

EXCHANGE OF NOTES

HE Mr. Xiang Huaicheng

Vice Commissioner

of the State Administration of Taxation

of the People's Republic of China

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to refer to the Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Singapore on 18 April 1986 (hereinafter referred to as "the Agreement") and to propose on behalf of the Government of the People's Republic of China the following arrangement:

1. Sub-paragraph (a) of paragraph 3 of Article 2 of the Agreement shall be deleted and replaced by the following:

(a) in the People's Republic of China:

(i) the individual income tax;

(ii) the income tax for enterprises with foreign investment and foreign enterprises; and

(iii) the local income tax.

(hereinafter referred to as "Chinese Tax")

2. Sub-paragraphs (a) and (b) of paragraph 4 of Article 24 of the Agreement shall be deleted and replaced by the following:

(a) the provisions of Articles 7, 8, 9 and 10 of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises and the provisions of Article 73, 75 and 81 of the Detailed Rules and Regulations for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises.

3. Sub-paragraphs (c) and (d) of paragraph 4 of Article 24 of the Agreement shall be read as (b) and (c) respectively.

I have the honour to propose that this Note and Your Excellency's Note in reply confirming the acceptance by the Government of the Republic of Singapore of the above proposal shall be regarded as constituting an agreement between the two Governments under paragraph 4 of Article 2 and sub-paragraph (d) of paragraph 4 of Article 24 of the Agreement, which will enter into force on the date of Your Excellency's reply and shall have effect in respect of income derived on or after July 1, 1991.

Done in the Chinese and English languages, both texts being equally authentic.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration. ”

I have further the honour to confirm the acceptance by the Government of the Republic of Singapore of the above proposal and agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments which will enter into force on the date of this reply.

Done in the English and Chinese languages, both texts being equally authentic.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

Cheng Tong Fatt
Ambassador Extraordinary and Plenipotentiary
of the Republic of Singapore to the People's Republic of China