

# AGREEMENT BETWEEN THE GOVERNMENT OF THE ISLE OF MAN AND THE GOVERNMENT OF THE STATE OF QATAR FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

## General disclaimer on the Synthesised text document

This document presents the synthesised text for the application of the Agreement between the Government of the Isle of Man and the Government of the State of Qatar for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on 6 May 2012 (the “Agreement”), as modified by the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* signed by the Government of the Isle of Man on 7 June 2017 and the Government of the State of Qatar on 4 December 2018 (the “MLI”).

The document was prepared jointly by the competent authorities of the Isle of Man and the State of Qatar and represents their shared understanding of the modifications made to the Agreement by the MLI.

The document was prepared on the basis of the MLI position of the Isle of Man submitted to the Depository upon ratification on 25 October 2017 and of the MLI position of State of Qatar submitted to the Depository upon ratification on 23 December 2019. These MLI positions are subject to modifications as provided in the MLI. Modifications made to MLI positions could modify the effects of the MLI on the Agreement.

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

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

Changes to the text of the provisions of the MLI have been made to conform the terminology used in the MLI to the terminology used in the Agreement (such as “Covered Tax Agreement” and “Agreement”, “Contracting Jurisdictions” and “Contracting States”), to ease the comprehension of the provisions of the MLI. The changes in terminology are intended to increase the readability of the document and are not intended to change the substance of the provisions of the MLI. Similarly, changes have been made to parts of provisions of the MLI that describe existing provisions of the Agreement: descriptive language has been replaced by legal references of the existing provisions to ease the readability.

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

### References

The authentic legal texts of the MLI and the Agreement can be found [here](#) and [here](#), respectively.

The MLI position of the Isle of Man submitted to the Depository upon ratification on 25 October 2017 and the MLI position of the State of Qatar submitted to the Depository upon ratification on 23 December 2019 can be found on [the MLI Depository \(OECD\) webpage](#).

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

The provisions of the MLI applicable to the Agreement do not take effect on the same dates as the original provisions of the Agreement. Each of provisions of the MLI could take effect on different dates, depending on the types of taxes involved (taxes withheld at source or other taxes levied) and on the choices made by the Isle of Man and the State of Qatar in their MLI positions.

Dates of the deposit of instruments of ratification: 25 October 2017 for the Isle of Man and 23 December 2019 for the State of Qatar.

Entry into force of the MLI: 1 July 2018 for the Isle of Man and 01 April 2020 for the State of Qatar.

This document provides specific information on the dates on or after which each of the provisions of the MLI has effect with respect to the Agreement throughout this document.

**AGREEMENT BETWEEN THE GOVERNMENT OF THE ISLE OF MAN AND THE GOVERNMENT OF THE STATE OF QATAR FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

The Government of the Isle of Man and the Government of the State of Qatar,

[REPLACED by paragraph 1 of Article 6 of the MLI][Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,]

*The following paragraph 1 of Article 6 of the MLI is included in the preamble of this Agreement :<sup>1</sup>*

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

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

Note 1: The Isle of Man and Qatar both notified the Depository of the preamble text under paragraph 5 of Article 6 of the MLI, the preamble text is therefore replaced by paragraph 1 of Article 6 of the MLI.

Note 2: In order for paragraph 3 of Article 6 to be included in this Agreement both the Isle of Man and Qatar need to notify the Depository that they choose to apply it and also list all Covered Tax Agreements that do not already have this preamble language referring to a desire to develop an economic relationship or to enhance co-operation in tax matters. Although Qatar has chosen to

<sup>1</sup> In accordance with paragraph 1 of Article 35 of the MLI, paragraph 1 of Article 6 of the MLI has effect with respect to the Agreement:

- a) with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 01 January 2021; and
- b) with respect to all other taxes levied by that Contracting Jurisdiction, for taxes levied with respect to taxable periods beginning on or after 01 October 2020.

apply paragraph 3, the Isle of Man has not and therefore it has not been included.

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.

Note 3: The Isle of Man and Qatar have reserved the right for the entirety of Articles 3 and 11 of the MLI not to apply to this Agreement so there has been no change to this Article..

**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.
3. The existing taxes to which the Agreement shall apply are:
  - a) in the case of the State of Qatar:  
  
taxes on income or profit  
  
(hereinafter referred to as "Qatari tax"); and
  - b) in the Isle of Man:  
  
taxes on income or profit;  
  
(hereinafter referred to as "Manx 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 taxation laws.

Note 4: There have been no changes to this Article as the MLI has no impact on it.

**ARTICLE 3  
GENERAL DEFINITIONS**

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

- a) the term "Qatar" means the State of Qatar's lands, internal waters, territorial sea including its bed and subsoil, the air space over them, the exclusive economic zone and the continental shelf, over which the State of Qatar exercises sovereign rights and jurisdiction in accordance with the provisions of international law and Qatar's national laws and regulations;
- b) the term "Isle of Man" means the island of the Isle of Man, including its territorial sea, in accordance with international law;
- c) the terms "a Contracting Party" and "the other Contracting Party" mean Qatar or the Isle of Man as the context requires;
- d) the term "person" includes an individual, a company and any other body of persons;
- e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- f) the 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;
- g) 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;
- h) the term "competent authority" means:
  - (i) in Qatar, the Minister of Economy and Finance, or its authorised representative; and
  - (ii) in the Isle of Man, the Assessor of Income Tax or his delegate;
- i) the term "national", in relation to a Contracting Party, means:
  - (i) any individual possessing the nationality of that Contracting Party; and
  - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting Party;

2. As regards the application of the Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Party for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

Note 5: There have been no changes to this Article as the MLI has no impact on it.
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**ARTICLE 4**  
**RESIDENT**

1. For the purposes of this Agreement, the term "resident of a Contracting Party" means:
  - a) In the case of Qatar, any individual who has a permanent home, his centre of vital interest, or habitual abode in Qatar, and a company incorporated or having its place of effective management in Qatar. The term also includes the State of Qatar and any political subdivision, local authority or statutory body thereof as well as any pension fund or pension scheme recognised in Qatar;
  - b) In the case of the Isle of Man, any person who, under the law of the Isle of Man, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes the Isle of Man and any political subdivision or local authority thereof and any pension fund or pension scheme recognised by the Isle of Man. This term, however, does not include any person who is liable to tax in the Isle of Man in respect only of income from sources in the Isle of Man.
  
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 Contracting Party in which he has a permanent home available to him; if he has a permanent home available to him in both Contracting Parties, he shall be deemed to be a resident only of the Contracting Party in 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 Contracting Party, he shall be deemed to be a resident only of the Contracting Party in which he has an habitual abode;
  - c) if he has an habitual abode in both Contracting Parties or in neither of them, he shall be deemed to be a resident only of the Contracting Party of which he is a national;
  - d) if the residence status of an individual cannot be determined in accordance with the provisions of subparagraphs (a), (b) and (c) above, then 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.

Note 6: The Isle of Man and Qatar have reserved the right for the entirety of Article 4 of the MLI not to apply to this Agreement so there has been no change to this Article.

**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 sales outlet;
  - g) a farm or plantation, and
  - h) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.
3. A building site, a construction, assembly or installation project or supervisory activities in connection therewith constitute a permanent establishment only if such site, project or activities last for a period or periods aggregating more than six months in any twelve month period commencing or ending in the tax year concerned.
4. A permanent establishment shall be deemed to exist where an enterprise furnishes services, including consultancy services, through employees or other personnel engaged by the enterprise for such purpose, but only if the activities of that nature continue (for the same or a connected project) within a Contracting Party for a period or periods aggregating more than six months in any twelve month period commencing or ending in the tax year concerned.
5. 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.

6. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 8 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting Party an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that Party in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 5 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.

7. Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting Party shall, except in regard to reinsurance, be deemed to have a permanent establishment in the other Contracting Party if it collects premiums in the territory of that other Contracting Party or insures risks situated therein through a person, other than an agent of an independent status to whom paragraph 8 applies.

8. 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. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, and conditions are made or imposed between that enterprise and the agent in their commercial and financial relations which differ from those which would have been made between independent enterprises, he will not be considered an agent of an independent status within the meaning of this paragraph.

9. 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.

Note 7: The Isle of Man and Qatar have reserved the right for the entirety of Articles 12, 13, 14 and 15 not to apply to this Agreement so there have been no changes to this Article.

## **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, boats 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.

Note 8: There have been no changes to this Article as the MLI has no impact on it.

## **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 permanent establishment, including executive and general administrative expenses so incurred, whether in the Party in which the permanent establishment is situated or elsewhere, which are allowed under the provisions of the domestic law of the Contracting Party in which the permanent establishment is situated.

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, 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.

Note 9: There have been no changes to this Article as the MLI has no impact on it.

## **ARTICLE 8 SHIPPING AND AIR TRANSPORT**

1. Profits 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. For the purposes of this Article, profits derived from the operation in international traffic of ships and aircraft include profits:

- a) derived from the rental on a bareboat basis of ships and aircraft if operated in international traffic; and
- b) derived from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise,

where such rental profits or profits from such use, maintenance or rental, as the case may be, are incidental to the profits described in paragraph 1.

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

Note 10: There have been no changes to this Article as the MLI has no impact on it.

## **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<sup>1</sup> 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 firstmentioned Party if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Party may make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting Parties shall if necessary consult each other.

Note 11: The Isle of Man and Qatar have reserved the right for the entirety of Article 17 not to apply to this Agreement so there have been no changes to this Article.

## **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 and beneficially owned by that resident shall be taxable only in that other Party.

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

3. The provisions of paragraph 1 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 the 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.

4. 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.

Note 12: The Isle of Man and Qatar have reserved the right for the entirety of Article 8 of the MLI not to apply to this Agreement so there is no change to this Article.

## **ARTICLE 11 INTEREST**

1. Interest arising in a Contracting Party and which is beneficially owned by a resident of the other Contracting Party shall be taxable only in that other Party.
2. 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.
3. The provisions of paragraph 1 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 the 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.
4. Where, by reason of a special relationship between the payer and the beneficial owner of the interest or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting Party, due regard being had to the other provisions of this Agreement.

Note 13: There have been no changes to this Article as the MLI has no impact on it.

## **ARTICLE 12 ROYALTIES**

1. Royalties arising in a Contracting Party and paid to a resident of the other Contracting Party may be taxed in that other Party.
2. However, such royalties may also be taxed in the Contracting Party in which they arise and according to the laws of that Party, but if the beneficial owner of the royalties is a resident of the other Contracting Party, the tax so charged shall not exceed 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, tapes or discs for radio or television broadcasting), any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial/ commercial or scientific experience.
4. The provisions of paragraphs 1 and 2 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 the 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.

Note 14: There have been no changes to this Article as the MLI has no impact on it.

### **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 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.

Note 15: The Isle of Man and Qatar have reserved the right for the entirety of Article 9 not to apply to this Agreement so there have been no changes to this Article.

#### **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 the following circumstances, when such income may also be taxed in the other Contracting 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 amounting to or exceeding in the aggregate 183 days in any twelve month period commencing or ending in the taxable year concerned; in that case, only so much of the income as is derived from his activities performed in that other Party may be taxed in that other 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.

Note 16: There have been no changes to this Article as the MLI has no impact on it.

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

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 (one hundred and eighty three) days in any twelve month period commencing or ending in the taxable year 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.

4. Notwithstanding the preceding provisions of this Article, an individual who is both a national of a Contracting Party and an employee of an enterprise of that Contracting Party the principal business of which consists of the operation of aircraft in international traffic and who derives remuneration in respect of duties performed in the other Contracting Party shall be exempt from tax in that other Party on remuneration derived from his employment with that enterprise for a period of four years beginning with the date on which he first performs duties in that other Party. For the purposes of this paragraph, a national of a State which is a member of the Gulf Co-operation Council for the Arab States and who is an employee of such an enterprise of a Contracting Party shall be treated as a national of the State of Qatar.

Note 17: There have been no changes to this Article as the MLI has no impact on it.

## **ARTICLE 16 DIRECTORS' FEES**

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 of a company which is a resident of the other Contracting Party may be taxed in that other Party.

Note 18: There have been no changes to this Article as the MLI has no impact on it.

## **ARTICLE 17 ARTISTES AND SPORTSPERSONS**

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 sportsperson, 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 sportsperson in his capacity as such accrues not to the entertainer or sportsperson himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting Party in which the activities of the entertainer or sportsperson are exercised.

3. Income derived by a resident of a Contracting Party from activities exercised in the other Contracting Party as envisaged in paragraphs 1 and 2 of this Article, shall be exempted from tax in that other Party if the visit to that other Party is supported wholly or mainly by funds of either Contracting Party, a political subdivision or a local authority thereof, or takes place under a cultural agreement or arrangement between the Governments of the Contracting Parties.

Note 19: There have been no changes to this Article as the MLI has no impact on it.

#### **ARTICLE 18 PENSIONS AND ANNUITIES**

1. Subject to the provisions of paragraph 2 of Article 19:

- a) pensions and other similar remuneration; and
- b) annuities,

paid to a resident of a Contracting Party shall be taxable only in that Party.

2. The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth

Note 20: There have been no changes to this Article as the MLI has no impact on it.

#### **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 other Party and the individual is a resident of that other Party who:

- (i) is a national of that other Party; or
  - (ii) did not become a resident of that other Party solely for the purpose of rendering the services.
- 2.
  - a) Any pension and other similar remuneration 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.
  - b) However, such pension and other similar remuneration shall be taxable only in the other Contracting Party if the individual is a resident of, and a national of, that Party.
- 3. The provisions of Articles 15, 16, 17, and 18 of this Agreement shall apply to salaries, wages, pensions and other similar remuneration in respect of services rendered in connection with a trade or business carried on by a Contracting Party or a political subdivision or a local authority thereof.

Note 21: There have been no changes to this Article as the MLI has no impact on it.

**ARTICLE 20  
TEACHERS AND RESEARCHERS**

- 1. An individual who is or was immediately before visiting a Contracting Party a resident of the other Contracting Party and who, at the invitation of the Government of the first-mentioned Contracting Party or of a university, college, school, museum or other cultural institution in that first-mentioned Contracting Party or under an official program of cultural exchange, is present in that Contracting Party for a period not exceeding three consecutive years solely for the purpose of teaching, giving lectures or carrying out research at such institution shall be exempt from tax in that Contracting Party on his remuneration for such activity.
- 2. The provisions of paragraph 1 of this Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

Note 22: There have been no changes to this Article as the MLI has no impact on it.

**ARTICLE 21  
STUDENTS, BUSINESS APPRENTICES AND TRAINEES**

- 1. 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 Contracting 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 Contracting Party, provided that such payments arise from sources outside that Contracting Party.
- 2. In respect of grants, scholarships and remuneration from employment not covered by paragraph 1, a student, business apprentice or trainee described in paragraph 1 shall, in addition, be



entitled during such education or training to the same exemptions, relief or reductions in respect of taxes available to residents of the Party which he is visiting provided that he has become a resident of that Party.

Note 23: There have been no changes to this Article as the MLI has no impact on it.

## **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 the 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.

Note 24: There have been no changes to this Article as the MLI has no impact on it.

## **ARTICLE 23 ELIMINATION OF DOUBLE TAXATION**

1. In the case of Qatar, double taxation shall be eliminated as follows:

Where a resident of Qatar derives income which, in accordance with the provisions of this Agreement, is taxable in the Isle of Man, then Qatar shall allow as a deduction from the tax on income of that resident an amount equal to the tax paid in the Isle of Man provided that such deduction shall not exceed that part of the tax, as computed before the deduction is given, which is attributable to the income derived from the Isle of Man.
2. In the case of the Isle of Man, double taxation shall be eliminated as follows:
  - a) When imposing tax on its residents the Isle of Man may include in the basis upon which such taxes are imposed the items of income, which, according to the provisions of this Agreement, may be taxed in Qatar.
  - b) Where a resident of the Isle of Man derives income which, in accordance with the provisions of this Agreement, may be taxed in Qatar, the Isle of Man shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in Qatar. Such deduction shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Qatar.

- c) Where in accordance with any provision of this Agreement income derived by a resident of the Isle of Man is exempt from tax in the Isle of Man, the Isle of Man may nevertheless in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

Note 25: The Isle of Man and Qatar have reserved the right for the entirety of Articles 3 and 5 of the MLI not to apply to this Agreement so there is no change to this Article.

## **ARTICLE 24**

### **NON-DISCRIMINATION**

1. Nationals of a Contracting Party shall not be subjected in the other Contracting Party to any taxation or any requirements connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other Party in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting Parties.
2. Stateless persons who are residents of a Contracting Party shall not be subjected in either Party to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of the Party concerned in the same circumstances, in particular with respect to residence, are or may be subjected.
3. 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.
4. Except where the provisions of paragraph 1 of Article 9, paragraph 4 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.
5. 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 requirements 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.
6. The non-taxation of Qatari nationals under Qatari tax law shall not be regarded as discrimination under the provisions of this Article.

7. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

Note 26: There have been no changes to this Article as the MLI has no impact on it.

## ARTICLE 25 MUTUAL AGREEMENT PROCEDURE

1. **[The first sentence of paragraph 1 of Article 25 of this Agreement is REPLACED by paragraph 1 of Article 16 of the MLI.]** [Where a person considers that the actions of one or both of the Contracting 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 23, to that of the Contracting Party 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.

*The following paragraph 1 of Article 16 of the MLI replaces the first sentence of paragraph 1 of Article 25 of this Agreement :<sup>2</sup>*

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

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

Note 27: The Isle of Man and Qatar have notified the Depository of this provision in the Agreement and did not reserve the right for the first sentence of Article 16(1) of the MLI not to apply. Paragraph 1 of Article 16 therefore replaces paragraph 1 of Article 25.

Note 28: The Isle of Man and Qatar have not reserved the right for the second sentence of Article 16(1) of the MLI not to apply and have notified the Depository, as appropriate. This means the second sentence of Article 16(1) of the MLI shall apply in place of provisions that provide that a case referred to in the first sentence of Article 16(1) “...must be presented within a specified time period that is shorter than 3 years...”. The second sentence of paragraph 1 of this Article does not specify a time period that is shorter than 3 years and therefore remains the same.

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<sup>2</sup> In accordance with paragraph 1 of Article 35 of the MLI, paragraph 1 of Article 16 of the MLI has effect with respect to this Agreement:

- a) with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021; and
- b) with respect to all other taxes levied by that Contracting Jurisdiction, for taxes levied with respect to taxable periods beginning on or after 1 October 2020.

Note 29: Part VI of the MLI (Arbitration) only applies if both Parties have notified the Depository accordingly. The Isle of Man and Qatar have reserved the right for the entirety of Article 13 of the MLI not to apply to this Agreement. Accordingly, Part VI cannot apply.

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 Parties.

3. The competent authorities of the Contracting Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Contracting Parties may communicate with each other directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

#### **ARTICLE 26 EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting Parties shall exchange such information as may be relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Parties, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting Party shall be treated as secret in the same manner as information obtained under the domestic laws of that Party and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to, the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting Party the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting Party;
- b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting Party;

- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy ( ordre public).

4. If information is requested by a Contracting Party in accordance with this Article, the other Party shall use its information gathering measures to obtain the requested information, even though that other Party may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting Party to decline to supply information solely because it has no domestic interest in such information.

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

Note 30: There have been no changes to this Article as the MLI has no impact on it.

#### **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.

Note 31: There have been no changes to this Article as the MLI has no impact on it.

#### **ARTICLE 28**

#### **MISCELLANEOUS**

A person that is a resident of a Contracting Party and derives income from the other Party shall not be entitled to relief from taxation otherwise provided for in this Agreement if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of such item of income to take advantage of the provisions of this Agreement.

Note 32: There have been no changes to this Article as the MLI has no impact on it.

*The following paragraph 1 of Article 7 of the MLI applies and supersedes the provisions of this Agreement .<sup>3</sup>*

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<sup>3</sup> In accordance with paragraph 1 of Article 35 of the MLI, paragraph 1 of Article 7 of the MLI has effect with respect to this Agreement:

**ARTICLE 7 OF THE MLI – PREVENTION OF TREATY ABUSE**  
*(Principal purposes test provision)*

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

Note 33: The inclusion of paragraph 1 of Article 7 of the MLI applies by default to all Covered Tax Agreements under the MLI.

Note 34: While the Isle of Man chose to apply paragraph 4 of Article 7 of the MLI, Qatar did not choose to apply that paragraph of Article 7. Accordingly, paragraph 4 of Article 7 does not apply in respect of the Agreement.

**ARTICLE 29**  
**ENTRY INTO FORCE**

1. The Contracting Parties shall notify each other in writing, through the appropriate channels, of the completion of the procedures required by their laws for the bringing into force of this Agreement. The Agreement shall enter into force on the date of the later of these notifications.
2. The provisions of this Agreement shall have effect:
  - a) with regard to taxes withheld at source, in respect of amounts paid or credited on or after the first day of January of the calendar year immediately following the year in which the Agreement enters into force; and
  - b) with regard to other taxes, in respect of taxable years beginning on or after the first day of January of the calendar year immediately following the year in which the Agreement enters into force.

Note 35: There have been no changes to this Article as the MLI has no impact on it.

**ARTICLE 30**  
**TERMINATION**

- 
- a) with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021; and
  - b) with respect to all other taxes levied by that Contracting Jurisdiction, for taxes levied with respect to taxable periods beginning on or after 1 October 2020.

1. This Agreement shall remain in force until terminated by a Contracting Party. Either Contracting Party may terminate the Agreement, through the appropriate channels, by giving written notice of termination at least six months before the end of any calendar year following the expiration of a period of five years from the date of its entry into force.
2. This Agreement shall cease to have effect:
  - a) with regard to taxes withheld at source, in respect of amounts paid or credited on or after the first day of January of the calendar year immediately following the year in which the notice is given; and
  - b) with regard to other taxes, in respect of taxable years beginning on or after the first day of January of the calendar year immediately following the year in which the notice is given.

Note 36: There have been no changes to this Article as the MLI has no impact on it.