L.N. 201 of 1996

INCOME TAX ACT
(CAP. 123)

Double Taxation Relief (Taxes on Income) (Libyan Arab Republic) (Amendment) Order, 1996

IN exercise of the powers conferred by section 76 of the Income Tax Act, the Minister for Economic Affairs and Finance has made the following order:–

Citation.

1. This order may be cited as the Double Taxation Relief (Taxes on Income) (Libyan Arab Republic) (Amendment) Order, 1996, and shall be read and construed as one with the Double Taxation Relief (Taxes on Income) (Libyan Arab Republic) Order, 1973, hereinafter referred to as "the principal Order". L.N. 7 of 1973.

Amends the principal order.

2. It is hereby declared:–

(a) that the amendments to the principal order specified in the Schedule to this order have been made with the Government of the Libyan Arab Republic with a view to affording relief from double taxation in relation to the following taxes imposed by the laws of the Libyan Arab Republic:

(i) Real Estate Revenue Tax;

(ii) Agricultural Revenue Tax;

(iii) Taxes on Commercial, Industrial and Professional profits, which comprise:

(a) Taxes on profits realised from Commercial, Industrial and Professional activities;

(b) Taxes on Companies;

(iv) Taxes on profits realised by practising Free Professions;

(v) Taxes on wages, salaries and the like;

(vi) Taxes on income realised abroad;

(vii) General Tax on Income;

(viii) Al-Jihad Tax (Defence Tax);

(b) that it is expedient that those amendments should have effect; and

(c) that the Protocol has entered into force on the1st July, 1996.

SCHEDULE

PROTOCOL
TO THE CONVENTION BETWEEN
THE GOVERNMENT OF MALTA
AND THE GOVERNMENT OF THE LIBYAN ARAB REPUBLIC
FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT
TO TAXES ON INCOME SIGNED ON 5 OCTOBER 1972,
CORRESPONDING TO 27 SHABAN 1392 AH.

Malta and The Great Socialist People's Libyan Arab Jamahiriya, desiring to amend the Convention between them for the Avoidance of Double Taxation with respect to taxes on income signed on the 5th October, 1972 (hereinafter referred to as "the Convention"), have agreed as follows:

ARTICLE 1

The title and preamble of the Convention shall be amended as follows:

"CONVENTION BETWEEN MALTA AND THE GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME.

Malta and The Great Socialist People's Libyan Arab Jamahiriya, desiring to enter into a Convention with each other for the avoidance of double taxation with respect to taxes on income, have agreed as follows:".

ARTICLE 2

Paragraph 1 of Article 6 of the Convention shall be substituted by the following paragraph:

"1. The profits of enterprise of a Contracting State shall be taxable in the State where the enterprise is situated and also in the State where it has a permanent establishment, in which latter case, the tax so charged shall be limited to the profits attributable to the permanent establishment and shall not exceed 15 per cent of the said profits.".

ARTICLE 3

Paragraph 1 of Article 9 of the Convention shall be substituted by the following paragraph:

"1. Dividends paid by a company which is registered in one of the Contracting States to a resident of the other Contracting State shall be taxed only in the first-mentioned State. However, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends:

Provided that a company registered in one of the Contracting States shall be entitled to require that the gains or profits, or part thereof, derived by it and which are distributable by way of dividend to a resident of the other Contracting State shall, notwithstanding that the dividend, or part thereof, has not been distributed, be taxed at a rate not exceeding 15 per cent.".

ARTICLE 4

The following sentence shall be added to paragraph 1 of Article 10 of the Convention:

"If the recipient is the beneficial owner of the interest, the tax so charged shall not exceed 15 per cent of the gross amount of the interest.".

ARTICLE 5

Paragraph 1 of Article 11 shall be substituted by the following:

"1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxed only in the Contracting State where they arise. If the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 15 per cent of the gross amount of the royalties.".

ARTICLE 6

1. The Contracting States shall notify each other that the legal requirements for the entry into force of this Protocol have been complied with.

2. This Protocol shall enter into force thirty days after the date of the later of the notifications referred to in paragraph 1 and its provisions shall have effect in respect of taxes on income derived during any calendar year or accounting period, as the case may be, beginning on or after the first day of January 1994.

3. The provisions of the Protocol shall remain in force as long as the Convention remains in force.

In witness whereof, the undersigned, duly authorised thereto, have signed this Protocol.

Done in Malta, this 28th day of April, 1995, corresponding to 28 Dhu l-Qaada 1424 B.P., in duplicate, in the English and Arabic languages, both texts being equally authentic.

JOHN DALLI
For the Government of Malta

AL HEJAZI
For the Great Socialist People's Libyan Arab Jamahiriya

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