

রেজিস্টার্ড নং ডি এ-১

বাংলাদেশ



গেজেট

অতিরিক্ত সংখ্যা  
কর্তৃপক্ষ কর্তৃক প্রকাশিত

সোমবার, অক্টোবর ১৬, ২০১৭

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

অর্থ মন্ত্রণালয়  
অভ্যন্তরীণ সম্পদ বিভাগ  
(আয়কর)

প্রজ্ঞাপন

তারিখ: ২৪ আশ্বিন, ১৪২৪ বঙ্গাব্দ/০৯ অক্টোবর, ২০১৭ খ্রিস্টাব্দ

এস, আর, ও নং ৩০১-আইন/২০১৭।—যেহেতু আয়ের উপর দ্বৈত করারোপন পরিহার ও কর সম্পর্কিত রাজস্ব ফাঁকি প্রতিরোধের উদ্দেশ্যে ‘গণপ্রজাতন্ত্রী বাংলাদেশ সরকার’ এবং ‘কিংডম অব বাহরাইন সরকার’ এর মধ্যে ২২ ডিসেম্বর, ২০১৫ খ্রিস্টাব্দ তারিখে নিম্ন তফসিলে বর্ণিত Agreement, অতঃপর উক্ত Agreement বলিয়া উল্লিখিত, সম্পাদিত হইয়াছে; এবং

যেহেতু উক্ত Agreement এর Article 29 এর উদ্দেশ্য পূরণকল্পে Income Tax Ordinance, 1984 (Ordinance No. XXXVI of 1984), অতঃপর উক্ত Ordinance বলিয়া উল্লিখিত, এর section 144 এর বিধান অনুসারে উক্ত Agreement বাংলাদেশে কার্যকর করা প্রয়োজন;

সেহেতু উক্ত Ordinance, এর section 144 এ প্রদত্ত ক্ষমতাবলে সরকার এতদ্বারা বিধান করিল যে, নিম্ন তফসিলে বর্ণিত উক্ত Agreement এর বিধানাবলী বাংলাদেশে অবিলম্বে কার্যকর হইবে, যথা:—

(১০৯৮১)

মূল্য : টাকা ২৪.০০

তফসিল

**AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF  
BANGLADESH**

**AND**

**THE GOVERNMENT OF THE KINGDOM OF BAHRAIN**

**FOR THE**

**AVOIDANCE OF DOUBLE TAXATION**

**AND**

**THE PREVENTION OF FISCAL EVASION**

**WITH RESPECT**

**TO TAXES ON INCOME**

The Government of the People's Republic of Bangladesh and the Government of the Kingdom of Bahrain desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income;

**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 imposed by or on behalf of a Contracting State or its 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, including taxes on gains from the alienation of movable or immovable property.
3. The existing taxes to which the Agreement shall apply are:
  - (a) in the case of Bahrain:

income tax payable under Amiri Decree No. 22/1979  
(hereinafter referred to as "Bahrain tax");
  - (b) in the case of Bangladesh:

the income tax.  
(hereinafter referred to as "Bangladesh 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. The competent authorities of the Contracting States shall notify each other of any significant changes, which have been made in their respective taxation laws.

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**ARTICLE 3**  
**GENERAL DEFINITION**

1. In this Agreement, unless the context otherwise requires:
  - (a) the term “Bahrain” means the territory of the Kingdom of Bahrain as well as the maritime areas, seabed and subsoil over which Bahrain exercises, in accordance with international law, sovereign rights and jurisdiction;
  - (b) the term “Bangladesh” means all the territory of the People’s Republic of Bangladesh including the part of the seabed and its sub-soil thereof, to the extent that area in accordance with international law has been or may hereafter be designated under Bangladesh law as an area within which Bangladesh may exercise sovereign rights with respect to the exploration and exploitation of the natural resources of the seabed or its sub-soil;
  - (c) the terms “a Contracting State” and “the other Contracting State” mean Bangladesh or Bahrain, as the context requires;
  - (d) the term “tax” means any tax covered by Article 2 of this Agreement;
  - (e) the term “person” includes an individual, a company and any other body of persons;
  - (f) the term “Company” means any body corporate or any entity, constituted or recognised under the laws of one or other of the Contracting State, or which is treated as a body corporate for tax purposes;
  - (g) the term “enterprise of a Contracting State” and “enterprise of the other Contracting State” mean respectively an enterprise carried on by a resident of Contracting State and an enterprise carried on by a resident of the other Contracting State;
  - (h) the term “Competent authority” means:
    - (i) in the case of Bahrain the Minister of Finance or his authorized representative;
    - (ii) in case of Bangladesh, the National Board of Revenue or its authorized representative.
  - (i) the term “national” means
    - (i) in the case of Bahrain, all individuals possessing the nationality or Bahrain and also any legal person, partnership and association deriving their status as such from the laws in force in Bahrain.

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- (ii) in the case of Bangladesh, all individuals possessing the nationality or citizenship of Bangladesh and also any legal person, partnership and association deriving their status as such from the laws in force in Bangladesh;
  - (j) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise, which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State.
2. As regards the application of the Agreement by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the law of that Contracting State, relating to the taxes to which this Agreement applies.

#### **ARTICLE 4 RESIDENT**

1. For the purposes of this Agreement, the term “resident of a Contracting State” means :
  - (a) in the case of Bahrain, and individual who is present in Bahrain for a period or periods totalling in the aggregate at least 183 days in the fiscal year concerned, a company or other legal person which is incorporated or has its place of management in Bahrain, the Kingdom of Bahrain, and any political subdivision or local or statutory authority or body thereof; and
  - (b) in the case of Bangladesh, any person who, under the laws of Bangladesh is liable to tax therein by reason of his domicile, residence, and place of management or any other criterion of a similar nature, and also includes that State or 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 or capital situated therein.

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

- (b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Contracting State, he shall be deemed to be a resident of the Contracting State in which he has a habitual abode;
  - (c) if he has a 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;
  - (d) 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.
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 of the Contracting 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 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 warehouse, in relation to a person providing storage facilities for others;
  - (g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; and
  - (h) a refinery.
3. A building site or construction, installation or assembly project constitutes a permanent establishment only if it lasts more than 183 days.

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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 purpose of storage or display 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 or display;
  - (c) the maintenance of 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 advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise; 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. A person acting in a Contracting State for or 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, and habitually exercises, in the first-mentioned Contracting State a general authority to conclude contracts for or on behalf of the enterprise, unless his activities are limited to the purchase of goods or merchandise for or on behalf of the enterprise; or
  - (b) he habitually maintains in the first-mentioned contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly delivers goods or merchandise for or on behalf of the enterprise; or
  - (e) he habitually secures orders for the sale of goods or merchandise in the first-mentioned Contracting State, wholly or almost wholly for the enterprise itself, or for the enterprise or other enterprise which are controlled by it or have a controlling interest in it.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that Contracting 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.
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 a contracting State, or which carries on business in that other Contracting State (whether through a permanent establishment of 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 to be taxed in that other Contracting 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, boats and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.



**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 Contracting 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 of expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere, however no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the enterprise to its head office or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, and any other expenses which under the law of that Contracting State would not be allowed to be deducted by an enterprise of that contracting State (except in the case of a banking enterprise by way of income from debt claims on monies lent to the head office of the enterprise or any of its other offices).
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 paragraph 2 shall preclude that contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles laid down in this Articles.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.
6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.
8. Nothing in this Agreement will affect the rights of a Contracting State to tax the income of an enterprise of the other Contracting State in the first mentioned Contracting State, where such income is derived from engaging in the exploration or the production of crude oil or other natural hydrocarbons from the ground of the first mentioned Contracting State or in refining crude oil in that Contracting State, in the case of Bahrain pursuant to Amiri Decree No. 22/1979, and in the case of Bangladesh pursuant to any identical or substantially similar law.

## **ARTICLE 8**

### **SHIPPING AND AIR TRANSPORT**

1. Profits from the operation of 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. Income of an enterprise of a Contracting State derived from the other Contracting state from the operation of ships in international traffic may be taxed in that other Contracting State, but the tax chargeable in that other Contracting State on such income shall be reduced by an amount equal to fifty per cent of such tax.
3. The provision of the preceding paragraphs shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

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**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 Contracting State and taxes accordingly profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State and the profits so included are profits which would have accrued to the enterprise of the first mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises than that other Contracting State shall make and appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting State 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 of which the company paying the dividends is a resident and according to the laws of that Contracting State, but if the recipient is

the beneficial owner of the dividends the tax so charged shall not exceed:

- (a) 10 percent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 percent of the capital of the company paying the dividends ;
- (b) 15 percent of gross amount of the dividends in all other cases.

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, mining shares, founder’s 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 paragraph 1 and 2 shall not apply if the recipient 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, or performs in the other Contracting State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such a permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 14, as the case may be, 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 Contracting 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 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 are situated in that other Contracting 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 Contracting State.

**ARTICLE 11****INCOME FROM DEBT CLAIMS**

1. Income from debt claims 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 income may also be taxed in the Contracting State in which it arises and according to the laws Contracting State, but if the recipient is the beneficial owner of the income the tax so charged shall not exceed 10 percent of the gross amount of the income from debt claims.
3. Notwithstanding the provisions of paragraph 2:
  - (a) Income from debt claims arising in Bangladesh and paid to the Government of Bahrain, or its Ministries, or the Bahrain Monetary Agency “Central Bank of Bahrain” and their organizations, or agents shall be exempt from Bangladesh tax;
  - (b) Income from debt claims arising in Bahrain and paid to the Government of Bangladesh, or its Ministries, or to the Bangladesh Bank and their organizations or agents shall be exempt from Bahrain tax;
4. The term income from debt claims 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 income from debt claims for the purpose of this Article.
5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the income from debt claims being a resident of a Contracting State, carries on business in the other Contracting State in which the income from debt claims arises, through a permanent establishment situated therein, or performs in that other Contracting State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the income from debt claims 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.

6. Income from debt claims shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a territorial-administrative unit, a local authority or a resident of that Contracting State. Where, however, the person paying the income from debt claims, 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 indebtedness on which the income from debt claims is paid was incurred, and such income from debt claims is borne by such permanent establishment or fixed base, then such income from debt claims shall be deemed to arise in the Contracting 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 persons, the amount of the income from debt claims, 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 Agreement.

### **ARTICLE 13 CAPITAL GAINS**

1. Capital gains from the alienation of immovable property, as defined in paragraph 2 of Article 6 or from the alienation of shares in a company the assets of which consist principally of immovable property may be taxed in the Contracting State in which such property is situated.
2. Capital 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 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 with the whole enterprise) or of such fixed base, may be taxed in the that other Contracting State.

3. Capital gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State of which the enterprise is a resident.
4. Capital gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 shall be taxable only in the Contracting 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 activities of an independent character shall be taxable only in that Contracting State. However, in the following circumstances such income may be taxed in the other Contracting State :
  - (a) if he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities; in the case, only so much of the income as is attributable to that fixed base may be taxed in the other Contracting State; or
  - (b) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in the fiscal year concerned in that case only, so much of the income as is derived from his activities performed in that other Contracting State may be taxed in that other Contracting State.
2. The term “professional services” includes especially, independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, surgeons, lawyers, engineers, architects, dentists and accountants.

#### **ARTICLE 15**

##### **DEPENDENT PERSONAL SERVICES**

1. Subject to the provisions of Articles 16, 18, 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 Contracting 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 Contracting 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 Contracting State if :
  - (a) the recipient is present in the other Contracting State for a period, or periods not exceeding in the aggregate 183 days in the taxable year concerned; and
  - (b) the remuneration is paid by or on behalf of an employer who is not a resident of the other 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 in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that Contracting State.
4. Notwithstanding the preceding provisions of this Article, a Contracting State shall exempt salaries, wages, allowances, and perquisites from tax in the case of employees of a designated enterprise, under paragraphs 1 and 2 of Article 8 herein, of that other Contracting State provided that the employees are nationals of the other Contracting State.

## **ARTICLE 16**

### **DIRECTOR'S FEES**

Director's fees and other similar payments derived by a resident of a 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 Contracting State.

## **ARTICLE 17**

### **ARTISTES AND ATHLETES**

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artist, 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 Contracting State.



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. The provisions of paragraphs 1 and 2 of this Article shall not apply to services of entertainers and athletes if their visit to a Contracting State is supported wholly or substantially from public funds of the other Contracting State.

### **ARTICLE 18 PENSIONS**

Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that Contracting State.

### **ARTICLE 19 GOVERNMENT SERVICE**

1. (a) Remuneration, other than a pension, paid by a Contracting State or a territorial administrative unit or a local authority thereof to an individual in respect of services rendered to that Contracting State or territorial unit or authority shall be taxable only in that Contracting State;
- (b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that Contracting State and the individual is a resident of that Contracting State who :
  - (i) is a national of that Contracting State; or
  - (ii) did not become a resident of that Contracting 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 territorial-administrative unit or a local authority thereof to an individual in respect of services rendered to that Contracting State, territorial-administrative unit or local authority shall be taxable only, in that Contracting 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 Contracting State.
3. The provisions of Articles 15, 16 and 18 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a territorial-administrative unit or a local authority thereof.

## **ARTICLE 20**

### **TEACHERS**

An individual who is or was 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, visits that other Contracting State for a period not exceeding two years solely for the purpose of teaching or research or both at such educational institution shall be exempt from tax in that other Contracting State on his remuneration for such teaching or research.

## **ARTICLE 21**

### **STUDENTS AND APPRENTICES**

1. An individual 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 Contracting State solely as a student at a university, college, school or other similar educational institution in the first-mentioned Contracting State or as a business or technical apprentice therein, for a period not exceeding five years from the date of his first arrival in the first-mentioned Contracting State in connection with that visit, shall be exempt from tax in that first-mentioned Contracting State on:
- (a) all remittances from abroad for the purposes of his maintenance, education or training; and
- (b) any remuneration for personal services rendered in the first-mentioned Contracting State with a view to supplementing the resources available to him for such purposes.

2. An individual who was a resident of a Contracting State immediately before visiting the other Contracting State and is temporarily present in that other Contracting State solely 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 first arrival in that other Contracting State in connection with that visit, be exempt from tax in that other Contracting State on the amount of such grant, allowance or award.

## **ARTICLE 22**

### **OTHER INCOME**

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in forgoing Article of this Agreement shall be taxable only in that Contracting 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, carried on business in the other Contracting State, through a permanent establishment situated therein, on performs in that other Contracting 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 such permanent establishment of fixed base. In such case the provisions of Article 7 or Article 14, shall apply.

## **ARTICLE 23**

### **MISCELLANEOUS PROVISIONS**

Nothing in this Agreement shall prevent the application of a more favourable tax treatment which might be extended to foreign public investments under the individual tax laws of the Contracting States.

**ARTICLE 24****METHOD FOR ELIMINATION OF DOUBLE TAXATION**

1. Where a resident of a Contracting State derives income which, in accordance with the provisions of this Agreement, may be taxed in the other Contracting State, the first-mentioned Contracting State shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in that other Contracting State. Such deduction shall not, however, exceed that part of the income tax as computed before the deduction is given, which is attributable, as the case may be, to the income which may be taxed in that other Contracting State.
2. Where in accordance with any provision of the agreement income derived by a resident of a Contracting State is exempted from tax in that Contracting State, such Contracting State may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

**ARTICLE 25****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 and connected requirements to which nationals of that other Contracting State the same circumstances are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents at one or both of the Contracting States.
2. The taxation levied 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 Contracting 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, reliefs 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 Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12, apply, income from debt claim, 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 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 subjected in the first-mentioned Contracting 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 Contracting 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 26**

### **MUTUAL AGREEMENT PROCEDURE**

1. 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 Agreement, he may irrespective of the remedies provided by the domestic law of those Contracting 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 25, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
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 Agreement. Any agreement reached shall be implemented notwithstanding any time limit 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 Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

**ARTICLE 27**  
**EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information as is foreseeable relevant for carrying out the provisions of this Agreement or to the or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, 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 of 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 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 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;
  - (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.

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 AGENTS AND CONSULAR OFFICERS**

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

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

1. This Agreement shall be ratified and the instruments of ratification shall be exchanged as soon as possible.
2. The Agreement shall enter into force upon the exchange of the instruments of ratification and its provisions shall have effect :
  - (a) in The Kingdom of Bahrain : for taxable years and periods beginning on or after 1<sup>st</sup> January in the calendar year next following that in which the instruments of ratification have been exchanged;
  - (b) in the People's Republic of Bangladesh: for any year of assessment beginning on or after 1<sup>st</sup> July in the calendar year next following that in which the instruments of ratification have been exchanged.
3. Notwithstanding the preceding provisions of this Article, the provisions of paragraphs 1 and 2 of Article 8 and paragraphs 3 and 4 of Article 15, shall be applicable to income derived from international air traffic in the Contracting States as from the beginning of operations.

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**ARTICLE 30**  
**TERMINATION**

1. This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement, through diplomatic channels by giving to the other Contracting State, written notice of termination not later than the 30<sup>th</sup> June of any calendar year from the fifth year following that in which the Agreement enters into force. In such event, the Agreement shall cease to have effect :
- (a) in Bahrain : for any year of assessment beginning on or after 31<sup>st</sup> December in the calendar year next following that in which the notice of termination is given;
- (b) in Bangladesh : for any year of assessment beginning on or after 1<sup>st</sup> July in the calendar year next 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 in duplicate at Manama this 22 day of December 2015 in the English and Arabic languages, all texts being equally authentic. In the case of divergence of interpretation, the English text shall prevail.

**FOR THE GOVERNMENT OF  
THE PEOPLE'S REPUBLIC OF  
BANGLADESH**

**Abul Hassan Mahmood Ali  
Hon'ble Minister  
Ministry of Foreign Affairs.**

**FOR THE GOVERNMENT OF  
THE KINGDOM OF BAHRAIN**

**khalid bin Ahmed Al Khalifa  
Hon'ble Minister  
Ministry of Foreign Affairs.**

রাষ্ট্রপতির আদেশক্রমে

মোঃ নজিবুর রহমান  
সিনিয়র সচিব।

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মোঃ আব্দুল মালেক, উপপরিচালক, বাংলাদেশ সরকারী মুদ্রণালয়, তেজগাঁও, ঢাকা কর্তৃক মুদ্রিত।  
মোঃ আলমগীর হোসেন, উপপরিচালক, বাংলাদেশ ফরম ও প্রকাশনা অফিস,  
তেজগাঁও, ঢাকা কর্তৃক প্রকাশিত। website: www.bgpress.gov.bd