

**SYNTHESISED TEXT
OF THE MLI AND THE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF POLAND
AND
THE GOVERNMENT OF THE UNITED ARAB EMIRATES
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME AND CAPITAL**

This document presents the synthesized text for the application of the Agreement between the Government of the Republic of Poland and the Government of the United Arab Emirates for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital, signed at Abu Dhabi on 31 January 1993 (the “Agreement”), as amended by the Protocol signed at Abu Dhabi on 11 December 2013 (the “Amending Protocol”), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by Poland on 7 June 2017 and by the United Arab Emirates on 27 June 2018 (the “MLI”).

The document was prepared on the basis of the MLI positions submitted to the Depositary upon the deposit of the ratification instrument:

- by Poland on 23 January 2018; and
- by the United Arab Emirates on 29 May 2019.

The effects of the MLI on the application of the Agreement can change over time as the MLI is a living instrument and Parties can partially modify their MLI positions in the future.

The purpose of this document is to facilitate the application of the MLI. It constitutes an auxiliary tool only, aimed at documenting the impact of the MLI on the Agreement. This document does not constitute a source of law. The authentic legal texts of the Agreement, the Amending Protocol and the MLI remain the only sources of law.

For legal purposes, the provisions of the MLI must be interpreted alongside the Agreement and the Amending Protocol, in light of the interaction of the MLI positions of the Contracting States.

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.

Entry into force and entry into effect of the MLI

Entry into force of the MLI:

- for Poland: 1 July 2018; and
- for the United Arab Emirates: 1 September 2019.

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 on non-residents’ income or other taxes levied) and on the choices made by the Contracting States in their MLI positions.

Hence, unless it is stated otherwise elsewhere in this document, in accordance with Article 35(1) of the MLI, the provisions of Article 6(1) and Article 7(1) of the MLI have effect with respect to the application of the Agreement by Poland:

- 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 2020; and
- with respect to all other taxes levied by Poland, for taxes levied with respect to taxable periods beginning on or after 1 March 2020;

and

in accordance with Article 35(1) of the MLI, the provisions of Article 6(1) and Article 7(1) of the MLI have effect with respect to the application of the Agreement by the United Arab Emirates:

- 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 2020; and
- with respect to all other taxes levied by the United Arab Emirates, for taxes levied with respect to taxable periods beginning on or after 1 March 2020.

However, in accordance with Article 35(4) of the MLI, second sentence of Article 16(2) of the MLI has effect with respect to the Agreement for a case presented to the competent authority on or after 1 September 2019 (except for cases that were not eligible to be presented as of that date under the Agreement prior to its modification by the MLI, without regard to the taxable period to which the case relates).

References

The authentic legal text of the MLI can be found on the MLI Depository (OECD) webpage:

- in English: <http://www.oecd.org/tax/treaties/multilateral-convention-to-implement-tax-treaty-related-measures-to-prevent-BEPS.pdf>; and

- in French: <http://www.oecd.org/fr/fiscalite/conventions/convention-multilaterale-pour-la-mise-en-oeuvre-des-mesures-relatives-aux-conventions-fiscales-pour-prevenir-le-BEPS.pdf>.

The Polish text of the MLI was published in the Journal of Laws from 2018 item 1369: <http://www.dziennikustaw.gov.pl/du/2018/1369/1>.

The governmental announcement on the entry into force of the MLI was published in the Journal of Laws from 2018 item 1370: <http://www.dziennikustaw.gov.pl/du/2018/1370/1>.

The governmental announcement on the entry into force of the MLI between Poland and United Arab Emirates was published in the Journal of Laws from 2019 item 2327: <http://dziennikustaw.gov.pl/DU/2019/2327/1>.

The MLI positions of the Contracting States can be found on the OECD webpage: <http://www.oecd.org/tax/treaties/beps-mli-signatories-and-parties.pdf>.

The MLI Matching Database is publicly available on the OECD webpage: <http://www.oecd.org/tax/treaties/mli-matching-database.htm>.

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF POLAND
AND
THE GOVERNMENT OF THE UNITED ARAB EMIRATES
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME AND CAPITAL

The Government of the Republic of Poland and the Government of the United Arab Emirates

desiring to promote and strengthen the economic relations by concluding an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital,

The following preamble text described in paragraph 1 of Article 6 of the MLI is included in the preamble of this Agreement:

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 in [*the Agreement*] for the indirect benefit of residents of third jurisdictions),

have agreed as follows:

Article 1

Personal scope

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

Article 2

Taxes covered

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State, or its political subdivisions or local authorities or by administrative territorial units irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or capital, including taxes on gains from alienation of movable or immovable property as well as taxes on capital appreciation.

3. The existing taxes to which this Agreement shall apply are¹:

(a) in the case of the United Arab Emirates:

- (i) income tax;
- (ii) corporate tax;

(hereinafter referred to as "U.A.E. tax");

(b) in the case of Poland:

- (i) the personal income tax;
- (ii) the corporate income tax;

(hereinafter referred to as "Polish tax").

4. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes referred to in paragraph 2. The competent authorities of the Contracting States shall notify each other of any substantial changes which are made in their respective taxation laws within a reasonable period of time after such changes.

Article 3

General definitions

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

¹ The wording of paragraph 3 of Article 2 presented as amended by the Amending Protocol.

- (a) the term a „Contracting State" and "the other Contracting State" mean, as the context requires, the Republic of Poland or the United Arab Emirates;
- (b) the term "Poland" means the Republic of Poland and, when used in a geographical sense, means the territory of the Republic of Poland including any area beyond its territorial waters within which under the laws of Poland and in accordance with international law, Poland may exercise its sovereign rights over the sea-bed, its subsoil and their natural resources;
- (c) the term "United Arab Emirates", when used in a geographical sense, means the territory of the United Arab Emirates including its territorial waters, islands, airspace, sea-bed, subsoil and their natural resources over which the United Arab Emirates exercises in conformity with international law its sovereign rights;
- (d) the term "tax" means U.A.E. tax or Polish tax as the context requires;
- (e) the term "person" includes an individual, a company, or any other body of persons legally set up in either of the Contracting States;
- (f) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively, an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- (h) the term "national" means: all individuals possessing the nationality of a Contracting State and all legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State.

2. The term "international traffic" means any transport by ships, boats, road vehicles or aircraft operated by an enterprise which has its place of management in either of the Contracting States, except when the ship, boat, road vehicle or aircraft is operated solely between places in the other Contracting State.

3. The term "competent authority" means:

- (i) in the case of U.A.E. the Minister of Finance and Industry or his authorised representative; and
- (ii) in case of Poland the Minister of Finance or his authorised representative.

4. In the application of this Agreement by either of the Contracting States, any term not defined therein shall - unless the context otherwise requires - have the meaning which it has under the laws of that State concerning the taxes to which the Agreement applies.

Article 4

Resident

1. For the purposes of this Agreement, the term "resident of a Contracting State" means²:

- a) in the case of Poland, a person who, under the laws of Poland, 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 Poland and any political subdivision or local authority thereof;
- b) in the case of the United Arab Emirates:
 - (i) an individual who has his domicile in the United Arab Emirates and is a national of the United Arab Emirates, and
 - (ii) a company which is incorporated in the United Arab Emirates and has its place of effective management there, provided that the company can give evidence that its capital is beneficially owned exclusively by the United Arab Emirates and/or by a government institution of the United Arab Emirates and/or federal or local governments and/or by individuals being residents of the United Arab Emirates and the company is controlled by the aforementioned residents.

2. For the purpose of paragraph 1 above the term "resident" shall include:

- a) the Government of a Contracting State or any political subdivision or local authority thereof.
- b) any Governmental institution created under public law such as the Central Bank, funds, corporations, authorities, foundations, agencies or any other similar entities established in a Contracting State;
- c) any intergovernmental entity established in the United Arab Emirates in whose capital the United Arab Emirates subscribes together with other States.

3. Where by reason of the provisions of paragraph 1 an individual is deemed to be a resident of both Contracting States, then his status shall be defined as follows:

- (i) he shall be deemed to be a resident of the 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 closer (centre of vital interests);
- (ii) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him

² The wording of paragraph 1 of Article 4 presented as amended by the Amending Protocol.

in either Contracting States, he shall be deemed to be a resident of the Contracting 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 settle the question by mutual agreement.

4. Where by reason of the provisions of paragraph one a person other than an individual is a resident of both Contracting States then it shall be deemed to be a resident of the State in which its place of effective management is situated.

Article 5

Permanent establishment

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business in which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include specifically:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;
- (g) a farm or plantation.

3. The term "permanent establishment" likewise encompasses:

- (a) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, but only where such site, project or activities continue for a period of more than twelve months.
- (b) the furnishing of services, including consultancy services, by an enterprise of a Contracting State through employees or other personnel in the other Contracting State, provided that such activities continue for the same project or

a connected project for a period or periods aggregating more than twelve months.

4. Notwithstanding the provisions of paragraphs 1 to 3, 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 for 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 sale of goods or merchandise belonging to the enterprise displayed in the frame of an occasional temporary fair or exhibition after the closing of the said fair or exhibition; provided that involving parties or companies fulfill all requirements in either Contracting States.

5. Notwithstanding the provision of paragraphs 1 and 2 a person acting in a Contracting State on behalf of an enterprise of the other Contracting State - other than an agent of an independent status to whom paragraph 6 applies shall be deemed to be a permanent establishment in the first-mentioned State if:

- a) he has in the first-mentioned State a general authority to negotiate and conclude contracts for or on behalf of such enterprise;
- b) he maintains in the first-mentioned State a stock of goods or merchandise from which he regularly sells goods or merchandise for or on behalf of such enterprises.

6. A broker, a commission agent or other agent of genuinely independent status who merely acts as an intermediary between an enterprise of one of the Contracting States and a prospective customer in the other Contracting State shall not be deemed to be a permanent establishment in that other Contracting State and provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, he will not be considered an agent of an independent status within the meaning of this paragraph.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State or which

carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

Income from immovable property

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other Contracting State.
2. The term "immovable property" shall have the meaning which it has under the laws of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, buildings, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right of work; mineral deposits, sources and other natural resources; ships, boats, road vehicles 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 paragraph 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7

Business profits

1. The profits of an enterprise of a Contracting State shall only be taxable in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.
2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.
3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred,

whether in the State in which the permanent establishment is situated or elsewhere. This provision is applicable irrespective of the limitation provided by the internal laws.

4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in this Article shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary, the methods 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 the permanent establishment of goods or merchandise for the enterprise.

6. For the purpose 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 a good and sufficient reason to the contrary.

7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

International transport

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

2. Profits from the operation of boats engaged in inland waterways transport shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

3. If the place of effective management of a shipping enterprise or of an inland waterways transport enterprise is aboard a ship or boat then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship or boat is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship or boat is a resident.

4. Profits from the operation of road transport vehicles in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated, unless the enterprise carries on activities referred to in this paragraph in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the provision of Article 7 shall apply.

5. The provisions of paragraphs 1 to 4 shall likewise apply to:
- a) Profits from the operation, in international traffic, of ships, boats, aircraft, or road transport vehicles leased;
 - b) Profits from the operation in international traffic of:
 - 1) containers in sea, road, and air transport,
 - 2) lighters operated in the lighters-aboard ship system, or
 - 3) other equipment related to transports by ships, boats aircraft or road-transport vehicles,irrespective of whether such equipment is owned or leased by the enterprise;
 - c) Profits from the participation in a pool, a joint business or in an international operating agency.
 - d) interest on deposits generated directly from the operation of ships, boats, road vehicles or aircraft in international traffic provided that such interest is incidental to the operation.

Article 9

Associated enterprises

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

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, 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 State includes in the profits of an enterprise of that State, and taxes accordingly, profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such

adjustment, due regard shall be paid to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

Article 10

Dividends

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

2. However such dividends may also be taxed in the Contracting State in which the company paying the dividend is a resident and according to the laws of that state; but if the recipient is the beneficial owner of the dividend, the tax so charged shall not exceed 5% (five percent) of the gross amount of the dividend.

3. Notwithstanding the provisions of paragraphs 1 and 2 dividends paid by a company which is a resident of either Contracting State shall not be taxable if the beneficial owner of the dividends is:

- (a) the Government of any Contracting State or any governmental institutions or entity thereof;
- (b) a company which is a resident of either Contracting State the capital of which is owned directly or indirectly at least 25% (twenty five percent) by the government or governmental institutions of either Contracting States.

4. The provisions of paragraphs 2 and 3 shall not affect the taxation of the company in respect of the profits out of which the dividends are paid with due consideration to the law for foreign investment.

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

6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment or 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 14 shall apply.

7. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of the other Contracting State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State nor subject the company's undistributed profits

to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 11

Interest

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

2. However, such interest may be taxed in the Contracting State in which it arises and according to the law of that State, but if the recipient is the beneficial owner of the interest, the tax so charged shall not exceed 5% (five percent) of the gross amount of the interest.

3. Notwithstanding the provisions of paragraph 2 interest arising in a Contracting State and derived by the government of the other Contracting State including local authorities thereof, the central bank or any financial institution controlled by that Government, or interest derived on loans guaranteed by that Government shall be exempted from tax in the first mentioned State.

4. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures including the premium and prizes attaching to such securities, bonds, or debentures. Penalty charges for late payments shall not be regarded as interest for the purpose of this article.

5. The provisions of paragraph 1 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment or fixed base situated therein, or the person that performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base, in such case the provision of Article 7 or 14 as the case may be shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is the Government of that State, a political subdivision, a local authority or administrative territorial units thereof, or a resident of that State. Where, however, the person paying the interest, whether he is resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would

have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being given to the other provisions of this Agreement.

Article 12

Royalties

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

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties then the tax so charged shall not exceed 5% (five percent) of the gross amount of such 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, patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use any industrial, commercial, or scientific equipment or for information (know-how) concerning industrial, commercial or scientific experience; this term also means payments of any kind received as a consideration for the use of, or the right to use, any copyright on cinematograph films, and films or tapes for radio or television broadcasting³.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State carries on business in the other Contracting State in which the royalties arise, through a permanent establishment located therein or performs in that other state independent personal services from a fixed base situated therein and the right of property in respect of which the royalties are paid is directly connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or 14 as the case may be shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or administrative territorial units thereof or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or a fixed base, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or a 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

³ The wording of paragraph 3 of Article 12 presented as amended by the Amending Protocol.

the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being given to the other provisions of this agreement.

Article 13

Gains from the alienation of property⁴

1. Gains derived by a resident of a Contracting State from the alienation of immovable property, as defined in paragraph 2 of Article 6 and situated in the other Contracting State may be taxed in the Contracting State in which such property is situated.

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

3. Gains from the alienation of ships, boats, road vehicles or aircraft operated in international traffic and movable property pertaining to the operation of such ships, boats, road vehicles or aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

4. Gains derived by a resident of a Contracting State from the alienation of shares deriving more than 50 per cent of their value directly or indirectly of immovable property situated in the other Contracting State may be taxed in that other State.

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

Article 14

Independent personal services

1. Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character may be taxed by that Contracting State, unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; if he has such a fixed base, the income may be taxed in the other Contracting State, but only as much as it is attributable to that fixed base.

⁴ The wording of Article 13 presented as amended by the Amending Protocol.

2. The term "professional services" include especially independent scientific, literary and artistic education or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, accountants, and dentists.

Article 15

Dependent personal services

1. Subject to the provisions of Articles 19, 20 and 21, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

- a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; and⁵
- b) the remuneration is paid by, or on behalf of, an employer, who is not a resident of the other Contracting State, and
- c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other Contracting State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship, boat, road vehicle or aircraft operated in international traffic shall be taxed only in the Contracting State in which the place of effective management of the enterprise is situated.

Article 16

Teachers and researchers

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any university, college, school or other similar educational institution or scientific research institution visits that other State for a period not exceeding three years solely for the purpose of teaching or research or both at such educational institution or scientific research institution shall be exempted from tax for a period not exceeding three years in that other State on any remuneration for such teaching or research which is subject to tax in the first mentioned State.

⁵ The wording of sub-paragraph a) of paragraph 2 of Article 15 presented as amended by the Amending Protocol.

Article 17

Students and trainees

1. A student or business apprentice who, immediately before visiting a Contracting State is or was a resident of the other Contracting State and who is present in the first mentioned Contracting State for the purpose of his education or training shall be exempt from tax in that first-mentioned Contracting State on:
 - (a) payments made to him by persons residing outside that first-mentioned Contracting State for the purpose of his maintenance, education or training; and
 - (b) remuneration from employment in that first-mentioned Contracting State, provided that such employment being a full- time employment, lasts not more than 183 days in the year of assessment.
2. An individual who, immediately before visiting a Contracting State is or was resident of the other Contracting State and who is temporarily present in the first-mentioned State primarily for the purpose of study, research or training as a recipient of a grant, allowance or award from a scientific, educational, religious or charitable organisation or under a technical assistance programme entered into by the Government of a Contracting State shall, from the date of his arrival in the first-mentioned State in connection with that visit, be exempt from tax in the State, for a period not exceeding the period of the grant.

Article 18

Artists and athletes

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as a public entertainer, such as a theatre, motion picture, radio or television artists, or a musician, or as an athlete, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State in which these activities are performed.
2. Where income in respect of personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.
3. Income derived from such activities performed within the frame work of cultural agreements concluded between the Contracting States are reciprocally exempted from tax only if such activities are sponsored by the Government of a Contracting State and the activities are not carried out for the purpose of profits.

Article 19

Directors' fees⁶

Directors' fees and other similar payments derived by a resident of a Contracting State in the capacity as a member of the board of directors or of the supervisory board or of any other similar organ of a company which is a resident of the other Contracting State shall be taxed only in that first-mentioned State.

Article 20

Pensions and annuities

1. Subject to the provision of paragraph (2) of Article 21 pensions, annuities and other similar remuneration paid to the resident of a Contracting State in consideration of past employment shall be taxable only in that State.

2. The term pensions, annuities and other similar remuneration as used in this article means periodic payments made after retirement in consideration of past employment or by way of the compensation for injuries received in connection with past employment.

Article 21

Government services

1.
 - a) Remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
 - b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:
 - (i) is a national of that State; or
 - (ii) did not become a resident of that State solely for the purpose of rendering the services.
2.
 - a) Any pension paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.
 - b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State.

⁶ The wording of Article 19 presented as amended by the Amending Protocol.

3. The provisions of Articles 15, 19 and 20 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article 22

Other income

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

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6 if the recipient of such income being a resident of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

Article 23

Capital

1. Capital represented by immovable property as defined in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in the Contracting State in which the property is situated.

2. Capital represented by movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or by movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.

3. Capital represented by ships, boats, road vehicles and aircraft operated in international traffic and by movable property pertaining to the operation of such ships, boats, road vehicles or aircraft, shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

4. All other elements of capital of a resident of a Contracting State shall be taxable only in that state.

[REPLACED by paragraph 1 of Article 7 of the MLI]⁷

**~~[Article 23A
Limitation of benefits⁸~~**

~~Benefits provided for by this Agreement shall not be available where it might be considered that the main purpose or one of the main purposes for entering into arrangements has been to obtain these benefits that would not be otherwise available. The cases of legal entities not having bonafide business activities shall be covered by this Article.]~~

**Article 24
Methods of elimination of double taxation**

1. In the case of Poland, double taxation shall be avoided as follows⁹:
 - a) Where a resident of Poland derives income which, in accordance with the provisions of this Agreement may be taxed in the United Arab Emirates, Poland shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in the United Arab Emirates. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such income or capital gains derived from the United Arab Emirates.
 - b) Where in accordance with any provision of this Agreement, income derived by a resident of Poland is exempt from tax in Poland, Poland may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.
2. In the case of the United Arab Emirates, the elimination of double taxation will be done according to the legislation of the United Arab Emirates taking into account the general principle of avoidance of double taxation.

**Article 25
Non-discrimination**

1. The nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than that which the nationals of the other State in the same circumstances are or may be subjected.

⁷ The wording of Article 7(1) of the MLI is presented in this document immediately after Article 28. Please note that Article 7(1) of the MLI replaces Article 23A of the Agreement. In addition, it also applies to all the provisions of the Agreement (as in practice it is added to the Agreement).

⁸ The wording of Article 23A presented as added by the Amending Protocol.

⁹ The wording of paragraph 1 of Article 24 presented as amended by the Amending Protocol.

2. The taxation or relief of taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other State carrying on the same activities in the same circumstances and under the same methods.

3. (a) this article shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibility which it grants to its own residents.

(b) nothing in this Article shall be construed as imposing a legal obligation on a Contracting State to extend to the residents of the other Contracting State, the benefit of any treatment, preference or privilege which may be accorded to any other State or its residents by virtue of the formation of a customs union, economic union, a free trade area or by virtue of any regional or subregional arrangement relating wholly or mainly to taxation, to which the first-mentioned State may be a party pursuant to the practice of either Contracting State.

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

5. In this Article the term "taxation" means taxes of every kind and description which are the subject of this Agreement.

Article 26

Mutual agreement procedure

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this convention, he may, without prejudice to the remedies provided by the national laws of those States, address to the competent authority of the Contracting State of which he is a resident an application in writing stating the grounds for claiming the revision of such taxation. To be admissible, the said application must be submitted within three years from the first notification of the action resulting in taxation not in accordance with this Agreement.

2. The competent authority of the Contracting State shall endeavour, if the objection appears to it to be justified and if it is not by itself able to arrive at an appropriate 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 not in accordance with this Agreement.

The following second sentence of paragraph 2 of Article 16 of the MLI applies to this Agreement.

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].

3. 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 this Agreement. They may also consult together for elimination of double taxation in cases not provided for in this Agreement.

4. The competent authorities of the Contracting States shall, when necessary, communicate with each other directly for the purpose of applying this Agreement and reaching an agreement in the sense of the preceding paragraphs.

Article 27 **Exchange of information¹⁰**

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, 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 State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) 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 State the obligation:

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

¹⁰ The wording of Article 27 presented as amended by the Amending Protocol.

- 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 State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State 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 State 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 State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

Article 28

Diplomatic and consular officials

Nothing in this Agreement shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

The following paragraph 1 of Article 7 of the MLI replaces Article 23A of this Agreement¹¹:

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

Notwithstanding any provisions of [*the Agreement*], a benefit under [*the Agreement*] 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 Agreement*].

¹¹ Please note that Article 7(1) of the MLI replaces Article 23A of this Agreement and, in addition, it also applies to all of the provisions of this Agreement (as in practice it is added to the Agreement).

Article 29

Entry into force

1. The Governments of the Contracting States shall notify to each other that the domestic laws requirements for the entry into force of this Agreement have been complied with.
2. The Agreement shall enter into force thirty days after the date of the latter of the notifications referred to in paragraph 1 of this Article and its provisions shall have effect:
 - (i) in respect of withholding tax on income and taxes on capital gains derived by a non-resident, in relation to income and capital gains derived on or after 1st January in the calendar year immediately following that in which the Agreement enters into force.
 - (ii) in respect of other taxes, in relation to income of any fiscal year beginning on or after 1st January in the calendar year immediately following that in which the Agreement enters into force.

Article 30

Termination

This agreement shall continue in effect unless either of the Contracting State deliver a written notification through the diplomatic channel for its desire to terminate this Agreement; such a written notification must be given on or before the 30th of June in any calendar year beginning after the expiration of a period of ten years from the date of its entry into force. In such event this Agreement shall cease to have effect:

- (i) in respect of withholding tax on income and taxes on capital gains derived by a non-resident, in relation to income and capital gains derived on or after 1st January in the calendar year immediately following that in which the notice of termination is given;
- (ii) in respect of other taxes, in relation to income of any fiscal year beginning on or after 1st January in the calendar year immediately following that in which the notice of termination is given.

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

Done at Abu Dhabi on 31st of January 1993 corresponding to eighth Shaban 1413 H. in duplicate in the Polish, Arabic and English languages, all texts being equally authentic.

In the case there is any divergence of interpretation of the provisions of this Agreement the English text shall prevail.

PROTOCOL¹²

At the signing today of the Agreement between the Government of the Republic of Poland and the Government of the United Arab Emirates for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income and capital, the undersigned have agreed upon the following provisions which shall form an integral part of this Agreement:

1. Nothing in this Agreement shall affect the right of the Government of the United Arab Emirates, its political subdivision or local authorities to apply its own laws related to the taxation of income derived from the petroleum and natural resources. Such activities will be taxed according to the law of the United Arab Emirates.

2. *(Deleted by the Amending Protocol)*

3. For the purpose of the application of paragraph 5 of Article 13, it is understood that it includes capital gains from the alienation of shares or comparable interest in a company, other than those referred to in paragraph 4 of Article 13, derived by a resident of a Contracting State including the governmental financial institutions or investment companies owned by that State.

4. In the case of the United Arab Emirates, for the purposes of application of subparagraph b) of paragraph 1 of Article 4, paragraph 3 of Article 10, paragraph 3 of Article 11 and paragraph 5 of Article 13, the term governmental institutions shall include:

- a) the political sub-divisions, the local authorities, the local administrations, and the local governments,
- b) the Central Bank of the United Arab Emirates,
- c) Abu Dhabi Investment Authority,
- d) Abu Dhabi Investment Council,
- e) Mubadala Development Company,
- f) Masdar,
- g) International Petroleum Investment Company,
- h) Emirates Investment Authority,
- i) Dubai World,
- j) Investment Corporation of Dubai,
- k) any such institution that is wholly owned by the government of United Arab Emirates that should be notified by exchange of letters.

5. Notwithstanding the provisions of paragraph 3 of Article 10, paragraph 3 of Article 11 and Article 13 of the Agreement, dividends, interest payments and capital

¹² The wording of the Protocol presented as amended by the Amending Protocol.

gains arising in a Contracting State, derived by a pension fund being a resident of the other Contracting State, which has been constituted and is operated exclusively to administer or provide pension benefits and which is a governmental institution shall be exempt from tax in that first-mentioned State.

In witness whereof the undersigned, duly authorised thereto, by their respective Governments have signed this protocol.

Done at Abu Dhabi this 31st of January 1993 corresponding to 8th of Shaban 1413 H., in duplicate in Polish, Arabic and English languages, all texts being equally authentic.

In the case there is any divergence of interpretation of this Protocol, the English text shall prevail.