracting Party in the other Contracting Party for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in that other Party.

3. Gains 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 the Contracting Party in which the place of effective management of the enterprise 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 Party of which the alienator is a resident.

Article 14

INDEPENDENT PERSONAL SERVICES

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

Article 15

INCOME FROM EMPLOYMENT

1. Subject to the provisions of Articles 16, 18, 19 and 20, 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, 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 commencing or ending in the taxable period concerned, 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 or a fixed base 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, may be taxed in the Contracting Party in which the place of effective management of the enterprise is situated.

Article 16

COMPANY MANAGERS

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

The preceding provision shall also apply to payments derived in respect of the discharge of functions which, under the laws of the Contracting Party of which the company is a resident, are regarded as functions of a similar nature as those exercised by a person referred to in the said provision.

2. Remuneration derived by a person referred to in paragraph 1 from a company which is a resident of a Contracting Party in respect of the discharge of day-to-day functions of a

managerial or technical, commercial or financial nature and remuneration received by a resident of a Contracting Party in respect of his day-to-day activity as a partner of a company, other than a company with share capital, which is a resident of a Contracting Party, may be taxed in accordance with the provisions of Article 15, as if such remuneration were remuneration derived by an employee in respect of an employment and as if references to the "employer" were references to the company.

Article 17

ARTISTES AND SPORTSMEN

1. Notwithstanding the provisions of Articles 14 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 sportsman, from his personal activities as such exercised in the other Contracting Party, may be taxed in that other Party.
2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting Party in which the activities of the entertainer or sportsman are exercised.
3. The provisions of paragraphs 1 and 2 shall not apply if the activities exercised in a Contracting Party are substantially supported from public funds of the other Contracting Party or a political subdivision or a local authority thereof. In such case, income derived from such activities shall be taxable only in that other Contracting Party.

Article 18

PENSIONS

Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid to a resident of a Contracting Party in consideration of past employment, may be taxed in the Contracting Party in which they arise. This provision shall also apply to pensions and other similar remuneration paid under the social security legislation of a Contracting Party or under a public scheme organised by that Party in order to supplement the benefits of its social security legislation.

Article 19

GOVERNMENT SERVICE

1. a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting Party or a political subdivision or a local authority thereof to an individual in respect of services rendered to that Party or subdivision or authority 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 did not become a resident of that Party solely for the purpose of rendering the services.
2. Any pension paid by, or out of funds created by, a Contracting Party or a political subdivision or a local authority thereof to an individual in respect of services rendered to that Party or subdivision or authority shall be taxable only in that Party.
3. The provisions of Articles 15, 16, 17 and 18 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting Party or a political subdivision or a local authority thereof.
4. The provisions of paragraph 1 shall also apply to salaries, wages and other similar remuneration paid by a Contracting Party or a political subdivision or a local authority thereof to an individual in respect of an activity carried on in the other Contracting Party in the framework of a cooperation agreement.

Article 20

PROFESSORS AND RESEARCHERS

1. Remuneration which an individual 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 teaching, or / and engaging in scientific research at a university, a college, school or other teaching or scientific research institution recognized

by that Party, receives for such services shall be exempt from tax in that Party for a period not exceeding 2 years as from the date of his arrival in that Party.

2. The exemption given in paragraph 1 of this Article is not applicable to remuneration received from research engaged not for public interest, but essentially for private benefit of a certain person or persons.

Article 21

STUDENTS AND TRAINEES

Payments which a student, business apprentice or trainee 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. This exemption is applicable only for a period of time that is considered to be reasonable in order to complete the studies or the training.

Article 22

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 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, or performs in that other Party independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2, items of income not dealt with in the foregoing Articles of this Agreement derived by a resident of a Contracting Party from

sources in the other Contracting Party may also be taxed in that other Party, and according to the laws of that other Party.

Article 23

METHODS FOR ELIMINATION OF DOUBLE TAXATION

1. In the case of Macao, double taxation shall be avoided as follows:
Where the income derived by a resident of Macao shall be taxable in Belgium in accordance with the provisions of this Agreement, such income shall be exempt from Macao tax.
2. In the case of Belgium, double taxation shall be avoided as follows:
 - a) Where a resident of Belgium derives income, not being dividends, interest or royalties, which may be taxed in Macao in accordance with the provisions of this Agreement, and which are taxed there, Belgium shall exempt such income from tax but may, in calculating the amount of tax on the remaining income of that resident, apply the rate of tax which would have been applicable if such income had not been exempted.

Notwithstanding the provisions of subparagraph a) of this paragraph and any other provision of this Agreement, Belgium shall, for the determination of the additional taxes established by Belgian municipalities and conurbations, take into account the earned income (revenus professionnels – beroepsinkomsten) that is exempted from tax in Belgium in accordance with subparagraph a) of this paragraph. These additional taxes shall be calculated on the tax which would be payable in Belgium if the earned income in question had been derived from Belgian sources.

- b) Dividends derived by a company which is a resident of Belgium from a company which is a resident of Macao, shall be exempt from the corporate income tax in Belgium under the conditions and within the limits provided for in Belgian law.
Where a company which is a resident of Belgium, derives from a company which is a resident of Macao, dividends which are included in its aggregate income for Belgian tax purposes and which are not exempted from the corporate income tax according to this provision, Belgium shall deduct from the Belgian tax relating to these dividends, the Macao tax levied on these dividends in accordance with Article 10. This deduction shall not exceed that part of the Belgian tax which is proportionally relating to these dividends.
 - c) Subject to the provisions of Belgian law regarding the deduction from Belgian tax of taxes paid abroad, where a resident of Belgium derives items of his aggregate income

for Belgian tax purposes which are interest or royalties, the Macao tax levied on that income shall be allowed as a credit against Belgian tax relating to such income.

- d) Where, in accordance with Belgian law, losses incurred by an enterprise carried on by a resident of Belgium in a permanent establishment situated in Macao, have been effectively deducted from the profits of that enterprise for its taxation in Belgium, the exemption provided for in sub-paragraph a) shall not apply in Belgium to the profits of other taxable periods attributable to that establishment to the extent that those profits have also been exempted from tax in Macao by reason of compensation for the said losses.

Article 24

NON-DISCRIMINATION

1. Persons who, in the case of Belgium, are Belgian nationals and, in the case of Macao, have the right of abode or are incorporated or otherwise constituted therein, 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 (in the case of Belgium) or persons who have the right of abode or are incorporated or otherwise constituted therein (in the case of Macao) 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 Party than the taxation levied on enterprises of that other 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. 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 Party to a resident of the other Contracting Party shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned Party.

4. 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.

Article 25

MUTUAL AGREEMENT PROCEDURE

1. Where a person considers that the actions of one or both of the Contracting Parties result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those Parties, present his case to the competent authority of the Contracting Party of which he is a resident, or if his case comes under paragraph 1 of Article 24, to that of the Contracting Party of which he is considered to be a national (in the case of Belgium) or in which he has the right of abode or is incorporated or otherwise constituted (in the case of Macao). 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.
4. The competent authorities of the Contracting Parties shall agree on administrative measures necessary to carry out the provisions of the Agreement and particularly on the proofs to be furnished by residents of either Contracting Party in order to benefit in the other Party from the exemptions or reductions of tax provided for in the Agreement.

5. The competent authorities of the Contracting Parties shall communicate directly with each other for the implementation of the Agreement.

Article 26

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting Parties shall exchange such information as is useful for carrying out the provisions of this Agreement or of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting Parties 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 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, or the determination of appeals in relation to the taxes referred to in the first sentence. 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 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).
3. 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 2 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.

Article 27

MEMBERS OF GOVERNMENT MISSIONS

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

Article 28

LIMITATION ON BENEFITS

Notwithstanding the provisions of any other Article of this Agreement, a resident of a Contracting Party shall not receive the benefit of any reduction in or exemption from tax provided for in the Agreement by the other Contracting Party if the main purpose or one of the main purposes of such resident or a person connected with such resident was to obtain the benefits of the Agreement.

Article 29

ENTRY INTO FORCE

1. Each Contracting Party shall notify the other Contracting Party of the completion of the procedures required by its laws for the bringing into force of this Agreement. The Agreement shall enter into force from the date on which the later of these notifications is received.
2. The provisions of the Agreement shall have effect:
 - a) with respect to taxes due at source on income credited or payable on or after January 1 of the year next following the year in which the Agreement entered into force;

- b) with respect to other taxes charged on income of taxable periods beginning on or after January 1 of the year next following the year in which the Agreement entered into force.

Article 30

TERMINATION

This Agreement shall remain in force until terminated by a Contracting Party but either Contracting Party may terminate the Agreement, through diplomatic channels, by giving to the other Contracting Party, written notice of termination not later than the 30th June of any calendar year from the fifth year following that in which the Agreement entered into force. In the event of termination before July 1 of such year, the Agreement shall cease to have effect:

- a) with respect to taxes due at source on income credited or payable from January 1 of the year next following the year in which the notice of termination is given;
- b) with respect to other taxes charged on income of taxable periods beginning on or after January 1 of the year next following the year in which the notice of termination is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

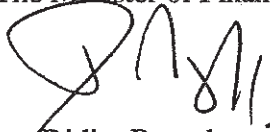
DONE in duplicate in Brussels, on this 19th day of June, 2006, in the Chinese, Portuguese, French, Dutch and English languages, the five texts being equally authentic. In case of divergence between the texts, the English version shall prevail.



澳門特別行政區政府
Governo da Região Administrativa Especial de Macau
行政長官辦公室
Gabinete do Chefe do Executivo

FOR THE GOVERNMENT OF THE KINGDOM OF BELGIUM:

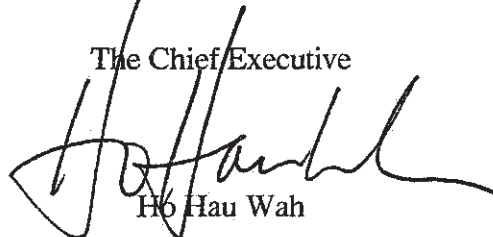
The Minister of Finance



Didier Reynders

FOR THE GOVERNMENT OF THE MACAO SPECIAL ADMINISTRATIVE REGION OF
THE PEOPLE'S REPUBLIC OF CHINA

The Chief Executive



Ho Hau Wah

PROTOCOL

At the moment of signing the Agreement between the Macao Special Administrative Region of the People's Republic of China and the Kingdom of Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, the undersigned have agreed upon the following provisions which shall form an integral part of the Agreement.

1. General clause of interpretation

In the interpretation of the provisions of the Agreement which are identical or in substance similar to the provisions of the OECD Model Tax Convention, the tax administrations of the Contracting Parties shall follow the general principles of the Commentary of the Model Convention provided that the Contracting Parties did not include in that Commentary any observations expressing a disagreement with those principles and to the extent the Contracting Parties do not agree on a divergent interpretation in special circumstances.

2. Ad Article 10, paragraph 2 and Article 23 paragraph 2, a):

It is understood that the provisions of paragraph 2 of Article 10 shall not apply, if the profits of a company which is a resident of Macao are not taxed at the company level but are allocated to the shareholders for the purpose of taxation in Macao. In such case, the taxation in Macao shall not exceed 10 per cent of the profits so allocated to the shareholder who is a resident of Belgium and double taxation of such profits shall be avoided according to the provisions of paragraph 2, a) of Article 23.

3. Ad Article 11, paragraph 3:

With respect to Belgium, the provisions of sub-paragraph b) shall apply in any case to :

- interest on a loan or credit for which a financial support is granted after advice of the Committee for financial support to export ("Finexpo") ;
- interest on a loan or credit granted by the Association for the coordination of medium-term financing of Belgian export ("Creditexport") ;
- interest on a loan or a credit insured by the National Office of Del Credere.

4. Ad Article 12, paragraph 3 :

In applying Article 12, paragraph 3 of the Agreement payments constituting consideration for technical assistance or technical services shall not be considered to be payments for



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information concerning industrial, commercial or scientific experience, but shall be taxable in accordance with the provisions of Article 7 or Article 14, as the case may be.

5. Ad Article 15, paragraph 1

An employment is exercised in a Contracting Party when the activity in respect of which the salaries, wages and other similar remuneration are paid, is effectively carried on in that Party. This means that the employee is physically present in that Party for carrying on the activity there.

6. Ad Article 23, paragraph 2, a):

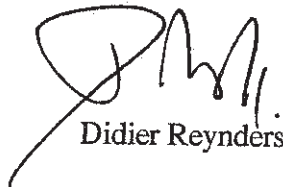
For the application of paragraph 2, a) of Article 23, income is taxed when it is effectively included in the taxable base by reference to which the tax is computed. Income is therefore not taxed when, being subject to the tax treatment normally applicable to such income, it is either not taxable or exempted from tax.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Protocol.

DONE in duplicate in Brussels, on this 19th day of June 2006, in the Chinese, Portuguese, French, Dutch and English languages, the five texts being equally authentic. In case of divergence between the texts, the English version shall prevail.

FOR THE GOVERNMENT OF THE KINGDOM OF BELGIUM:

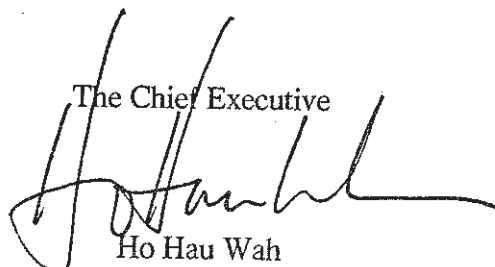
The Minister of Finance



Didier Reynders

FOR THE GOVERNMENT OF THE MACAO SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA:

The Chief Executive



Ho Hau Wah