

SYNTHESISED TEXT OF THE MLI AND THE CONVENTION BETWEEN THE UNITED ARAB REPUBLIC AND THE REPUBLIC OF AUSTRIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL

General disclaimer on the Synthesised text document

This comprehensive document (the "Document") of the combined text of the Multilateral Convention promulgated by Presidential Decree No. 446 of 2020 and the Convention between the United Arab Republic and the Republic of Austria for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital which published in the Official Gazette no. 268 on 23/11/1963 ("Convention "), is only a guiding text, without any responsibility on the authority that issued those texts.

This document presents the synthesised text for the application of the Convention between **the United Arab Republic** and **the Republic of Austria** with respect to Taxes on Income and Capital signed on **16 October 1962** (the "Convention"), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by **Egypt** on **7 June 2017** and **Austria** on **7 June 2017** (the "MLI").

The document was prepared on the basis of the MLI position of **Egypt** submitted to the Depositary upon ratification on **30 September 2020** and of the MLI position of **Austria** submitted to the Depositary upon ratification on **22 September 2017**, as updated upon notification of an extension of the list of agreements covered by MLI on **28 August 2023**. 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 Convention.

The authentic legal texts of the Convention 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 Convention are included in boxes throughout the text of this document in the context of the relevant provisions of the Convention. 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 Convention (such as "Covered Tax Agreement" and "Convention", "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 Convention: 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 Convention or to the Convention must be understood as referring to the Convention 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 Convention can be found [www.eta.gov.eg].

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

The provisions of the MLI applicable to this Convention do not take effect on the same dates as the original provisions of the Convention. 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 Arab Republic of Egypt** and **the Republic of Austria** in their MLI positions.

Dates of the deposit of instruments of ratification, acceptance or approval: **30 September 2020** for **Egypt** and **22 September 2017** for **Austria 2017**, as updated upon notification of an extension of the list of agreements covered by MLI on **28 August 2023**.

Entry into force of the MLI: **1 January 2021** for **Egypt** and **1 July 2018** for **Austria** and has effect as follows:

The provisions of the MLI shall have effect in each Contracting State with respect to the Convention:

- (i) 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 2024; and
- (ii) (a) with respect to all other taxes levied by Egypt, for taxes levied with respect to taxable periods beginning on or after 30 May 2024.
(b) with respect to all other taxes levied by Austria, for taxes levied with respect to taxable periods beginning on or after 1 January 2025.

**CONVENTION
BETWEEN
THE UNITED ARAB REPUBLIC
AND THE REPUBLIC OF AUSTRIA
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME AND
CAPITAL**

The United Arab Republic and The Republic of Austria, ~~desiring to conclude for the purpose of the elimination of obstacles to international trade and investment a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital,~~

The following paragraph 1 of Article 6 of the MLI replaces the text referring to an intent to eliminate double taxation in the preamble of this Convention:

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

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

have agreed as follows:-

ARTICLE I

1. The taxes which are the subject of the present Convention are:

(a) in **the United Arab Republic:**

- (i) tax on income derived from immovable property (including the land tax, the building tax and the ghaffir tax);
 - (ii) tax on income from movable capital;
 - (iii) tax on commercial and industrial profits;
 - (iv) tax on wages, salaries indemnities and pensions;
 - (v) tax on profits from liberal professions and all other non-commercial professions;
 - (vi) general income tax;
 - (vii) defense tax;
 - (viii) supplementary taxes imposed as a percentage of taxes mentioned above;
- (hereinafter referred to as "United Arab Republic tax").

(b) in **Austria:**

- (i) the Einkommensteuer (income tax);
- (ii) the Körperschaftsteuer (corporation tax);
- (iii) the Beitrag vom Einkommen zur Förderung des Wohnbaues und für Zwecke des Familienlastenausgleiches (contribution from income for the promotion of residential building and for the equalization of family burdens);
- (iv) the Gewerbesteuer, including the Lohnsummensteuer (tax on commercial and industrial enterprises, including the tax levied on the sum of wages);
- (v) the Vermögensteuer (capital tax);
- (vi) the Grundsteuer (land tax);
- (vii) the Abgabe von land- und forstwirtschaftlichen Betrieben (tax on agricultural and forestry enterprises);

- (viii) the Abgabe vom Bodenwert bei unbebauten Grundstücken (tax on the value of vacant plots);
- (ix) the Abgabe von Vermögen, die der Erbschaftssteuer entzogen sind (tax on property eluding death duties);
- (hereinafter referred to as "Austrian tax");
2. The present Convention shall also apply to any other taxes of a substantially similar character imposed in Austria or in the United Arab Republic subsequently to the date of signature of the present Convention.

ARTICLE II

1. In the present Convention, unless the context otherwise requires:
- a. the term "**Austria**" means the Republic of Austria;
 - b. the term "**United Arab Republic**" means Egypt; (the province of Egypt)
 - c. the terms "one of the Contracting States" and "the other Contracting State" mean Austria or the United Arab Republic, as the context requires;
 - d. the term "tax" means Austrian tax or United Arab Republic tax, as the context requires;
 - e. the term "person" includes any individual company, and any unincorporated body of persons;
 - f. the term "company" means any body corporate and any entity which is treated as a body corporate for tax purposes;
 - g. the term "competent taxation authorities" means, in the case of Austria the Federal Ministry of Finance; in the case of the United Arab Republic, the Minister of Treasury or his authorized representative.
2. In the application of the provisions of the present Convention by one of the Contracting States any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws in force in the territory of that State relating to the taxes which are the subject of the present Convention.

ARTICLE III

1. As used in this Convention the terms "resident of Austria" and "resident of the United Arab Republic" mean:

- a. any person, who, as the context requires, under the Austrian or the United Arab Republic law is liable to taxation therein by reason of his domicile, residence, place of management or any other similar criterion;
 - b. Where by reason of the provisions of the preceding lit. (a) an individual is a resident of both Contracting States, then this case shall be solved in accordance with the following rules:
 - (i) He shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (centre of vital interests);
 - (ii) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the State in which he has an habitual abode;
 - (iii) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;
 - (iv) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall determine the question by mutual agreement;
 - c. Where by reason of the provision of lit. (a) a company is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated. The same provision shall apply to partnerships and associations which are not legal persons under the national laws by which they are governed.
2. As used in this Convention the terms "resident of one of the Contracting States" and "resident of the other Contracting State" mean a person who is a resident of Austria or a person who is a resident of the United Arab Republic, as the context requires.
3. As used in this Convention the terms "Austrian enterprise" and "United Arab Republic enterprise" mean, respectively, an industrial or commercial enterprise or undertaking carried on by a resident of Austria and an industrial or commercial enterprise or undertaking carried on by a resident of the United Arab Republic and the terms "enterprise of one of the Contracting States" and "enterprise of the other Contracting State" mean an Austrian enterprise or a United Arab Republic enterprise, as the context requires.

ARTICLE IV

1. As used in this Convention the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.
2. A permanent establishment shall include especially:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a mine, an oilfield, a quarry or other place of extraction of natural resources;
- (g) a building site or construction or assembly project which exists for more than six months.

3. **[REPLACED by paragraph 2 of Article 13 of the MLI]** ~~[The term "permanent establishment" shall not be deemed 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 for collecting information, for the enterprise;~~
- ~~(e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.]~~

The following paragraph 2 of Article 13 of the MLI replaces paragraph {3} of Article { IV } of this Convention:

**ARTICLE 13 OF THE MLI – ARTIFICIAL AVOIDANCE OF PERMANENT
ESTABLISHMENT STATUS THROUGH THE SPECIFIC ACTIVITY
EXEMPTIONS (*Option A*)**

Notwithstanding [*Article { IV } of the Convention*], the term “permanent establishment” shall be deemed not to include:

- (a) (1) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (2) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (3) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

- (4) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
 - (5) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.
- b) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any activity not described in subparagraph a);
- c) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) and b),

Provided that such activity or, in the case of subparagraph c), the overall activity of the fixed place of business, is of a preparatory or auxiliary character

- 4. A person acting in one of the Contracting States on behalf of an enterprise of the other Contracting State - other than an agent of an independent status to whom paragraph 5 applies- shall be deemed to be a permanent establishment in the first-mentioned State if he has, and habitually exercises in that State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.
- 5. An enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.
- 6. The fact that a company which is a resident of one of the Contracting States controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

ARTICLE V

- 1. The industrial or commercial profits of an enterprise of one of the Contracting States (including gains derived from the sale of the enterprise or of a part of the enterprise or of an asset owned by the enterprise) shall not be subject to tax in the other Contracting State unless the enterprise carries on a trade or business in that other State through a permanent establishment situated therein. If it carries on a trade or business in that other State as aforesaid, tax may be imposed on those profits in the other State but only on so much of them as is attributable to that permanent establishment.
- 2. The share of the industrial or commercial profits of a partnership accruing to a partner therein who is a resident of one of the Contracting States shall likewise not be subject to tax in the other Contracting State unless the undertaking carries on a trade or business in that other State through a permanent establishment situated therein. If it carries on a trade or business in that other State through a permanent establishment situated therein tax may be imposed in the other State on the

share the profits accruing to that partner, but only on so much as represents his share of the profits attributable to the permanent establishment. The same provisions shall apply to the shares of the profits of a "stiller Gesellschafter" (silent partner) of a "stille Gesellschaft" (silent partnership) of the Austrian law.

3. Where an enterprise of one of the Contracting States carries on a trade or business in the other Contracting State through a permanent establishment situated therein, there shall be attributed to that permanent establishment the industrial or commercial profits which it might be expected to derive in that other State if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the enterprise of which it is a permanent establishment. Such industrial or commercial profits will in principle be determined on the basis of the separate accounts pertaining to such establishment. In the determination of the net industrial or commercial profits of the permanent establishment there shall be allowed as deduction all expenses which are reasonably allocable to the permanent establishment, including executive and general administrative expenses so allocable.
4. The taxation authorities of the taxing State may, when necessary, in execution of paragraph 3 of this Article, rectify the accounts for taxation purposes, notably to correct errors and omissions or to re-establish the prices or remunerations entered in the books at the value which would prevail between independent persons dealing at arm's length.
5. If a permanent establishment does not produce accounts showing its own operations, or the accounts produced do not correspond to the normal usages of trade in the State where the establishment is situated, or the rectifications provided for in paragraph 4 of this Article cannot be effected, the taxation authorities of the taxing State may determine the net industrial or commercial profits by applying such methods to the operations of the establishment as may be fair and reasonable in the execution of paragraph 3 of this Article.
6. To facilitate the determination of industrial or commercial profits attributable to the permanent establishment, the competent authorities of the Contracting States may consult together with a view to the adoption of uniform rules of attribution of such profits according to the laws of the Contracting States.
7. Where a company which is a resident of Austria and whose activities do not lie solely or mainly in the United Arab Republic has a permanent establishment in the United Arab Republic, any profits attributable under paragraph 3 to that permanent establishment may be subject to the United Arab Republic tax on income from movable capital, the defense tax and the supplementary taxes, inasmuch as such profits are according to the following provisions considered to have been distributed:-

The total net profits of such a permanent establishment which would be liable to the United Arab Republic tax on commercial and industrial profits without applying the provisions of Article 36 of Law 14 of 1939 shall be considered to have been distributed in the United Arab Republic within 60 days from the closing of the financial year. 10 per cent of that net profit may, however, be set aside to form a special reserve. Such reserve has to be entered in the local balance sheet submitted annually to the United Arab Republic taxation authorities. Any amount set aside to such reserve shall only be subject to the tax on commercial and industrial profits in the United Arab Republic.

All sums deducted from the aforesaid reserve for purposes other than the redemption of losses incurred in the trade or business carried on by that permanent establishment situated in the United Arab Republic shall be deemed to have been distributed in the United Arab Republic and shall be taxed accordingly.

8. The provisions of paragraph 7 cease to be effective whenever in the United Arab Republic profits which are distributed out of a company's profits of the same taxable year (not distributed out of accumulated reserves or other assets) cease to be deductible from the amount of the company's taxable income or profits subject to the tax on commercial and industrial profits.
9. A company whose activities in the meaning of paragraph 7 do not lie mainly in the United Arab Republic means any company whose activities are carried out less than 90 per cent in the United Arab Republic through a permanent establishment situated therein.
10. Paragraphs 7 and 8 also apply to profits accruing to a sleeping partner of a partnership corresponding to a partnership with limited liability of the United Arab Republic law.
11. Paragraphs 1, 2 and 3 shall not be construed as preventing one of the Contracting States from imposing, pursuant to this Convention, a tax on income (e.g., dividends, interest, income from immovable property or royalties) derived from sources within its territory by a resident of the other State if such income is not attributable to a permanent establishment in the first mentioned State. Such income, if attributable to a permanent establishment, shall be taxed separately or together with the industrial or commercial profits of the permanent establishment in accordance with the laws of the Contracting States.

ARTICLE VI

1. Where

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

and in either case conditions are made or imposed between the two enterprises, in their commercial or financial relations, which differ from those which would be made between independent enterprises, then any profits which would, except 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. Paragraphs 4, 5 and 6 of Article V shall apply accordingly.

ARTICLE VII

1. Income from immovable property (including gains derived from the sale or exchange of such property) is taxable only in the Contracting State in which the property is situated; interest on debts secured by mortgage on real estate and royalties or other amounts paid in respect of the operation of a mine, an oilfield a quarry or other extraction of natural resources shall be regarded as income derived from immovable property.
2. Paragraph 1 shall not apply where a resident of one of the Contracting States has a permanent establishment in the other State and such income is attributable to that permanent establishment; in such event Article V shall be applicable.

ARTICLE VIII

1. Tax shall not be imposed in Austria on dividends paid by a company which is a resident of Austria to a resident of the United Arab Republic at a rate exceeding 10 per cent. Tax may, however, be deducted at the full rate from any such dividends but any tax deducted in excess of 10 per cent shall be refunded on a claim being made.
2. Dividends paid by a company resident in the United Arab Republic to a resident of Austria shall in the United Arab Republic be subject to:
 - a. the tax on income from movable capital, the defence tax and the supplementary taxes, which shall be deducted at the source;
 - b. the general income tax including the defence tax, provided that such dividends shall not be subject to a rate in excess of 15 per cent.
3. Dividends paid by a company resident in Austria whose activities lie solely or mainly in the United Arab Republic shall be treated as mentioned in paragraph 2 of this Article. For the purposes of the general income tax including the defence tax of the United Arab Republic all dividends distributed by the company which is a resident of Austria shall be deemed to be distributed to individuals. Where the recipient of the dividends actually is an individual who is not liable to the general income tax including the defense tax in the United Arab Republic or where he is actually a company, the United Arab Republic shall refund any general income tax including the defence tax attributable to such dividends on a claim being made. Where the recipient of the dividends is an individual liable to the general income tax including the defence tax in the United Arab Republic at a rate less than 15 per cent, the United Arab Republic shall refund any amount on general income tax including the defence tax which has been deducted from such dividends in excess of the statutory rate on a claim being made.
4. As concerns paragraph 2 lit. (a) the provisions of Article V, paragraph 8, shall apply accordingly.
5. A company whose activities in the meaning of paragraph 3 lie mainly in the United Arab Republic means any company whose activities are carried out to 90 per cent or more in the United Arab Republic through a permanent establishment situated therein.

6. Where (in other cases than those referred to in paragraph 3 of this Article and in Article V, paragraph 7), a company which is a resident of one of the Contracting States derives profits or income from sources within the other State there shall not be imposed in that other State any form of taxation on dividends paid by the company to persons not resident in that other State, or any tax in the nature of undistributed profits tax on undistributed profits of the company, whether or not those dividends or undistributed profits represent, in whole or in part, profits or income so derived.
7. In this Article the term "dividends" includes in the case of the United Arab Republic profits distributed by a company to its founder share-holders as well as profits distributed to "sleeping partners" in "partnerships with limited liability" of the United Arab Republic law and in the case of Austria profits distributed by a "Gesellschaft mit beschränkter Haftung" (company with limited liability).
8. Paragraphs 1, 2 and 3 shall not apply where a resident of one of the Contracting States has a permanent establishment in the other State and such dividends are attributable to that permanent establishment; in such event Article V is applicable.

ARTICLE IX

1. Notwithstanding the provisions of Article V, VI and VIII, profits which a resident of one of the Contracting States derives from operating ships or aircraft shall be exempt from tax in the other State; and where such profits are derived by a company which is a resident of one of the Contracting States, dividends paid by the company to persons not resident in the other State shall be exempt from tax in that other State.
2. Paragraph 1 shall likewise apply in respect of participation in pools of any kind by Austrian or United Arab Republic enterprises engaged in air transport or navigation.

ARTICLE X

1. Interest paid by a resident of Austria to a resident of the United Arab Republic shall not be subject to tax in Austria.
2. Interest paid by a resident of the United Arab Republic to a resident of Austria shall in the United Arab Republic only be subject to the tax on income from movable capital, the defense tax and the supplementary taxes, provided that the rate of those taxes does not exceed 15 per cent.
3. In this Article the term "interest" as used in this Article means interest on bonds, securities, notes, debentures or any other form of indebtedness (exclusive interest on debts secured by mortgage or real estate).
4. Paragraphs 1 and 2 shall not apply where a resident of one of the Contracting States has a permanent establishment in the other State and such interest is attributable to that permanent establishment; in such event Article V is applicable.

ARTICLE XI

1. Any royalty derived from sources within one of the Contracting States by a resident of the other State, shall be exempt from tax in that first-mentioned State.
2. In this Article the term "royalty" means any royalty or other amount paid as consideration for the use of, or for the privilege of using, any copyright, patent, design, secret process or formula, trade mark or other like property, but does not include any royalty or other amount paid in respect of the operation of a mine, an oilfield, a quarry or of any other extraction of natural resources.
3. Where any royalty exceeds a fair and reasonable consideration in respect of the indebtedness or rights for which it is paid, the exemption provided by this Article shall apply only to so much of the royalty as represents such fair and reasonable consideration.
4. Notwithstanding any provision of this Convention, rents and royalties in respect of cinematograph film shall continue to be taxed under the laws of the two Contracting States.
5. Any capital sum derived from sources within one of the Contracting States from the sale of patent rights by a resident of the other State shall be exempt from tax in that first-mentioned State.
6. The provisions of this Article shall not apply where founder shares are issued in the United Arab Republic as consideration for the rights mentioned in paragraph 2 of this Article and taxed in accordance with the provisions for Article 1 of Law 14 of 1939.
7. Paragraphs 1, 2, 3 and 5 shall not apply where a resident of one of the Contracting States has a permanent establishment in the other State and such royalties are attributable to that permanent establishment; in such event Article V shall be applicable.

ARTICLE XII

1. A resident of one of the Contracting States shall be exempt in the other State from any tax on gains from the sale, transfer or exchange of capital assets.
2. Paragraph 1 shall not apply where a resident of one of the Contracting States has a permanent establishment in the other State and such gains are attributable to that permanent establishment; in such event Article V shall be applicable.

ARTICLE XIII

1. Remuneration, including pensions, paid by one of the Contracting States, its political subdivisions or any legal person set up under the public law of that State (in the United Arab Republic also the Post Organisation, the Railways Organisation, Telephone and Telegraph Organisation and Central Bank) or out of funds created by one of the Contracting States or one of the before- mentioned legal persons to any individual in respect of services rendered to that State or legal person in the discharge of governmental functions shall be exempt from tax in the other Contracting State.
2. The provisions of this Article shall not apply to payments in respect of services rendered in connection with any trade or business carried on by any of the legal entities mentioned in paragraph 1.

ARTICLE XIV

1. Profits from a profession exercised in one of the Contracting States by an individual who is a resident of the other State may be subjected to taxation in the first-mentioned State only if the individual carries on his professional activity in that State by using there an office or other fixed place of business.
2. Remuneration from an employment exercised in one of the Contracting States by an individual who is a resident of the other State may be subjected to taxation in the first-mentioned State.
3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article an individual who is a resident of one of the Contracting States shall be exempt from tax in the other State on profits or remuneration arising from the exercise of a profession or employment within that other State in any taxable year, if
 - a. he is present within that other State for not longer than a total of 183 days during that year, and
 - b. he exercises the profession or employment for or on behalf of a resident of the first-mentioned State and is paid for it by that resident, and
 - c. the activity is not carried out in a permanent establishment of that resident.
4. Notwithstanding any of the preceding provisions of this Article, the profits or remuneration of public entertainers such as theatre, motion-picture, radio, television or variety artists, musicians and athletes may be subjected to taxation in the State in which the activity is performed.
5. Where an individual wholly or mainly performs services in ships or aircraft operated by an enterprise managed and controlled in one of the Contracting States such services shall be deemed to be performed in that State.

ARTICLE XV

1. Any pension (other than a pension of the kind referred to in paragraph 1 of Article XIII) and any annuity, derived from sources within one of the Contracting States by an individual who is a resident of the other State, shall be exempt from tax in the first-mentioned State.
2. The term "annuity" as used in this Article means a stated sum payable periodically at stated times, during life or during a specified or ascertainable period of time.
3. The term "pension" as used in this Article means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

ARTICLE XVI

A professor or teacher from one of the Contracting States, who receives remuneration for teaching during a period of temporary residence not exceeding two years, at a university, college, technical school or other higher educational institution in the other State, shall be exempt from tax in that other State in respect of that remuneration.

ARTICLE XVII

1. A student or business apprentice from one of the Contracting States, who receives full-time education or training in the other State, shall be exempt from tax in that other State on payments made on him from sources outside that other State for the purposes of his maintenance, education or training.
2. The same exemption shall apply to income which a student or business apprentice from one of the Contracting States derives from an employment which he exercises in the other State for the purposes of practical training not longer than a total of six months in the taxable year.

ARTICLE XVIII

1. Individuals who are residents of Austria shall be entitled to the same personal allowances, reliefs and reductions for the purposes of the United Arab Republic income tax as United Arab Republic nationals not resident in the United Arab Republic.
2. Individuals who are residents of the United Arab Republic shall be entitled to the same personal allowances, reliefs and reductions for the purposes of Austrian income tax as Austrian nationals not resident in Austria.

ARTICLE XIX

Any kind of income the treatment of which is not expressly provided for in this Convention shall be taxed only in the Contracting State of which the recipient of that income is a resident.

ARTICLE XX

In the case of taxes on capital the following provisions shall be applicable:

1. If the capital consists of:

- (a) immovable property and accessories appertaining thereto;
- (b) commercial or industrial enterprises, including maritime shipping and air transport undertakings; the tax may be levied only in the State which is entitled under the preceding Articles to tax the income from such capital.

2. In the case of all other kinds of capital, the tax may be levied only in the State where the taxpayer is resident.

ARTICLE XXI

1. [(a) In determining its taxes specified in Article I of this Convention -- subject to the provisions of lit. (b) of this paragraph -Austria shall exclude, in the case of residents of Austria, from the basis upon which its taxes are imposed such items of income from sources within the United Arab Republic which according to this Convention may be subjected to the United Arab Republic tax. Austria, however, retains the right to take into account in the determination of its rate of tax the items of income excluded in accordance with the provisions of this paragraph. The preceding provisions of this paragraph shall not apply to income from dividends within the meaning of Article VII paragraphs 2 and 3 (not included profits accruing to a sleeping partner of a partnership with limited liability of the United Arab Republic law), interest within the meaning of Article X and rents and royalties within the meaning of Article XI paragraph 4; the United Arab Republic tax collected on this income shall, however, be allowed as a credit against the Austrian tax payable in respect of such dividends, interest and royalties computed on the basis of an average of tax.
- (b) In determining its capital tax specified in Article I paragraph 1(a), subparagraph (v) to (ix) of this Convention Austria shall exclude, in the case of a resident of Austria, from the basis upon which its tax is imposed such items of capital which the United Arab Republic according to this Convention is entitled to tax.]

[Modified by paragraph 2 of Article 5 of the MLI]

The following paragraph 2 of Article 5 of the MLI applies to Article {XXI}{I} of this Convention with respect to the residents of {Austria}:

ARTICLE 5 OF THE MLI – APPLICATION OF METHODS FOR ELIMINATION OF DOUBLE TAXATION (*Option A*)

[Article {XXI}{I} of the Convention] shall not apply where the other [Contracting State] applies the provisions of [the Convention] to exempt income derived or capital owned by a resident of a [Contracting State] from tax or to limit the rate at which such income or capital may be taxed. In the latter case, the first-mentioned [Contracting State] shall allow as a deduction from the tax on the income or capital of that resident an amount equal to the tax paid in that other [Contracting State]. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such items of income or capital which may be taxed in that other [Contracting State].

2. (a) In determining its taxes specified in Article I of this Convention -- subject to the provisions of lit. (b) of this paragraph - the United Arab Republic shall exclude in the case of residents of the United Arab Republic from the basis upon which its taxes are imposed such items of income from sources within Austria which according to this Convention may be subjected to Austrian tax. The United Arab Republic, however, retains the right to take into account in the determination of its rate of tax the items of income excluded in accordance with the provisions of this paragraph. The preceding provisions of this paragraph shall not apply to income from dividends within the meaning of Article VIII paragraph 1 and rents and royalties within the meaning of Article IX paragraph 4; the Austrian tax collected on this income shall, however, be allowed as a credit against the United Arab Republic tax payable in respect of such dividends and royalties, computed on the basis of an average rate of tax.
- (b) In the event that the United Arab Republic should impose a tax on capital, the provisions of subparagraph (b) of paragraph 1 of this Article shall apply, mutatis mutandis, at the determination of this capital tax to which a resident of the United Arab Republic would be liable.

ARTICLE XXI

1. The competent taxation authorities of the Contracting States shall exchange such information (being information which is at their disposal under their respective taxation laws in the normal course of administration) as is necessary for carrying out the provisions of the present Convention or the prevention of fraud or for the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of the present Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any person other than those concerned with the assessment and collection of the taxes which are the subject of the present Convention. No information as aforesaid shall be exchanged which would disclose any trade, business, industrial or professional secret or trade process.

2. In the event of substantial changes in their fiscal laws, the Contracting States will consult together in order to determine whether it is necessary for that reason to amend any of the provisions of this Convention.

ARTICLE XXIII

1. The nationals of one of the Contracting States shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other, higher, or more burdensome than the taxation and connected requirements to which the nationals of the latter State in the same circumstances are or may be subjected.
2. The enterprises of one of the Contracting States whether carried on by a company, a body of persons or by individuals alone or in partnership shall not be subjected in the other Contracting State, in respect of income, profits or capital attributable to their permanent establishment in that other Contracting State, to any taxation which is other, higher or more burdensome than the taxation to which the enterprises of that other Contracting State similarly carried on are or may be subjected in respect of the like profits or capital.
3. The income, profits and capital of an enterprise of one of the Contracting States, the capital of which is wholly or partly owned or controlled, directly or indirectly, by a resident or residents of the other State shall not be subjected in the first mentioned State to any taxation which is other, higher or more burdensome than the taxation to which other enterprises of that first-mentioned State in the same circumstances are or may be subjected in respect of the like income, profits and capital.
4. Nothing in this Article shall be construed as:
 - a. obliging one of the Contracting States to grant to nationals of the other State who are not residents of the former State the same personal allowances, reliefs and reductions for tax purposes as are granted to its own nationals;
 - b. affecting the exemptions conferred in the United Arab Republic by Articles 5 and 6 of Law 14 of 1939;
 - c. affecting the application in the United Arab Republic of Article 11 paragraphs 1 and 2 and Article 11 bis of Law of 1939;
 - d. affecting the exemption conferred in Austria by Article 9 of the Corporation Tax Law (DRGBL. 1934 I p. 1031 as amended) and Article 63 of the Valuation Law (BGBL. No. 148/1955) and the treatment provided for by the Austrian taxation laws concerning limited and unlimited liability.
5. In this Article the term "nationals" means:

- a. in relation to Austria, all Austrian nationals and legal persons, partnerships, associations and other entities deriving their status as such from the law in force in Austria;
 - b. in relation to the United Arab Republic, all United Arab Republic nationals:
 - (i) residing in the United Arab Republic, or
 - (ii) deriving their status as such from connection with the United Arab Republic, and all legal persons, partnerships, associations and other entities deriving their status as such from the law in force in the United Arab Republic.
6. In this Article the term "taxation" means taxes of every kind and description.

ARTICLE XXIV

1. Where a taxpayer shows to the satisfaction of the competent taxation authority of the Contracting State of which he is a national or a resident that he has received in the other Contracting State a treatment which is not in accordance with the provisions of the present Convention, this taxation authority shall consult with the competent taxation authority of the other State with a view to the avoidance of such treatment.

The following second sentence of paragraph 1 of Article 16 of the MLI applies and supersedes the provisions of this Convention:

ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

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 Convention*].

The following first sentence of paragraph 2 of Article 16 of the MLI applies to this Convention:

ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other [Contracting State], with a view to the avoidance of taxation which is not in accordance with [the Convention].

The following second sentence of paragraph 2 of Article 16 of the MLI applies to this Convention:

ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the [Contracting States].

The following first sentence of paragraph 3 of Article 16 of the MLI applies to this Convention:

ARTICLE 16 OF THE MLI – MUTUAL AGREEMENT PROCEDURE

The competent authorities of the [Contracting States] shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of [the Convention]

2. For the settlement of difficulties or doubts in the interpretation or application of this Convention or in respect of its relation to conventions of the Contracting States with third States the competent taxation authorities of the Contracting States shall consult together to reach a mutual agreement as soon as possible.

ARTICLE XXV

1. The competent taxation authorities of the two Contracting States may prescribe regulations necessary to carry out this convention within their respective countries.
2. The competent taxation authorities of the two Contracting States may communicate with each other directly for the purpose of carrying out the provisions of this Convention.

ARTICLE PREVENTION OF TREATY ABUSE

The following paragraph 1 of Article 7 of the MLI applies and supersedes the provisions of this Convention:

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

Notwithstanding any provisions of [the Convention], a benefit under [the Convention] shall not be granted in respect of an item of income or capital 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 [the Convention].

ARTICLE XXVI

1. The present Convention shall be ratified and the instruments of ratification shall be exchanged at Cairo as soon as possible.
2. The present Convention shall enter into force upon the exchange of instruments of ratification.
3. Upon the entry into force of the present Convention, the provisions of the Convention shall have effect:
 - (a) in **Austria**: For any taxable year beginning on or after the first day of January, 1961;
 - (b) in **the United Arab Republic**:
 - (i) as respects tax on income derived from immovable property, tax on income from movable capital, and tax on wages, salaries, indemnities and pensions, which taxes are payable or due on or after the first day of January, 1961;
 - (ii) as respects tax on commercial and industrial profits for any accounting period beginning on or after the first day of July, 1961 and for the unexpired portion of any fiscal period current at that date;
 - (iii) as respects tax on profits from liberal professions and all other non-commercial professions, and the general income tax for the taxation year beginning on or after the first day of January, 1961.

The rules in subparagraph (b) shall be correspondingly applicable respectively to the defence tax and to the supplementary taxes.

ARTICLE XXVII

The present Convention shall continue in effect indefinitely but either of the Contracting States may, on or before the 30th of June in any calendar year not earlier than the year 1966, give to the other Contracting State, through the diplomatic channel, written notice of termination and, in such event, the present Convention shall cease to be effective:

(a) in **Austria**:

For any taxable year beginning on or after the first day of January in the calendar year next following that in which the notice is given;

(b) In **the United Arab Republic**:

- (i) as respects tax on income derived from immovable property, tax on income from movable capital and tax on wages, salaries, indemnities and pensions, which taxes are payable on due on or after the first day of January in the calendar year next following that in which the notice of termination is given;

- (ii) as respects tax on commercial and industrial profits for any accounting period beginning on or after the first day of July in the calendar year next following that in which the notice is given and for the unexpired portion of any fiscal period current at that date;
- (iii) as respects tax on profits from liberal professions and all other non-commercial professions and the general income tax for any taxation year beginning on or after the first day of January in the calendar year next following that in which the notice is given.

The rules in subparagraph (b) shall be correspondingly applicable respectively to the defence tax and the supplementary taxes.

In witness whereof the undersigned, duly authorized thereto, have signed the present Convention and put seals thereto.

Done in duplicate at Vienna in the English language on the 16th day of October 1962.