

**SYNTHESISED TEXT OF THE MULTILATERAL CONVENTION TO IMPLEMENT TAX  
TREATY RELATED MEASURES TO PREVENT BASE EROSION AND PROFIT  
SHIFTING(MLI) AND THE CONVENTION BETWEEN THE GOVERNMENT OF THE  
REPUBLIC OF KOREA AND THE GOVERNMENT OF THE STATE OF QATAR FOR THE  
AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME**

This document presents the synthesised text for the application of the Convention between the Government of the Republic of Korea and the Government of the State of Qatar for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on 27 March 2007 (the “Convention”), as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting signed by Korea on 7 June 2017 and Qatar on 4 December 2018 (the “MLI”).

This document was prepared in consultation with the competent authority of Qatar and represents a shared understanding of the modifications made to the Convention by the MLI.

This document was prepared on the basis of the MLI position of Korea submitted to the Depositary upon ratification on 13 May 2020 and of the MLI position of Qatar submitted to the Depositary upon ratification on 23 December 2019. These MLI positions are subject to modifications as provided in the MLI. Modifications made to MLI positions could modify the effects of the MLI on the Convention.

The sole purpose of this document is to facilitate the understanding of the application of the MLI to the Convention and the document does not constitute a source of law. 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 text of the MLI can be found at the following link:

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

The authentic legal text of the Convention can be found at the following link:

<http://www.law.go.kr/trtyInfoP.do?mode=4&trtySeq=4297&vSct=%EC%B9%B4%ED%83%80%EB%A5%B4>  
<https://gta.gov.qa/dtakorea.pdf>

The MLI position of Korea submitted to the Depositary upon ratification on 13 May 2020 and of the MLI position of Qatar submitted to the Depositary upon ratification on 23 December 2019 can be found on the MLI Depositary(OECD) webpage.

#### Entry into force and entry into effect of the MLI

The MLI enters into force for Korea on 1 September 2020 and for Qatar on 1 April 2020 and has effect as follows:

- (a) 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 2021; and
  - (ii) with respect to all other taxes levied by that Contracting State, for taxes levied with respect to taxable periods beginning on or after 1 March 2021; and
- (b) Notwithstanding (a), Article 16 (Mutual Agreement Procedure) of the MLI shall have effect with respect to the Convention for a case presented to the competent authority of a Contracting State on or after 1 September 2020, except for cases that were not eligible to be presented as of that date under the Convention prior to its modification by the MLI, without regard to the taxable period to which the case relates.

**CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA AND  
THE GOVERNMENT OF THE STATE OF QATAR FOR THE AVOIDANCE OF DOUBLE  
TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES  
ON INCOME**

The Government of the Republic of Korea and the Government of the State of Qatar,

**[REPLACED by paragraph 1 of Article 6 of the MLI]** [Desiring to conclude a convention for the avoidance of double taxation with respect to taxes on income;]

*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 the Convention:*

*Article 6 of the MLI- Purpose of a Covered Tax Agreement*

Intending to eliminate double taxation with respect to the taxes covered by the [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 1  
PERSONS COVERED**

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

**Article 2  
TAXES COVERED**

1. This Convention shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivision or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income.

3. The existing taxes on income to which this Convention shall apply are in particular:

- a) in the case of Korea:
  - (i) the income tax;
  - (ii) the corporation tax; and
  - (iii) the special tax for rural development (hereinafter referred to as "Korean taxes").
- b) in the case of the State of Qatar:
  - Taxes on income (hereinafter referred to as "Qatari Taxes")

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. At the end of each year, the competent authorities of the Contracting States shall notify each other of changes which have been made in their respective taxation laws.

### Article 3 GENERAL DEFINITIONS

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

- a) the term "Korea" means the territory of the Republic of Korea including any area adjacent to the territorial sea of the Republic of Korea which, in accordance with international law, has been or may hereafter be designated under the laws of the Republic of Korea as an area within which the sovereign rights or jurisdiction of the Republic of Korea with respect to the sea-bed and sub-soil and their natural resources may be exercised;
- b) the term "Qatar" means the State of Qatar's lands, internal waters, territorial sea including its bed and subsoil, the air space over them, the exclusive economic zone and continental shelf, over which the State of Qatar exercises sovereign rights and jurisdiction in accordance with the provision of international law and Qatar's national laws and regulations;
- c) the terms "a Contracting State" and "the other Contracting State" mean Qatar or Korea, as the context requires;
- d) the term "tax" means Qatari tax or Korean tax, as the context requires;
- e) the term "person" includes an individual, a company and any other body of persons and also includes a Contracting State and any political subdivision or local authority thereof;
- 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:

(i) any individual possessing the nationality of a Contracting State;

(ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State;

I) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

j) the term "competent authority" means:

(i) in the case of Korea, the Minister of Finance and Economy or his authorized representative; and

(ii) in the case of Qatar, the Minister of Finance or his authorized representative,

k) The term "business" includes the performance of professional services and other activities of an independent character.

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

#### **Article 4**

#### **RESIDENT**

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of head or main office, place of management or any other criterion of a similar nature and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State.

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

a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);

b) if the 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 State, he shall be deemed to be a resident only of the State in which he has an habitual abode;

c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its effective place of management is situated. In case of doubts, the competent authorities of the Contracting States shall settle the question by mutual agreement.

## **Article 5**

### **PERMANENT ESTABLISHMENT**

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

2. The term "permanent establishment" includes especially:

a) a place of management;

b) a branch;

c) an office;

d) a factory;

e) a workshop;

f) a sales outlet;

g) a farm or an orchard, and

h) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than 6 months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

a) the use of facilities solely for the purposes of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise

solely for the purpose of processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;

e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character; and

f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. Notwithstanding the proceeding provisions of this Article, an insurance company of a Contracting State except in regard to reinsurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums on the territory of that other Contracting State or insures risks situated there through a person, other than an agent of an independent status to whom paragraph 7 applies.

7. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

8. 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 State.

2. The term "immovable property" shall have the meaning which it has under the law 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, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; Ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to the income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

## **Article 7**

### **BUSINESS PROFITS**

1. The profits of an enterprise of a Contracting State shall be taxable only 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.



4. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

5. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

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

## **Article 8**

### **SHIPPING AND AIR TRANSPORT**

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2. The provisions of paragraph 1 above shall apply also to United Arab Shipping Company's income in Korea, but only to so much of the profits so derived as is attributable to the Qatari Participant in proportion to its share.

3. The provisions of preceding paragraphs shall also apply to profits derived from the participation in a pool, a joint business or an international operating agency.

## **Article 9**

### **ASSOCIATED ENTERPRISES**

1. Where
  - a) an enterprise of a Contracting 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 had to the other provisions of this Convention 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 State.

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State. But if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the dividends. This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

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

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5. 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 that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment 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 company's 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 State.
2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2,
  - (a) interest arising in a Contracting State and derived by the Government of the other Contracting State including political subdivisions or local authorities thereof, the Central Bank of that other State or any financial institution performing functions of a governmental nature or by any resident of the other Contracting State with respect to debt-claim guaranteed or indirectly financed by the Government of that other State including political subdivisions and local authorities thereof, the Central Bank of that other State or any financial institution performing functions of a governmental nature shall be exempted from tax in the first-mentioned Contracting State.
  - (b) interest paid in connection with the sale on credit of any industrial, commercial or scientific equipment, or paid in connection with the sale on credit of any merchandise by one enterprise shall be taxable only in the Contracting State of which beneficiary is a resident.
4. For the purposes of paragraph 3, the terms "the Central Bank and financial institution performing functions of a governmental nature" mean:
  - a) in the case of Korea:
    - (i) the Bank of Korea;
    - (ii) the Korea Export-Import Bank;
    - (iii) the Korea Development Bank; and
    - (iv) any other banks or financial institutions performing functions of a governmental nature as may be specified and agreed upon in letters exchanged between the competent authorities of the Contracting States;
  - b) in the case of Qatar:
    - (i) the Qatar Central Bank;
    - (ii) the Qatar National Bank;
    - (iii) the Qatar Development Bank; and
    - (iv) any other banks or financial institutions performing functions of

governmental nature as may be specified and agreed upon in letters exchanged between the competent authorities of the Contracting States;

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

6. The provisions of paragraphs 1 and 2 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 situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case, provisions of Article 7 shall apply.

7. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

8. 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 had to the other provisions of this Convention.

## **Article 12**

### **ROYALTIES**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may 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, the tax so charged shall not exceed 5 percent of the gross amount of the royalties.

3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, (including cinematograph films and films, tapes or discs for radio and television broadcasting), any patent, trade mark, design or model, plan, secret formula or process or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is 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 with which the right, property in respect of which the royalties are paid is effectively connected, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the State in which the permanent establishment 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 paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such a 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 had to the other provisions of this Convention.

### **Article 13**

#### **CAPITAL GAINS**

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of 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, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) may be taxed in that other State.

3. Gains derived from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in the Contracting State of which the enterprise is a resident.

4. Gains derived by a resident of a Contracting State from the alienation of shares, other than those quoted on a stock exchange, deriving more than 50 percent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that 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**

#### **INCOME FROM EMPLOYMENT**

1. Subject to the provisions of Articles 15, 17, 18, 19 and 20, salaries, wages and other similar remuneration derived by an individual who is 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 an individual who is a resident of the 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 that 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; and
- b) the remuneration is paid by, or on behalf of, an employer who is not an individual who is a resident of the other State; and
- c) the remuneration is not borne by a permanent establishment which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard ships or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that Contracting State.

4. The salary, wages, allowances and perquisites received by an employee of an airline or shipping enterprise of a Contracting State and stationed in the other Contracting State shall be taxable in the first-mentioned Contracting State, but where a Convention for avoidance of double taxation exists between the Contracting State and the State which such employee is a resident, he

shall be taxed in accordance with the provisions of such Convention.

## **Article 15**

### **DIRECTORS' FEES**

1. Directors' fees and other similar payments derived by an individual who is a resident of the Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.
2. Salaries, wages and other remuneration derived by a resident of a Contracting State in his capacity as an official in a top-level managerial position of a company which is a resident of the other Contracting State may be taxed in that other State.

## **Article 16**

### **ARTISTS AND SPORTSPERSONS**

1. Notwithstanding the provisions of Article 14, income derived by an individual who is a resident of the Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.
2. Where income in respect of personal activities exercised by an entertainer or a sportsperson in his capacity as such accrues not to the entertainer or sportsperson himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.
3. Income derived by a resident of a Contracting State from activities exercised in the other Contracting State as envisaged in paragraph 1 and 2 of this Article, shall be exempt from tax in that other State if the visit to the other State is supported wholly or mainly by public funds of the first-mentioned Contracting State, a political subdivision or local authorities thereof, or takes place under a cultural agreement or arrangement between the Government of the Contracting State.

## **Article 17**

### **PENSIONS AND ANNUITIES**

1. Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration and annuities arising in a Contracting State and paid to a resident of the other

Contracting State may be taxed in the first-mentioned State.

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

## **Article 18**

### **GOVERNMENT SERVICES**

1.
  - a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or political subdivision or a local authority thereof to an individual in respect of services rendered to that State or political subdivision or local authority shall be taxable only in that State.
  - b) However, such salaries, wages and other similar 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 other 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 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.
3. The provisions of Articles 14, 15, 16 and 17 shall apply to salaries, wages and other similar 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 19**

### **STUDENTS AND TRAINEES**

1. Payments which a student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.



2. In respect of grants, scholarship and remuneration from employment not covered by paragraph 1, a student, business apprentice or trainee described in paragraph 1 shall, in addition, be entitled during such education or training to the same exemptions, reliefs or reductions in respect of taxes available to residents of the State which he is visiting.

## **Article 20**

### **TEACHERS AND RESEARCHERS**

1. An individual who is or was a resident of a Contracting State immediately before making a visit to the other Contracting State, who at the invitation of any university, college or school which is recognized by the Government of the other State, visits the other State a period not exceeding three years from the date of his first arrival in that other State, solely for the purpose of teaching or research or both at such educational institution shall be exempt from tax in that other State on his remuneration for such teaching or research.

2. The Provisions of paragraph 1 of this Article shall not apply to income from research if such research is undertaken not in the public interests but primarily for the private benefit of a specific person or persons.

## **Article 21**

### **OTHER INCOME**

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention State 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, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment, Article 7 shall apply.

## **Article 22**

### **METHOD FOR ELIMINATION OF DOUBLE TAXATION**

1. In the case of a resident of Korea, double taxation shall be avoided as follows:  
Subject to the provisions of Korean tax law regarding the allowance as a credit against

Korean tax of tax payable in any country other than Korea (which shall not affect the general principle of this Convention), the Qatari tax payable under the laws of Qatar and in accordance with this Convention, whether directly or by deduction, in respect of income from sources within Qatar shall be allowed as a credit against Korean tax payable in respect of that income. The credit shall not, however, exceed that proportion of Korean tax which the income from sources within Qatar bears to the entire income subject to Korean tax.

2. In the case of a resident of the State of Qatar, double taxation shall be avoided as follows:

Where a resident of Qatar derives income which, in accordance with the provisions of this Convention is taxable in Korea, then Qatar shall allow as a deduction from the tax on income of that resident an amount equal to the tax paid in Korea provided that such deduction shall not exceed that part of the tax, as computed before the deduction is given, which is attributable to the income derived in Korea.

3. For the purposes of paragraphs 1 and 2 of this Article, the term "Qatari tax paid" and "Korean tax paid" shall be deemed to include the amount of tax which would have been paid in Qatar or Korea, as the case may be, when an exemption or reduction is granted in accordance with the laws and regulation of that Contracting State. This provision shall apply to the income arising for the first 10 years for which this Convention is effective.

### **Article 23**

#### **NON-DISCRIMINATION**

1. 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 the taxation or connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, relief and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

3. Except where the provisions of paragraph 1 of Article 9, paragraph 8 of Article 11, or paragraph 6 of Article 12 apply, interest, royalties and other disbursements paid by an enterprise

of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned 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 subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

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

## ARTICLE 24

### MUTUAL AGREEMENT PROCEDURE

1. **[REPLACED by the first sentence of paragraph 1 of Article 16 of the MLI]** [Where a person 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, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 23, to that of the Contracting State of which he is a national.]

*The following first sentence of paragraph 1 of Article 16 of the MLI replaces the first sentence of paragraph 1 of Article 24 of the Convention:*

#### Article 16 of the MLI – Mutual Agreement Procedure

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

**[REPLACED by the second sentence of paragraph 1 of Article 16 of the MLI]** [The case must be presented within two years from the first notification, of the action resulting in taxation not in accordance with the provisions of the Convention.]

*The following second sentence of paragraph 1 of Article 16 of the MLI replaces the second sentence of paragraph 1 of Article 24 of the 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].

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Convention. 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 the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

## **Article 25**

### **EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Convention or of the domestic laws of the Contracting States concerning taxes covered by the Convention insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1. Any information received 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 or the determination of appeals in relation to, the taxes covered by the Convention. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws and the 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
- 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 (order public).

**Article 26**  
**MEMBERS OF DIPLOMATIC MISSIONS AND**  
**CONSULAR POSTS**

Nothing in this Convention shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreement.

*The following paragraph 1 of Article 7 of the MLI replaces paragraph 4 of the protocol to 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 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 27**  
**ENTRY INTO FORCE**

1. This Convention shall be ratified and the instruments of ratification shall be exchanged through the diplomatic channel as soon as possible. The Convention shall enter into force on the thirtieth day after the date of the exchange of the instruments of ratification.
2. This Convention shall have effect:
  - a) in respect of taxes withheld at source on or after the first day of January in the year following that in which this Convention enters into force; and
  - b) in respect of other taxes for the taxable year beginning on or after the first day of January in the year following that in which this Convention enters into force.

**Article 28**  
**TERMINATION**

This Convention shall remain in force indefinitely but either of the Contracting State may, on or before the thirtieth day of June in any calendar year from the fifth year, following that in which the instruments of ratification have been exchanged, give to the other Contracting State,

through diplomatic channels, written notice of termination and, in such event this Convention shall cease to have effect:

- a) in respect of taxes withheld at source for amounts payable on or after the first day of January in the year following that in which the notice is given; and
- b) in respect of other taxes for the taxable year beginning on or after the first day of January in the year following that in which the notice is given;

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Convention.

Done in duplicate at Doha on this 27th day of March 2007, in the Korean, Arabic and English languages, all texts being equally authentic. In case of any divergence, the English text shall prevail.

FOR THE GOVERNMENT OF  
THE REPUBLIC OF KOREA

Song Min-soon,  
Minister of Foreign Affairs

FOR THE GOVERNMENT OF  
THE STATE OF QATAR

Yousef bin Hussein Kama,  
Minister of Finance

## PROTOCOL

At the moment of signing this convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, this day concluded between the Government of the Republic of Korea and the Government of the State of Qatar, the undersigned have agreed that the following provisions shall form an integral part of this Convention:

### 1. With reference to Article 4

It is understood that Qatari and the other GCC (Gulf Cooperation Council) nationals and companies wholly owned by Qatari and the other GCC nationals who are subject to the provisions of Qatari tax law, are considered to be liable to tax in the meaning of paragraph 1 of Article 4 of the Convention.

2. With reference to paragraphs 1 and 2 of Article 7

In respect of paragraphs 1 and 2 of Article 7, it is understood that, in determining profits attributable to the permanent establishment of an enterprise of a Contracting State, only those profits arising from the activities of the permanent establishment may be attributed to that permanent establishment. This means, in particular, that in determining the profits arising from activities of a building site or construction or installation project which constitutes a permanent establishment, profits arising from activities performed outside the Contracting State in which the permanent establishment is located, shall not be attributed to that permanent establishment.

3. With reference to paragraph 3 of Article 7

In respect of paragraph 3 of Article 7, it is understood that the expenses incurred for the purposes of the permanent establishment shall be allowed as deductions under the provisions of the domestic law of the Contracting State in which the permanent establishment is situated, and that if by virtue of a convention between Qatar and a third State, Qatar adopts, with respect to the afore-mentioned deduction of expenses, a scope of deductibility broader than the scope under the provisions of the domestic law of Qatar in force at the date of signature of this Convention, the competent authorities of both Contracting States may consult with each other to decide whether or not to apply, for the purposes of this Convention, the same scope as that set forth in such Qatari convention. In case of difference, such difference may be settled through mutual agreement.

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

[4. With reference to Articles 10,11,12,13 and 21

It is understood that the provisions of these Articles shall not apply if the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the income is paid was to take advantage of these Articles by means of that creation or assignment.]

5. With reference to Article 13

It is agreed that if by virtue of a convention between Qatar and a third State which is a member of the Organization for Economic Cooperation and Development (OECD), containing provisions allowing taxation by the source State of gains from the alienation of shares forming part of substantial interest of a company, the competent authorities of both Contracting States may consult with each other to decide whether or not to include the following provision in this Convention and apply it from the date of entry into force of the convention concerned:

"Gains from the alienation of shares forming part of substantial interest in the capital of a company which is a resident of a Contracting State may be taxed in that State and according to the laws of that State. For the purposes of this paragraph, a substantial interest shall be deemed to exist when the alienator, alone or together with associated or related persons, holds directly or indirectly 25 per cent of the total shares issued by the company."

In case of difference in the application of this provision, the Contracting States may refer to the mutual agreement procedure to resolve the difference.

6. With reference to paragraph 3 of Article 23 In respect of paragraph 3 of Article 22, it is understood that after the elapse of the 10 year period, the competent authorities of both Contracting States may extend the period through mutual agreement.

7. With reference to Article 23

It is understood that the exemption of Qatari and GCC nationals from tax under Qatari domestic law shall not be regarded as discrimination under Article 23 of the Convention.

IN WITNESS WHEREOF the undersigned, duly authorized thereto by their respective Governments, have signed this protocol.

DONE in duplicate at Doha on this 2th day of March 2007, in the Korean, Arabic and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF  
THE REPUBLIC OF KOREA

Song Min-soon,

Minister of Foreign Affairs

FOR THE GOVERNMENT OF  
THE STATE OF QATAR

Yousef bin Hussein Kama,

Minister of Finance