Analysis of Imbalanced Tax Treaties of Developing Countries

Insights From the Tax Treaties Explorer Database

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List of Abbreviations

BEPS	Base Erosion and Profit-Shifting
DTT	Double Taxation Treaty
FDI	Foreign Direct Investment
FTI	Fast Track Instrument
GDP	Gross Domestic Product
ICTD	International Centre for Tax and Development
LMICs	Lower-Middle-Income Countries
LOB	Limitation on Benefits
MENA	Middle East and North Africa
MLI	Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS
OECD	Organisation for Economic Co-operation and Development
PE	Permanent Establishment
PPT	Principal Purpose Test
SC	South Centre
TTE	Tax Treaties Explorer
UN	United Nations
WHT	Withholding Tax

I. Introduction

Developing countries face the imperative of generating tax revenue to fulfill sustainable development goals, addressing challenges such as high debt rates, inflation, social issues, and climate change.[1] In the era of globalization, cross-border economic activities are not only inevitable but also growing rapidly. A historical perspective on global Foreign Direct Investment (FDI) flows reveals a significant upward trend. Global FDI increased throughout the 1990s, and by 2001, it had surged to 729.2 billion US dollars,[2] among which, FDI flows towards developing countries witnessed substantial growth, soaring from 137.7 billion US dollars in 1991 to 513.8 billion US dollars in 2001, constituting approximately 70% of the total.[3] Since then, FDI has maintained a relatively stable trajectory; the global FDI reached USD 1.3 trillion in 2023.[4] Another measure of globalization is the ratio of global exports to global Gross Domestic Product (GDP). Over the years, this ratio has experienced remarkable growth, increasing from 25% in 1970 to 57% in 2021.[5] Despite temporary setbacks such as the 2008 subprime mortgage crisis and the 2020 COVID-19 pandemic, there has been a general upward trend in the percentage of global trade relative to global GDP. The constant FDI flows and trade resilience suggests the enduring momentum of globalization, with economies rebounding and trade volumes recovering after periods of disruption. This heightened interconnectedness raises the critical question of how to equitably distribute the associated taxing rights among countries.

At the heart of this global taxation framework lie tax treaties - bilateral agreements that shape the distribution of taxing rights between nations. These treaties, evolving from historical precedents rooted in colonial-era economic structures, have undergone significant transformations over time, reflecting the changing landscape of international trade and investment. The negotiation and implementation of tax treaties have long been a subject of scholarly inquiry and policy debate. Scholars have analyzed these treaties from various perspectives, examining their impact on economic development, equity, and sovereignty. In recent years, the focus has intensified on the imbalances within tax treaties, particularly those between developing and developed countries, which often favor the latter at the expense of the former.

Our report will start from exploring the historical background, theoretical frameworks, and

[1] United Nations, "Sustainable Development Goals Unreachable without Reformed Financial Architecture, Stronger Political Will, Speakers Say as Second Committee Opens General Debate", United Nations General Assembly Second Committee Meetings Coverage, October 2, 2023. Available from https://press.un.org/en/2023/gaef3583.doc.htm (accessed December 8, 2023).

[2] Neil K. Patterson, Marie Montanjees, Colleen Cardillo, and John Motala, "3. Recent Trends in FDI", in *Foreign Direct Investment* (USA, International Monetary Fund, 2004). Available from https://doi.org/10.5089/9781589063471.069 (accessed Dec. 18, 2023).

[3] *Ibid.*

[4] Organisation for Economic Co-operation and Development, Foreign Direct Investment Statistics: Data, Analysis and Forecasts. Available from https://www.oecd.org/en/topics/foreign-direct-investment-fdi.html (accessed December 18, 2023).

[5] World Bank, Trade (% of GDP), World Bank Data. Available from https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS (accessed December 18, 2023).

practical implications of tax treaties, with a specific focus on their impact on developing countries. Utilizing diverse literature and datasets, including the Tax Treaties Explorer (TTE) from the International Centre for Tax and Development, we aim to identify restrictive tax treaties and provisions disadvantageous to developing nations. Our methodology involves desk reviews, data analysis, and case studies to offer insights into challenges faced by developing countries in international taxation. By scrutinizing key provisions like those concerning permanent establishment and withholding taxes, we aim to highlight how treaties affect revenue generation, economic sovereignty, and development outcomes of South Centre (SC) Member States. South Centre Member States have been chosen for the purpose of this study due to their status as developing countries with much to gain from renegotiating their existing tax treaties.

Ultimately, this study intends to fill the gap in terms of treaty research and development of tax treaties of South Centre Member States by identifying their restrictive tax treaties and provisions therein with Organisation for Economic Co-operation and Development (OECD) countries. The choice of OECD countries reflects their status as mostly developed countries. At the same time, the study also intends to supplement tax treaties literature so far dominated by legal and economic analyses by focusing specifically on identifying specific restrictive provisions.

Causes and Negative Impacts on Developing Countries

A. Unequal Negotiation Power

Tax treaty negotiations are conducted by the relevant authorities of the Member States and typically last for several years. They are usually negotiated in rounds, alternating in location between the two States. As it is possible for developing countries to end up in unfavorable treaties, it is important that they create a comprehensive tax treaty policy that is ideally agreed upon across the entire government before entering into the negotiation phase.[6] Developing countries, however, face several challenges during the negotiation process including asymmetric information, unequal negotiating power and OECD Model Convention influence. The OECD Model Convention is widely accepted and used as a template for many bilateral tax treaties. This creates a standard that developing countries often feel pressured to follow, even though it may not fully address their unique economic needs or developmental priorities. Our study shows that 170 out of 178 analyzed treaties between South Centre Member States and OECD countries are predominantly based on the OECD Model.

According to survey data produced by Yariv Brauner which asked tax treaty negotiators about their experiences, when asked about training "the large majority of respondents receiv[ed] at

[6] United Nations, "Why Negotiate Tax Treaties?", in *Papers on Selected Topics in Negotiation of Tax Treaties for Developing Countries* (New York, United Nations, 2015), pp. 1–27. Available from https://doi.org/10.18356/9b6574be-en.

least some training on [the OECD Model], compared to half the population not receiving any training on the UN Model."[7] Additionally, the survey found that OECD-member countries are heavily advantaged by the benchmark OECD Model, their involvement in the international community of policymakers, and have negotiators that are better trained and equipped in tax treaty negotiations.[8] This highlights the preference for and dominance of the OECD Model during the negotiation process, which economically favors developed countries. Developing countries tend to enter into the negotiation process at an already disadvantageous position, making the negotiation of a fair and equal treaty much more difficult. In addition to being disadvantaged due to the prevalence of the OECD Model, data has shown that the negotiating process has led to lower-income countries systematically sacrificing a greater amount of taxing rights than is necessary to reach an agreement.[9] Overall, the negotiation process of tax treaties has been shown to favor developed countries and their interests while developing countries struggle to come away with a fair and equal treaty that accurately reflects their development interests.

B. Loss of Revenue

Imbalanced tax treaties have the potential to undermine the tax revenue foundation, a critical source of government budgets. Taxation plays a pivotal role in redistributing income, profits, and wealth to address inequalities, enhance general well-being, especially for vulnerable and marginalized groups, and contribute to the overall development of the country. [10]

However, according to a study released by ActionAid, in the context of the rise of multinational companies, the tax treaties between developing and developed countries are depriving the world's poorest countries of vital revenue.[11] The treaties are restrictive to developing countries, limiting their tax rights. Furthermore, multinational companies manage to find the loop to reduce their total international tax burden.

Firstly, the treaties between developing and developed countries often establish unrealistic thresholds for when foreign multinationals must pay taxes on profits, allowing corporations to operate without paying local profit taxes even when employing thousands of people in the host country. Secondly, restrictions on the ability of lower-income countries to levy withholding

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[7] Yariv Brauner, "Tax Treaty Negotiations: Myth and Reality", *Proceedings. Annual Conference on Taxation and Minutes of the Annual Meeting of the National Tax Association,* Vol. 113 (2020), pp. 1-90. Available from https://www.jstor.org/stable/27143926.

[8] *Ibid.*

[9] Martin Hearson, *Imposing Standards: The North-South Dimension to Global Tax Politics,* Cornell Studies in Money (Ithaca, Cornell University Press, 2022). Available from https://library.oapen.org/handle/20.500.12657/62202.

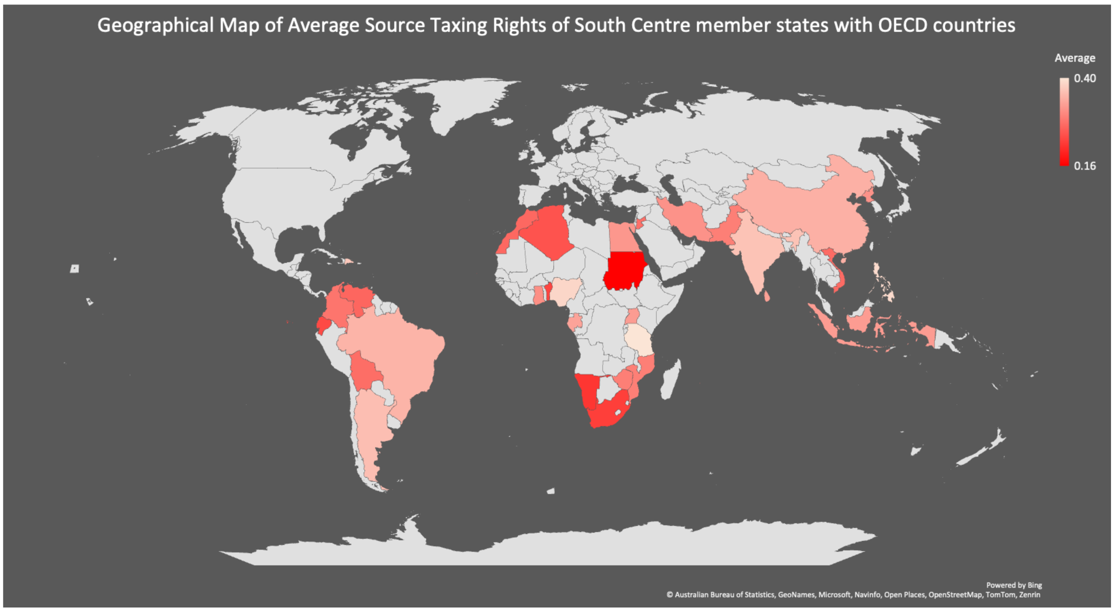
[10] François Bourguignon. "Spreading Wealth", in *Finance & Development Magazine* (International Monetary Fund, March 2018). Available from https://www.imf.org/en/Publications/fandd/issues/2018/03/bourguignon (accessed December 19, 2023).

[11] ActionAid International, *Mistreated: The tax treaties that are depriving the world's poorest countries of vital revenue* (February 23, 2016). Available from https://actionaid.org/sites/default/files/actionaid_-_mistreated_tax_treaties_report_-_feb_2016.pdf (accessed February 19, 2024).

taxes on royalties and dividends are increasing over time, with many treaties completely waiving these rights, enabling foreign-owned businesses to transfer earnings out of the country without paying taxes. Finally, despite the potential for significant tax payments, nearly half of the examined treaties lack clauses to prevent tax avoidance, while over 70% prohibit lower-income countries from taxing gains made by foreign corporations selling shares in local corporations, undermining their ability to generate revenue from capital gains taxes. Importantly, the report notes that the tax treaties can be canceled or renegotiated, they are not fixed.

These findings feed into the rationale of our study to identify restrictive tax treaties of South Centre Member States. Using the Tax Treaties Explorer dataset, we observe that the average source taxing rights of 55 South Centre Member States with OECD countries are below the 0.4 threshold, as shown in Figure 1. More details on the tax treaties explorer are provided below. It is distinctly clear that most of the South Centre Member States have restrictive tax treaties limiting their source taxing rights. The majority of the countries with alarmingly low source taxing rights (dark red) are Algeria, Benin, Cabo Verde, Libya, Namibia, Seychelles, South Africa, and Sudan (the lowest score of 0.16). Their commonality is that all of them are from the African continent and were colonized at some point in history. Another distinct group of countries to emerge from the map are Bolivia, Ecuador, Colombia, and Venezuela, all from the Latin American region.

Figure 1: Geographical Map of Average Source Taxing Rights of South Centre Member States with OECD Countries[12]



[12] Figure created by authors using data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/, created with Excel.

II. Tax Treaties Explorer Dataset & Methodology

A. The Tax Treaties Explorer Dataset

The Tax Treaties Explorer (TTE) dataset was published in 2021 by the International Centre for Tax and Development (ICTD). The dataset is a collection of over 2,500 bilateral tax treaties, almost 300 amending protocols, 8 multilateral treaties, and certain changes made to these treaties by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI), by 118 countries across the globe.[13] The dataset categorizes treaties based on their status and nature. Out of all the treaties recorded in the database, there are 1022 that are signed between South Centre Member States and OECD countries. The table below summarizes their distribution:

Table 1: South Centre Member States' tax treaties with OECD countries in the dataset

	Currently in Force	Not in Force	Superseded text prior to amendments	Terminated	Total
Original	288	45	197	60	590
Amended by protocol	188	130	63	12	393
Pre-independence	10	0	5	24	39
Total	486	175	265	96	1022

The TTE dataset assigns bilateral tax treaties a score from 0 to 1 based on how balanced the treaty is towards both parties. In order to assign scores to each bilateral treaty, the TTE dataset analyzes five indices that combine the overall content of the treaty into a score from 0 to 1, with a score of 1 representing greater taxing rights over inward investment.[14] The five indices are as follows:[15]

Source: All fields in the dataset that relate to the balance of taxing rights.

Permanent Establishment: Fields related to Permanent Establishment (PE), which refers to the threshold above which a foreign company's presence in a country becomes taxable. Drawn from Article 5 of both Model treaties.

[13] International Centre for Tax and Development (ICTD), "Tax Treaties Explorer" (Brighton: ICTD, 2021). Available from https://www.treaties.tax.
[14] *Ibid.*
[15] *Ibid.*

WHT Rates: An average of the fields coding withholding tax rates in each treaty. These are taxes imposed on cross-border investment, which treaties either prevent or limit to a maximum rate, in accordance with the Articles 10 to 12A of the United Nations (UN Model and Articles 10 to 12 of the OECD Model.

Other: The remaining fields that relate to the distribution of taxing rights, drawn from Articles 7, 8, 12, 13, 16 and 21 of both Models.

UN: A strict analysis of only the provisions that vary between the UN and OECD Models. It excludes, for example, WHT rates, since these are not specified in the UN Model.

Among the 398 treaties currently in force, 183 are identified as unfavorable to the South Centre Member States, scoring at or below 0.4 on the TTE scale. These treaties warrant further scrutiny to comprehend their implications and areas of imbalance.

However, it must be noted that the grading system employed within the dataset is highly subjective, with the calculation of indices lacking a transparent explanation. The grading scale for each article, which ranges from 0 to 1, is not clearly defined in the dataset, meaning there is no explicit criteria for determining how beneficial or detrimental an article is to a country.[16]

In addition, the dataset comprises only 2500 bilateral tax treaties, missing approximately 500 treaties. Notably, these excluded treaties are in the three following categories: those that differ significantly from the content and structure of the UN and OECD Model tax treaties; those that were not published in English, French, or Spanish; and those concluded after January 1, 2020. This exclusion might introduce bias into the interpretation of tax Models and overlook potential advantages offered by non-UN or non-OECD Models. Additionally, there is a potential exclusion of treaties between developed countries where official languages differ from the three mentioned languages.

B. Methodology

This study consists of a desk review of bilateral tax treaties between members of the South Centre and OECD countries. For the purpose of this study, only treaties with a total source taxing score at or below 0.4 (indicating unequal taxing rights that favor OECD countries) were considered. Of the 55 Member States of the South Centre, 35 have active treaties with OECD countries with a total source taxing score at or below 0.4. A total of 183 bilateral tax treaties were analyzed. This study was conducted in the following four phases: identification of unbalanced tax treaties, analysis of tax treaties on a country-specific level, analysis of identified trends, and country-specific recommendations.

[16] *Ibid*.

In the first phase of the study, the TTE dataset was filtered to remove treaties that did not include South Centre Member States. Next, treaties between South Centre Member States and non-OECD countries were removed from the dataset. Of the remaining treaties between South Centre Member States and OECD countries, those with a total source taxing score of above 0.4 were removed from the dataset. For the purpose of this study these treaties are considered to be either equally favorable to both parties or more favorable to South Centre Member States. From an original dataset of over 2,500 treaties, a total of 183 bilateral tax treaties were identified for further analysis.

For the second phase of the study, a detailed analysis of the remaining 183 treaties was conducted. The 35 remaining South Centre Member States were split between three researchers who performed a detailed analysis of each of the 28 treaty provisions coded in the TTE dataset.[17] Each of the 28 provisions coded within each treaty was assigned a "favorable" or "unfavorable" code. The provisions were coded as "favorable" or "unfavorable" according to whether they negatively impacted taxing rights for South Centre Member States (see table below). In order to code the provisions concerning withholding tax rate (Articles 10 through 12), a 95% confidence interval was conducted of treaties between South Centre Member States and OECD countries with a total source taxing score of above 0.4. The 95% confidence interval was calculated separately for each of the 9 provisions relating to withholding tax rate. For treaties with a total source taxing score at or below 0.4, if the withholding tax rates fell above the lower extremity of the 95% confidence interval, they were considered to be fair. Given that the sample size for the technical service fee rate was not sufficiently large to conduct a reliable 95% confidence interval, we reviewed the treaties and determined that a 10% threshold is the most reasonable benchmark.

Table 2: Analysis of Favorability of Provisions in Bilateral Tax Treaties[18]

Provision	Favorable	Unfavorable
5(3)(a): Construction PE length in months	6 months or less	Over 6 months
5(3)(a): Supervisory activities included in PE	YES	NO
5(3)(b): Service PE length in months	6 months or less	Over 6 months
5(4)(a): Delivery facilities excluded from PE	NO	YES
5(4)(b): Delivery stock excluded from PE	NO	YES
5(5)(b): Agent maintaining a stock included in PE	YES	NO

[17] For further description of each provision visit the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

[18] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

5(6): Insurance broker included in PE	YES	NO
5(7): Dependent agent extension to PE	YES	NO
7(1)(b&c): Limited force of attraction	YES	NO
7(3): No deduction for payments to head office	YES	NO
8(2): Shared taxing right over shipping	YES	NO
10(2)(a): Qualifying dividends WHT rate	≥ 9.8%	< 9.8%
10(2)(a): Threshold for qualified dividends	≥11.39%	< 11.39%
10(2)(b): Portfolio dividends WHT rate	≥ 14.83%	< 14.83%
11(2): Interest WHT rate	≥ 11.73%	< 11.73%
11(2): Interest WHT rate (financial institutions)	≥ 11.00%	< 11.00%
12(2): Royalties WHT rate	≥ 10.73%	< 10.73%
12(2): Royalties WHT rate (copyright payments)	≥ 9.25%	< 9.25%
12(2): Royalties WHT rate (use of equipment)	≥ 9.88%	< 9.88%
12A: Technical service fees WHT rate	≥ 10%	< 10%
13(4): Capital gains (land rich company)	YES	NO
13(5): Capital gains (other shares)	YES	NO
14: Independent personal services	YES	NO
16(2): Top-level managerial officials	YES	NO
21(3): Source taxation of other income	YES	NO
25B(5): Mandatory binding arbitration	NO	YES
27: Assistance in tax collection	YES	NO
29: General anti-abuse rule	LOB-PPT	NA/Other/Partial/ LOB/PPT

The third phase of the study examined in more detail the trends identified in the second phase of the study. The following trends were analyzed: regional and time dimension. Countries were categorized regionally as follows: African (non-MENA), Middle East and North Africa

(MENA), South American and Caribbean, and Asian. In order to identify trends within regions, averages were calculated for each of the five indices for treaties with a source taxing score at or below 0.4. The time dimension focused on specific trends found over the time period covered by the TTE dataset.

In the fourth and final phase of the study, treaty provisions deemed as unfavorable to the South Centre Member States were identified and compiled onto country-specific recommendation infographic sheets (see Annex). The infographic sheets are based on the coding of provisions as favorable or unfavorable to South Centre Member States and list specifically which provisions should be considered for renegotiation.

III. Trends

A. Time dimension[19]

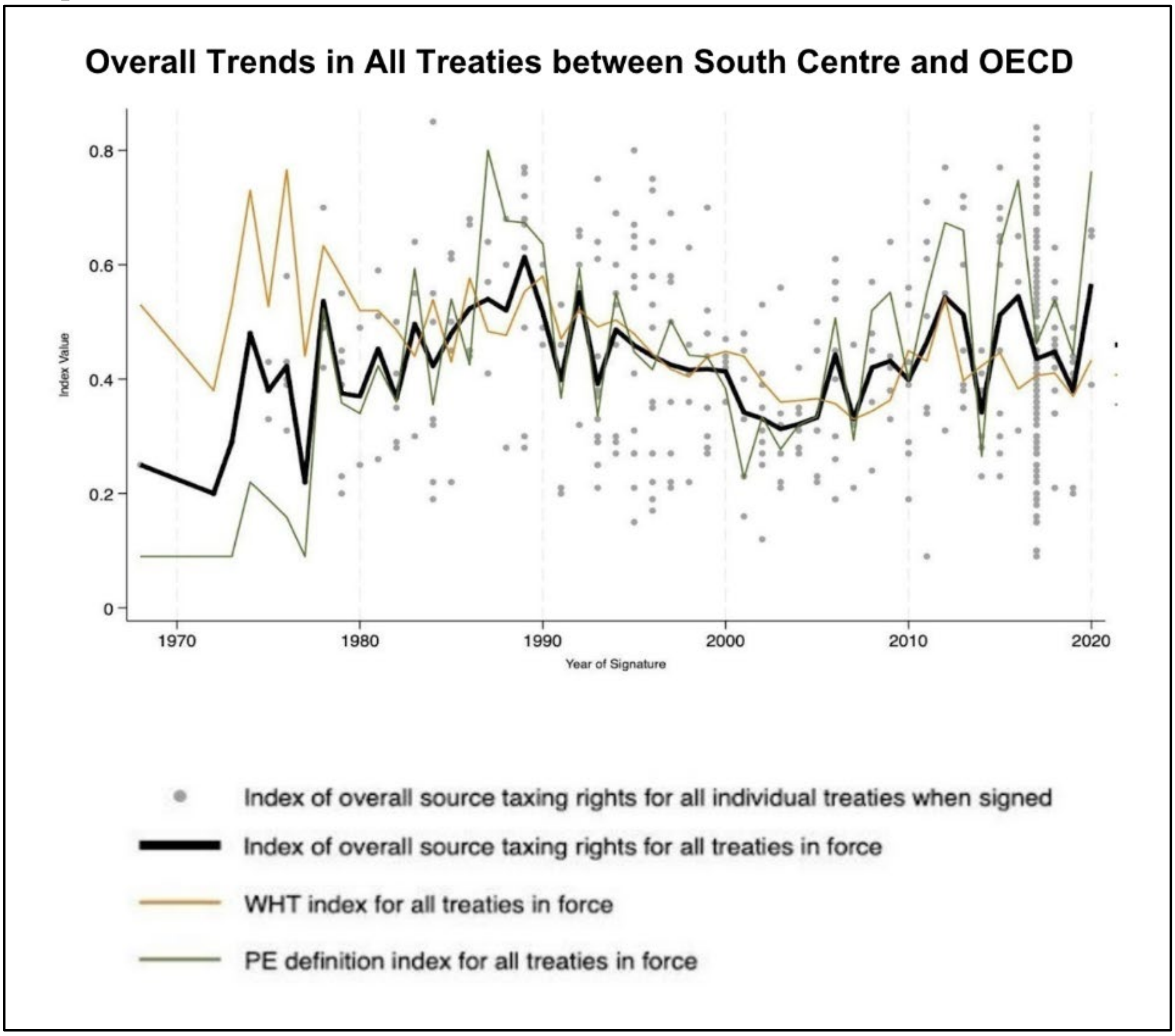
In the historical context, during the 1960s and 1970s, the era of decolonization saw many newly independent States from Africa and Asia, such as Algeria, Angola, Malawi, Namibia, and Zimbabwe, actively sign international treaties, signaling the emergence of new nation-states on the global stage.

Economic and trade dynamics from the 1970s to the 2000s witnessed increased participation from South Centre Member States like Brazil, India, Indonesia, and the Philippines in international treaties. This participation possibly reflected efforts towards economic development, trade cooperation, and South-South collaborations. Throughout the 1990s and 2000s, South Centre Member States continued to sign treaties, indicating ongoing involvement in global governance frameworks. Countries like Argentina, Brazil, India, Indonesia, and South Africa were particularly active during this period.

Shifting to the 2010s onwards, changing global dynamics saw emerging economies like China playing an increasingly significant role in international agreements. South Centre members like China, India, Brazil, and South Africa were notable participants in various treaties during this period. In 2017, several South Centre Member States were particularly active in signing international treaties, with China standing out as a key participant, signing numerous agreements with various countries across the globe.

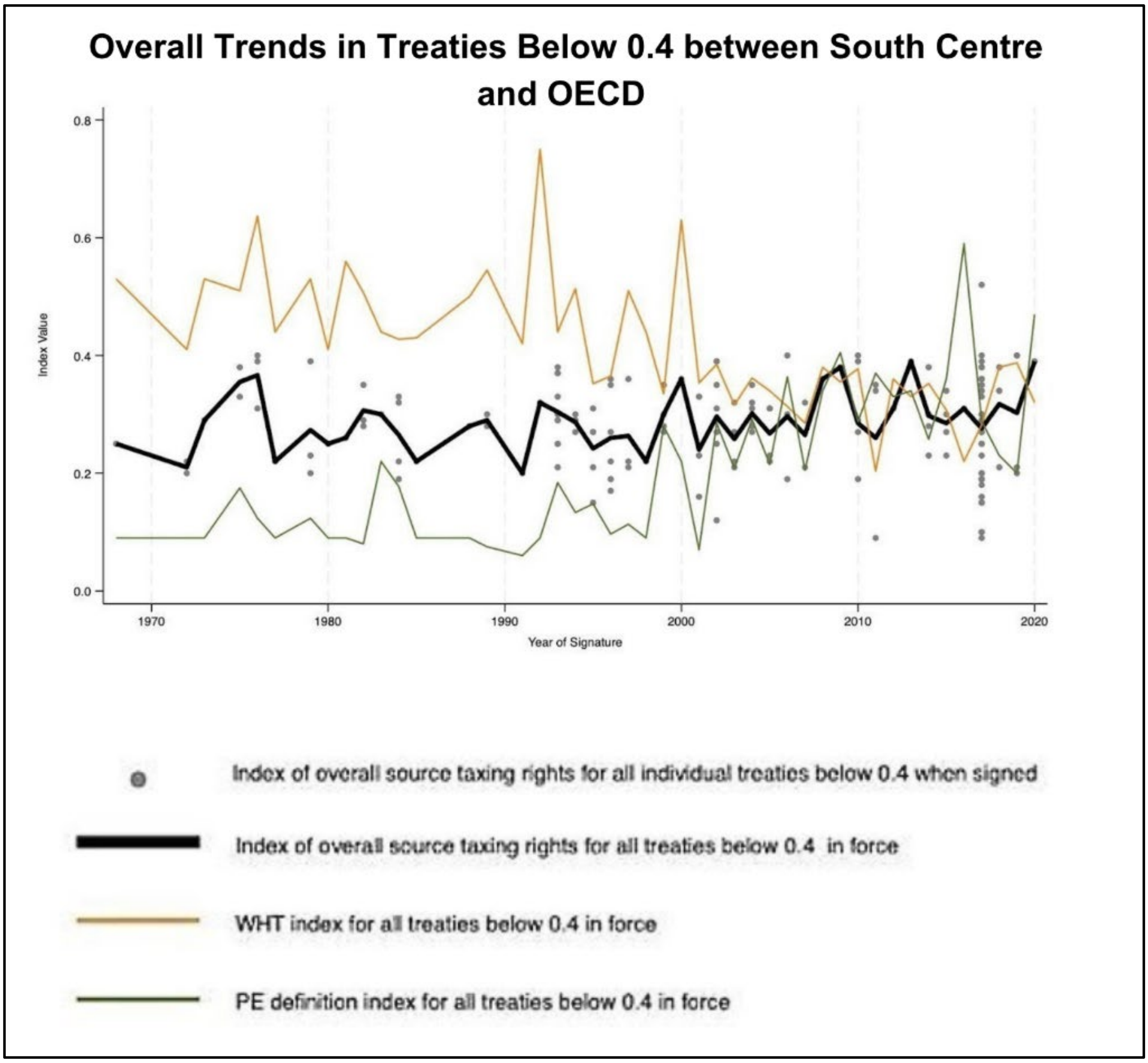
[19] 44 treaties with source taxing right scores below 0.4 excluded due to incomplete data: Bolivia – France, Brazil – France, Brazil – Luxembourg, China - United States, China – Japan, China – Poland, Colombia – United Kingdom, Colombia – Italy, Colombia – Japan, Egypt – Norway, Egypt – United States, Egypt – Germany, Egypt – Switzerland, Egypt – Japan, Egypt – United Kingdom, Indonesia – Switzerland, Jordan – France, Liberia – Germany, Libya - United Kingdom, Morocco – United States, Morocco – France, Namibia – United Kingdom, Nigeria – United Kingdom, Nigeria – Czechia, Nigeria – Slovakia, Nigeria – France, Nigeria – Canada, North Korea – South Korea, South Africa – Germany, South Africa – Turkey, South Africa – Slovakia, Sri Lanka – Japan, Sri Lanka – Czechia, Sri Lanka – Slovakia, Sri Lanka – Germany, Sri Lanka – United Kingdom, Sri Lanka – Germany, Sri Lanka – France, Sri Lanka – Netherlands, Sudan – United Kingdom, Venezuela – Italy, Venezuela – France, Venezuela – Netherlands, Vietnam – Switzerland.

Graph 1: Overall Trends in All Tax Treaties Between South Centre and OECD[20]



[20] Graph created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Graph 2: Overall Trends in Treaties Below 0.4 Between South Centre and OECD[21]



Between 1968 and 2020, treaties with an overall source taxing score below 0.4 demonstrate a discernible trend. Over this period, there has been a gradual enhancement in overall source taxing rights, progressing from 0.25 in 1968 to 0.39 in 2020. The withholding tax rates score has generally decreased over this period, starting at 0.53 in 1968 and reaching a lowest point of 0.32 in 2020. Notably, it peaked in 1992 at 0.75 but hit its lowest point in 2011, registering at 0.20333. Conversely, the Permanent Establishment score has shown an upward trajectory, rising from 0.09 in 1968 to 0.47 in 2020. Its peak occurred in 2016, reaching 0.59, while its lowest point was recorded in 1991 at 0.06.

Notably, the pattern observed in treaties below 0.4 does not consistently align with the general trends in all treaties signed between South Centre Member States and OECD countries. There is a significant discrepancy between treaties below 0.4 and all treaties for withholding tax

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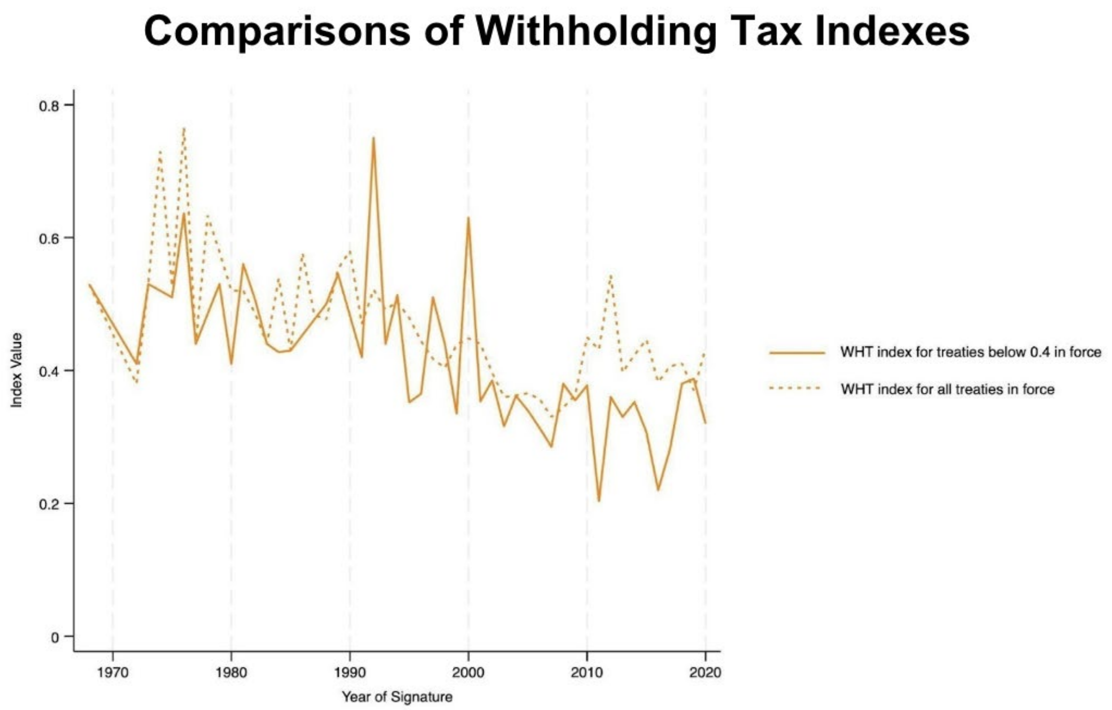
[21] Graph created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

scores from 1976 to 2000, with the latter being notably higher. Nonetheless, the permanent establishment score for treaties below 0.4 sometimes surpasses that of all treaties between South Centre Member States and OECD countries, as observed in 1992, 1996, and 2000.

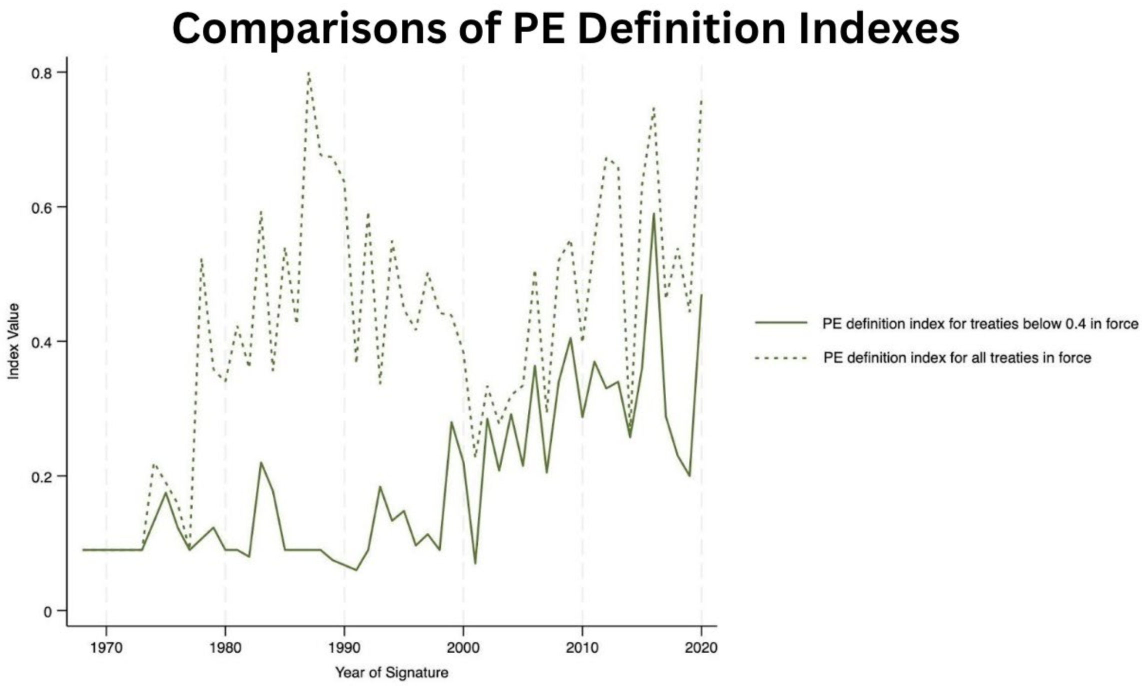
What is evident from these observations is that during tax treaty negotiations, countries frequently agree to reduce withholding tax rates in exchange for more robust definitions of permanent establishment.

Graph 3: Comparisons of Withholding Tax Indexes[22]



[22] Graph created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Graph 4: Comparison of PE Definition Indexes[23]



B. Regional

Regionally, countries were separated into four categories: Middle East and Northern Africa (MENA), Africa (Non-MENA), South America & Caribbean, and Asia. In order to create points of comparison, averages were calculated for each region with respect to the Permanent Establishment (PE) index and the Withholding Tax rate (WHT rate) index. Averages were calculated for both treaties with a source tax index score at or below 0.4 (indicated in red in charts 1 and 2) and for all treaties (indicated in blue in charts 1 and 2). By comparing the average scores of all treaties with those of treaties that have a source tax index score of 0.4 or lower, the level of significance in difference between the two groups was revealed.

i. Middle East and North Africa (MENA)

Countries in the Middle East and North Africa scored similarly on average for Withholding Tax rates (WHT rate) for treaties above and below 0.4, but a large discrepancy was found for Permanent Establishment (PE). For treaties with a source taxing score at or below 0.4, MENA countries on average scored at 0.22 on PE. In comparison, for treaties with a source taxing score above 0.4, the average was 0.47. For WHT rates in treaties with a source taxing score at or below 0.4, the average score was 0.34. For treaties with a source taxing score above 0.4, the average was 0.41.

[23] Graph created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

ii. Africa (non-MENA)

For treaties with a source tax index at or below 0.4, countries in Africa (non-MENA) score higher in their Withholding Tax rate (WHT rate) index than in their Permanent Establishment (PE) index. On average for PE, those countries have a score of 0.21 whereas on average for WHT rate they have a score of 0.35. Conversely, when analyzing the averages for all treaties, the difference between PE and WHT rate scores is negligible, the average for PE being 0.47 and the average for WHT rate being 0.48.

iii. South America and Caribbean

Treaties between South American and Caribbean countries and OECD countries display the greatest disparity between treaties with a source tax index score above 0.4 and those at or below 0.4 in the category of Permanent Establishment (PE). On average for treaties with a total source tax index score at or below 0.4, South American and Caribbean countries have a PE score of 0.16. For treaties above 0.4, the PE score is significantly higher at 0.53. Scores for Withholding Tax rate (WHT rate), however, do not differ significantly. For treaties with a source tax index score at or below 0.4, WHT rate scored at 0.43 whereas they scored at 0.48 for treaties above 0.4.

iv. Asia

Asian countries on average scored similarly in both the Permanent Establishment (PE) and Withholding Tax rate (WHT rate) indexes. Regarding PE, for treaties with a source tax score at or below 0.4, Asian countries scored 0.36 on average. Similarly, for treaties with a source tax score above 0.4, they scored an average 0.39. With respect to WHT rates, the findings indicate an even smaller disparity between the treaties at or below 0.4 and those above 0.4 in their source tax score. On average, treaties with a source tax score at or below 0.4 scored at 0.37 whereas those with a source tax score above 0.4 scored at 0.38.

Chart 1: PE Index Average by Region[24]

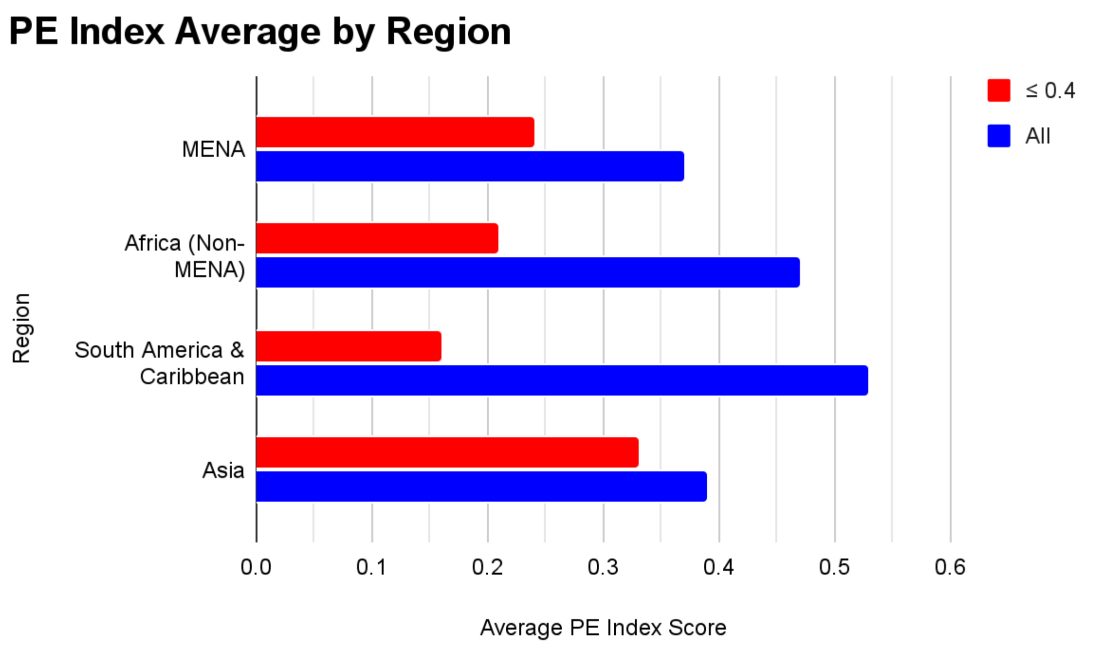
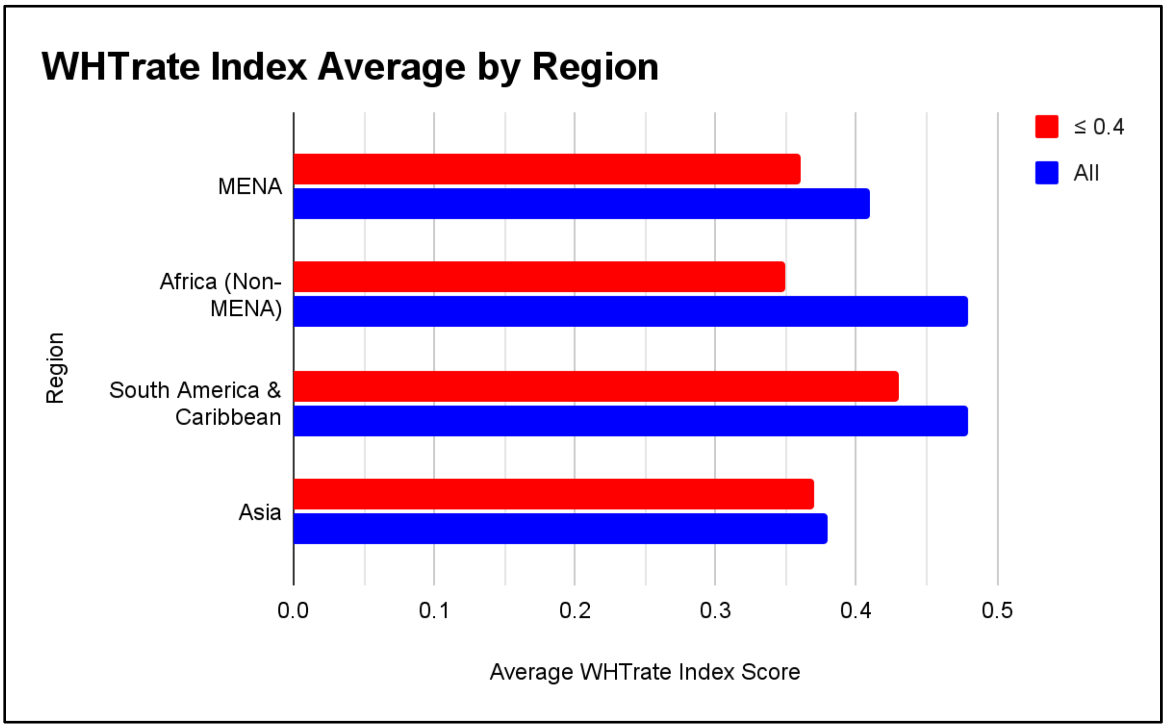


Chart 2: WHT rate Index Average by Region[25]

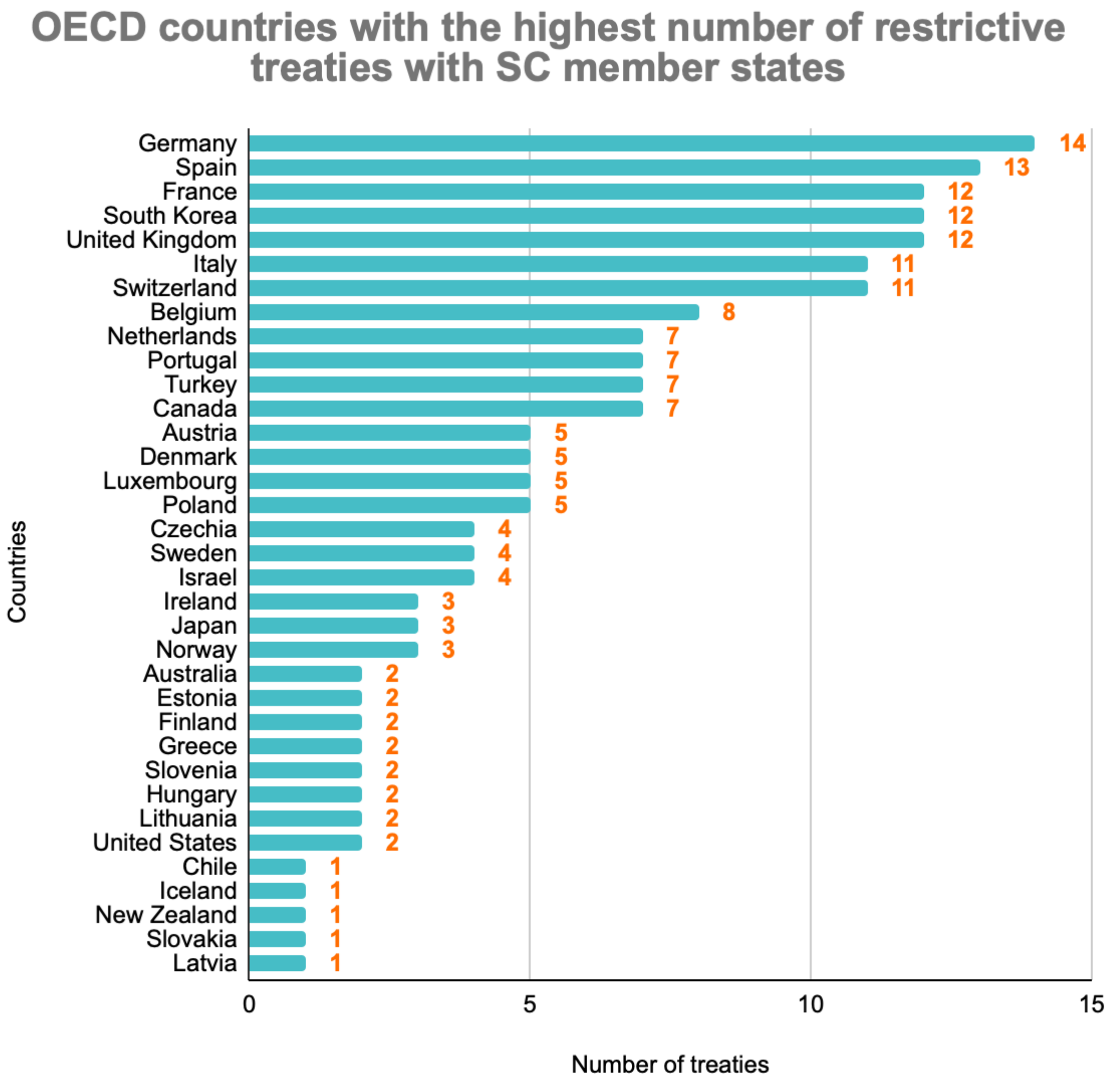


[24] Chart created by authors using data from the Tax Treaties Explorer Dataset and calculations by authors.
[25] Chart created by authors based on data from the Tax Treaties Explorer Dataset and calculations by authors.

IV. Findings and Implications

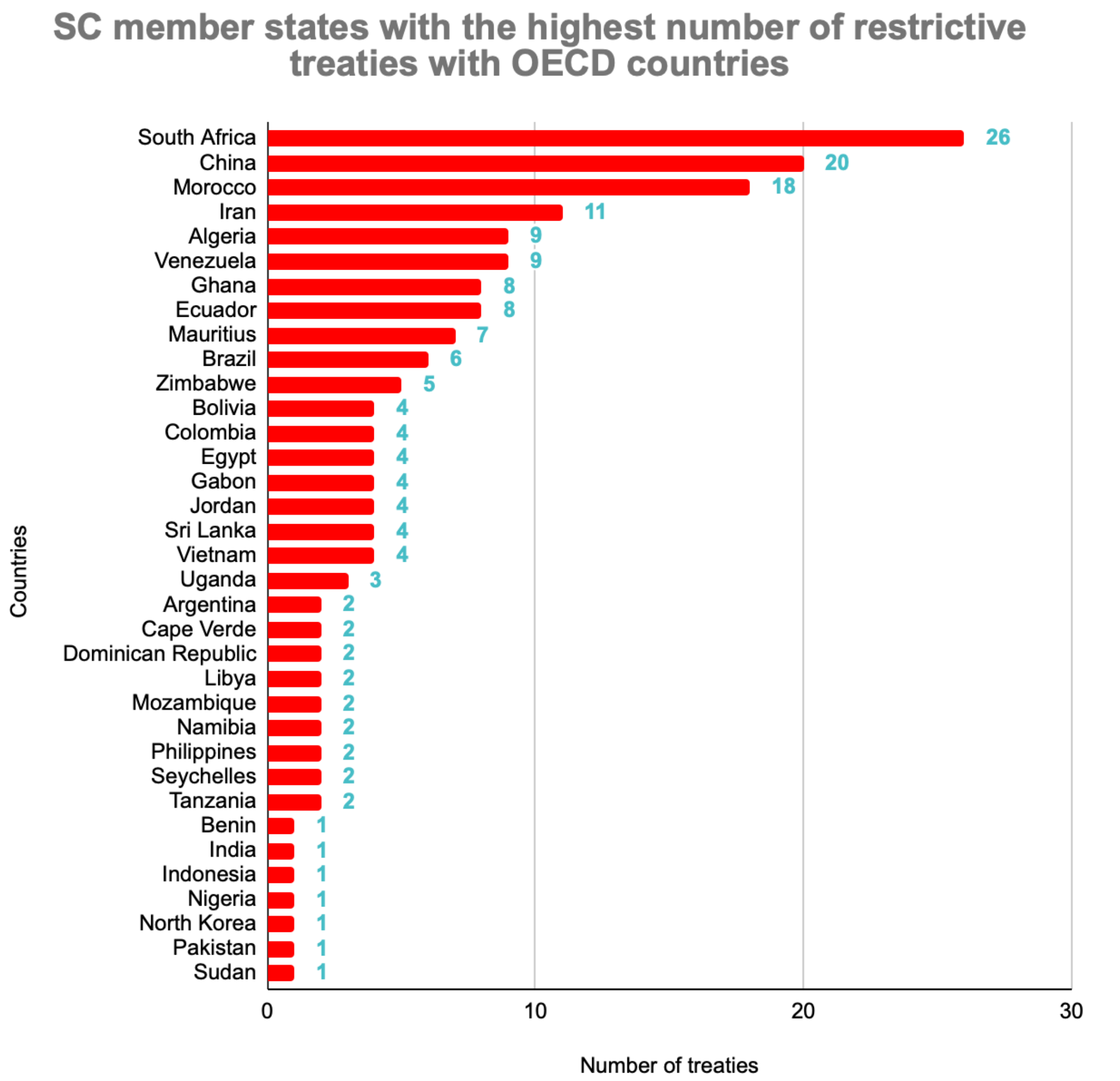
The dynamics of tax treaty negotiations vary significantly between countries and regions, resulting in a diverse array of treaty arrangements with varying degrees of restrictiveness. Amongst the OECD countries, those that have entered into a substantial number of restrictive tax treaties with SC Member States are Germany, Spain, France, Italy, South Korea, Switzerland, and the United Kingdom. Conversely, SC Member States with a substantial number of restrictive treaties with OECD countries are South Africa, China, Morocco, Iran, Algeria, Venezuela, and Ghana. The fundamental assumption made was that South Centre Member States are net capital importers. Empirically verifying this for each country was outside the scope of this study.

Chart 3: OECD countries with the highest number of restrictive treaties with South Centre's Member States[26]



[26] Chart created by authors based on data from the Tax Treaties Explorer Dataset and calculations by authors.

Chart 4: South Centre's Member States with the highest number of restrictive treaties with OECD countries[27]



Central to this analysis is the examination of underlying principles and specific clauses through the lens of source and residence States. The underlying principle for source and resident status is crucial for determining taxing rights of the Contracting States, wherein State of residence is conferred a priority in exercising its taxing rights in relation to State of source. State of source is determined by where the income originates. Also, sourcing rules provide that income shall be deemed to arise in a State where the payer is a resident of that State, or where the payer is not a resident, has a permanent establishment in that State. Generally, capital-importing and developing countries are considered the State of source or situs, while capital-exporting and developed countries are regarded as the State of residence. However, when a resident of a

[27] Chart created by authors based on data from the Tax Treaties Explorer Dataset and calculations by authors.

developing country invests in a developed country and earns income from those investments, the roles are reversed.

In our study, the majority of SC Member States are capital importing and developing countries, and are categorized as the State of source (or situs), while OECD member countries are capital exporting and developed countries, and are categorized as the State of residence. Through this lens, we evaluate how clauses within bilateral tax treaties between South Centre Member States and OECD countries impact taxation on categories of income and capital.

Across these categories, the allocation of taxing rights between Contracting States hinges predominantly on two factors: status of residence (**Article 4**) and permanent establishment (**Article 5**). The extent of taxing rights allocated to the source State for business profits is contingent upon meeting the criteria for recognition as a permanent establishment. The taxation of income is delineated through **Articles 6 to 21**, through **Article 22** for capital, which allocate the respective taxing rights between source and residence States. All Articles refer to the **UN Model** unless stated otherwise.

Overall Source Index

The overall source index provides an overview of the balance of taxing rights within respective Double Tax Treaties (DTTs). In our sample of 183 DTTs, the minimum source index score is 0.09, corresponding to the DTTs between Mauritius-Sweden and South Africa-Netherlands. In both treaties, the taxing rights of the source States, Mauritius and South Africa, are limited by provisions that restrict their ability to tax.

Table 3: Overall source index range[28]

Overall Source index	No. of treaties
0 - 0.1	4
0.11 - 0.2	25
0.21 - 0.3	81
0.31 - 0.4	73
Total	**183**

Permanent Establishment

The PE concept determines when a foreign enterprise has a sufficient physical or economic presence in a country to justify taxation by that country's authorities. This presence could be through a fixed place of business, like a branch or factory, or through dependent agents. The

[28] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

PE index plays a crucial role in preventing the same income from being taxed by multiple jurisdictions by allocating taxing rights to the country where the PE is established. This is particularly important in avoiding double taxation and ensuring fair taxation in line with international tax standards. Within our analysis of 183 DTTs, the PE index—a metric that determines when a foreign company's presence in a country becomes taxable—reveals a range from 0.09 (Sudan - Turkey) to 0.69 (Iran - Czechia). The DTT with the lowest PE index suggests that certain activities and facilities are excluded from the PE definition. Additionally, agents acting on behalf of foreign enterprises and insurance companies are not recognized, which significantly restricts the source State's ability to tax income from these activities and entities. This creates a loophole that disproportionately benefits foreign enterprises operating in SC Member States, worsening the imbalance in taxing rights between the Contracting States.

As shown in Table 4, more than half of the 183 restrictive treaties have a PE index below the 0.4 threshold, indicating a significant limitation on SC Member States' ability to tax foreign enterprises**.**

Table 4: PE index range[29]

PE index	**No. of treaties**
0 - 0.1	61
0.11 - 0.2	30
0.21 - 0.3	19
0.31 - 0.4	47
0.41 - 0.5	21
0.51 - 0.6	4
0.61 - 0.7	1
Total	**183**

The provisions concerning the duration of construction and service PE under **Article 5** of the UN Model specify the minimum period that a business from a Contracting State must engage in a building site, construction, assembly, or installation project in another country to qualify as a PE. Additionally, the provision for furnishing of services, such as consultancy, through employees or other personnel can also constitute a PE if these activities are carried on beyond a certain duration. In our analysis of 183 DTTs, all recognize construction PEs, with durations

[29] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

varying from 0 to 18 months. However, 136 DTTs do not provide for service PEs, whereas in the remaining 47 DTTs, service PEs are covered with durations ranging from 0 to 12 months.

Table 5: Construction and Service PE range[30]

Construction PE	No. of treaties		Service PE	No. of treaties
0 – 6 months	97 (Shortest: 0 months. Morocco – Canada)		0 – 6 months	42
8 – 18 months	86 (Longest: 18 months. Sudan - Turkey)		9 – 12 months	5
			Not recognized	136
Total	**183**		**Total**	**183**

However, the majority of DTTs in our sample do not consider construction-related supervisory activities, delivery facilities, delivery stock or agents maintaining a stock, insurance brokers, or dependent agent extensions as constituting a PE. Deductions are permitted for payments made by the PE to the enterprise's head office or other offices. This demonstrates that SC Member States with restrictive treaties frequently forego taxing rights under **Article 7** on profits and gains derived from PEs. These provisions relating to Permanent Establishment play a crucial role in preventing tax treaty abuse by discouraging multinational corporations from manipulating deductions to shift profits to low-tax jurisdictions.

International shipping

Most tax treaties involving SC Member States have excluded **Article 8(2)**, which deals with the allocation of taxing rights for international shipping activities. However, exceptions exist where certain countries within the SC retain their taxing authority over such profits. Within our sample of 183 restrictive treaties, specific DTTs involving SC Member States like the Philippines, Dominican Republic, Sri Lanka, and Tanzania preserved their shared taxing rights over shipping, likely influenced by their geographical location and economic characteristics.

Table 6: International shipping provision[31]

No. of treaties without shared taxing rights over shipping	174
No. of treaties with shared taxing rights over shipping	9
Total	**183**

[30] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[31] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

However, the lack of recognition of taxing rights on international shipping in DTTs signed by OECD Member States contrasts with the global trend of increasing globalization and trade openness over recent decades.[32] This non-recognition may stem from efforts in trade liberalization to simplify tax regimes and support cross-border activities, thereby reducing additional tax liabilities and bolstering economic competitiveness. Given that maritime shipping is crucial for global trade—handling approximately 90% of traded goods[33]—this provision holds substantial importance in expanding tax bases and potentially increasing tax revenues for SC Member States.

Withholding Tax

Based on the WHT index, which averages the coding of withholding tax rates in each treaty affecting cross-border payments, either preventing or capping these rates at a maximum, we observe that the lowest score is 0 (Libya - United Kingdom), and the highest score is 0.84 (Tanzania - Denmark) within our sample of 183 DTTs.

Table 7: WHT index range[34]

WHT index	No. of treaties
0 - 0.1	7 (0 - Libya - United Kingdom)
0.11 - 0.2	18
0.21 - 0.3	18
0.31 - 0.4	78
0.41 - 0.5	35
0.51 - 0.6	22
0.61 - 0.9	5 (0.84 - Tanzania - Denmark)
Total	**183**

[32] World Bank, "Trade (% of GDP)", *World Development Indicators*. Available from https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS (accessed June 14, 2024).
[33] Spencer Feingold and Andrea Willige, "These are the world's most vital waterways for global trade", World Economic Forum, 15 February 2024. Available from https://www.weforum.org/agenda/2024/02/worlds-busiest-ocean-shipping-routes-trade/ (accessed June 14, 2024).
[34] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Withholding taxes are commonly applied to specific types of income, such as dividends, interest, royalties, and fees for technical services, at the point of payment, allowing the source State to retain a portion of income generated within its jurisdiction. This mechanism plays a crucial role in DTTs, governing the taxation of cross-border payments between residents of different countries. While higher WHT rates can increase revenue for the source State, SC Member States often reduce or waive these rates in restrictive treaties to attract foreign investment, which can negatively affect tax revenues.

WHT on Dividends

The provision under **Article 10(2)(a)** of the UN Model allows for the taxation of dividends in the company's resident State, with a maximum tax rate specified based on the beneficial owner's ownership percentage in the paying company (known as the threshold for qualified dividends). In our sample of 183 restrictive DTTs, 5% is the most common maximum threshold for qualified dividends, although 15 DTTs set this threshold at 0%. DTTs with a 5% threshold limit the ability of Contracting States to tax dividends at the source to 5%, while those with a 0% threshold do not impose WHT on dividends at the source State, allowing exclusive taxation by the residence State on dividends income.[35] The highest threshold for qualifying dividends is set at 25% in the DTT between South Africa and Israel. Not all DTTs (51 out of 183 in this case) specify ownership thresholds for dividends. The most common ownership threshold for qualified dividends falls within the range of 16% to 25%, with the highest threshold set at 75% in the Dominican Republic – Spain DTT.

Table 8: Threshold for Qualifying dividends WHT rate[36]

Threshold for Qualifying dividends WHT rate (%)	**No. of treaties**
0	15
5	87
6 – 15	77
16 – 25	4 (South Africa – Israel at 25%)
Total	**183**

[35] Examples of DTTs with a 0% threshold include Bolivia - Sweden, Cape Verde - Spain, Colombia - Spain/ Switzerland, Dominican Republic - Spain, Egypt - France/ Netherlands, Libya - United Kingdom, Mauritius - Sweden/ United Kingdom/Estonia, Seychelles - Luxembourg, Uganda - Netherlands, Venezuela - Spain/ Switzerland.

[36] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Table 9: Ownership threshold for qualified dividends[37]

Ownership threshold for qualified dividends (%)	**No. of treaties**
Unspecified	51
0 – 15	43
16 - 25	83
50 - 75	6 (Dominican Republic – Spain at 75%)
Total	**183**

Similarly, concerning WHT on portfolio dividends, the most common maximum threshold for qualified dividends ranges between 5% and 15%. However, in 3 DTTs[38], the threshold is set at 0%, indicating no WHT on portfolio dividends.

Table 10: Threshold for Portfolio dividends WHT rate[39]

Threshold for Portfolio dividends WHT rate (%)	**No. of treaties**
0	3
5 – 15	167
16 - 25	13
Total	**183**

WHT on Interest

Article 11 of the UN Model permits the taxation of interest in the country where it originates, with a maximum tax rate applied to the gross amount, generally encompassing most types of interest. In our sample of 183 restrictive DTTs, the most common maximum threshold for WHT on interest ranges between 5% and 10%. However, 20 DTTs set this threshold at 0%, indicating no WHT on interest at the source State, thereby allowing exclusive taxation by the

[37] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[38] Egypt - France, Libya - United Kingdom, Mauritius - United Kingdom
[39] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

residence State on interest income.[40] There are also 2 DTTs between Mauritius - Italy/ United Kingdom that do not impose limitations on the taxation of interest at the source.

Table 11: Threshold for Interest WHT rate[41]

Threshold for Interest WHT rate (%)	**No. of treaties**
0	20
5 – 10	125
11 – 20	34
25	2 (Benin - Norway, South Africa - Israel)
No limit	2 (Mauritius - Italy/ United Kingdom)
Total	**183**

Similarly, regarding WHT on interest applicable to loans made by banks and financial institutions, the most common maximum threshold ranges between 4% and 10%. However, in 46 DTTs, the threshold is set at 0%, indicating no withholding tax on interest at the source State in the case of financial institutions.

[40] Examples of DTTs with a 0% threshold include Libya - France/ United Kingdom, Mauritius - Luxembourg/Sweden/ Estonia/ Germany, Namibia - Germany, South Africa - Austria/ Czechia/ Denmark/ France/ Finland/ Hungary/Ireland/ Luxembourg/ Netherlands/ Norway/ Sweden/ United Kingdom/ United States.
[41] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Table 12: Threshold for Interest WHT rate (Financial institutions)[42]

Threshold for Interest WHT rate (%) Financial institutions	No. of treaties
0	46
4 – 10	106
11 – 20	28
25	2 (Benin - Norway, South Africa - Israel)
No limit	1 (Mauritius - Italy)
Total	**183**

WHT on Royalties

Article 12(2) of the UN Model allows for the taxation of royalties in the State where they arise, with a maximum tax rate applied to the gross amount, generally encompassing most types of royalties. In our sample of 183 restrictive DTTs, the most common maximum threshold for WHT on royalties ranges between 5% and 10%. However, in 21 DTTs, the threshold is set at 0%, indicating no WHT on royalties at the source State, thereby allowing exclusive taxation by the residence State on royalty income.[43]

[42] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

[43] Examples of DTTs with a 0% threshold include Benin - Norway, Libya - United Kingdom, Mauritius - Belgium/ Luxembourg/ Sweden/ Estonia, South Africa - Austria/ Belgium/ Denmark/ France/ Finland/Hungary/ Ireland/ Israel/ Luxembourg/ Netherlands/ Norway/ Sweden/ Switzerland/ United Kingdom/ United States.

Table 13: Threshold for Royalties WHT rate[44]

Threshold for Royalties WHT rate (%)	No. of treaties
0	21
5 – 10	135
11 – 20	27 (Tanzania – Denmark at 20%)
Total	**183**

Similarly, concerning WHT rates on royalties for copyright payments, which apply to the use or right to use any copyright of literary, artistic, or scientific work, the most common maximum threshold ranges between 5% and 10%. However, in 26 DTTs, the threshold is set at 0%, indicating no WHT on royalties at the source State in the case of copyright payments, except for Argentina - Germany, which does not impose a limit on the maximum threshold for such royalties.

Table 14: Threshold for Royalties WHT rate (Copyright payments)[45]

Threshold for Royalties WHT rate (%) Copyright payments	No. of treaties
0	26
5 – 10	135
11 – 20	21
No limit	1 (Argentina – Germany)
Total	**183**

[44] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[45] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Similarly, regarding WHT rates on royalties for the use of industrial, commercial, or scientific equipment, the most common maximum threshold ranges between 2% and 10%. However, in 32 DTTs, the threshold is set at 0%, indicating no WHT on royalties at the source State in the case of equipment use, except for the Argentina - Germany DTT, which does not impose a limit on the maximum threshold for such royalties.

Table 15: Threshold for Royalties WHT rate (Use of equipment)[46]

Threshold for Royalties WHT rate (%) Use of equipment	**No. of treaties**
0	32
2 – 10	128
11 – 20	22
No limit	1 (Argentina – Germany)
Total	**183**

Technical service fees WHT rate

Article 12A of the UN Model specifies that fees for technical services (managerial, technical, or consultancy) may be taxed in the State where they arise, with the tax not exceeding a specified percentage of the gross amount. In our sample of 183 restrictive DTTs, the most common maximum threshold is set at 0%, indicating no WHT on technical service fees at the source State and allowing for exclusive taxation by the residence State on such income.

Table 16: Threshold for Technical service fees WHT rate[47]

Threshold for Technical service fees WHT rate (%)	**No. of treaties**
0	154
5 – 10	26
11 – 20	3
Total	**183**

[46] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[47] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Independent personal services

Article 14 of the UN Model permits a Contracting State to tax income from professional services or other independent activities if the individual has a fixed base in that State or stays there for a specified portion of time within a 12-month period. In our sample of 183 restrictive treaties, 21 treaties exclude the taxation of such income from independent personal services.

Table 17: Independent personal services provision[48]

No. of treaties taxing income from independent personal services	162
No. of treaties not taxing income from independent personal services	21
Total	**183**

Executive compensation (Director's Fees)

Article 16(2) of UN and OECD Models allow salaries, wages, and other similar remuneration earned by a resident of one Contracting State as a top-level managerial official of a company in the other Contracting State to be taxed in that other State. In our sample of 183 restrictive treaties, 181 treaties exclude the taxation of top-level managerial compensation with the exception of Jordan – South Korea and China - Portugal.

Table 18: Executive compensation provision[49]

No. of treaties taxing top-level managerial remuneration	2
No. of treaties not taxing top-level managerial remuneration	181
Total	**183**

Source taxation of other income

Article 21(3) of the UN and OECD Models permit source taxation of other income, allowing a Contracting State to tax items of income arising in its territory that are earned by a resident

[48] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[49] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

of the other Contracting State and not addressed elsewhere in the convention. In our sample of 183 restrictive treaties, 150 treaties exclude source taxation of other income.

Table 19: Source taxation of other income provision[50]

No. of treaties allowing source taxation of other income	33
No. of treaties not allowing source taxation of other income	150
Total	**183**

Taxation on capital gains

Article 13(4) of the UN and OECD Models permit a Contracting State to tax gains from the sale of shares or comparable interests if these derive more than a specified percentage of their value from immovable property located in that State. In our sample of 183 restrictive treaties, 76 treaties do not provide for taxation of gains from the sale of shares tied to immovable property.

Table 20: Taxation on capital gains provision tied to immovable property[51]

No. of treaties taxing gains from the sale of shares tied to immovable property	107
No. of treaties not taxing gains from the sale of shares tied to immovable property	76
Total	**183**

Similarly, **Article 13(5)** of the UN Model permits a Contracting State to tax gains from the sale of shares or comparable interests in a company if the seller holds more than a specified percentage of the company's capital and the company is a resident of that State. In our sample of 183 restrictive treaties, 150 treaties do not provide for taxation of gains from the sale of shares based on beneficial ownership criteria.

[50] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[51] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Table 21: Taxation on capital gains provision tied to beneficial ownership[52]

No. of treaties taxing gains from sale of shares tied to beneficial ownership criteria	33
No. of treaties not taxing gains from sale of shares tied to beneficial ownership criteria	150
Total	**183**

Anti-abuse provision

Article 29 of the UN and OECD Model include a general anti-abuse rule, with Limitation on Benefits (LOB) requiring residents to meet specific criteria for treaty benefits, and Principal Purpose Test (PPT) denying benefits if obtaining them was a principal purpose of an arrangement. Among our sample of 183 restrictive DTTs, 106 currently in force lack any anti-abuse provisions, critical for preventing treaty abuse and treaty shopping.

Table 22: Anti-abuse provision[53]

Anti-abuse provision	**No. of treaties**
None	106
Other	8
Partial	5
LOB	4
PPT	59
LOB - PPT	1 (Brazil – Switzerland)
Total	**183**

[52] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.
[53] Table created by authors based on data from the Tax Treaties Explorer Dataset website: https://www.treaties.tax/en/.

Upon reviewing 183 restrictive treaties between SC Member States and OECD countries, it appears that numerous provisions in these DTTs predominantly benefit the residence State, thereby reducing the taxing authority of the source State.

Major Findings

1. During tax treaty negotiations, more and more SC Member States frequently lower WHT rates in exchange for more robust definitions of PE.

2. African countries and South American countries have the largest disparity between treaties below and above 0.4 whereas MENA and Asian countries exhibit less noticeable disparities in this regard.

3. Taxation of services:
    a. **Article 5(3)(b) of the UN Model**: Out of 183 treaties, 136 DTTs did not recognize any enterprise providing services, including consultancy services, through employees or other personnel as a PE. For the treaties that did recognize a service PE, the average threshold was 6 months. This threshold applied in specific treaties involving Algeria, Cabo Verde, Colombia, Ecuador, Egypt, Philippines, Indonesia, Iran, Jordan, Morocco, Mozambique, Nigeria, China, North Korea, Seychelles, South Africa, Sri Lanka, Uganda, and Venezuela.
    b. **Article 12A of the UN Model**: Out of 183 treaties, 154 DTTs waived their rights to tax fees for technical services, which include managerial, technical, or consultancy services. Among treaties that did allow taxation, an average tax rate of 10 percent was imposed on the gross amount of fees. This provision applied in specific treaties involving Brazil, Colombia, Ghana, India, Morocco, Pakistan, Sri Lanka, Tanzania, Uganda, Vietnam, and Zimbabwe.

4. Shared taxing rights related to shipping: **Article 8(2) of the UN Model**: Out of 183 of restrictive treaties, the majority, totaling 174, have relinquished their entitlement to shared taxing rights concerning shipping activities, with the exception of treaties involving Philippines, Dominican Republic, Sri Lanka, and Tanzania.

5. Taxation of Royalties: **Article 12(2) of the UN Model**: Out of 183 restrictive treaties, the majority share taxing rights on royalties, but 21 treaties - entered into by SC Member States South Africa (15), Mauritius (4), Libya (1), and Benin (1) - grant exclusive taxation of royalties to the residence State.

6. Anti-abuse provision: **Article 29 of the UN Model**: Out of 183 restrictive treaties, 106 currently in force lack any anti-abuse provisions, critical for preventing treaty abuse and treaty shopping.

Implications

These restrictive treaties can be detrimental for SC Member States in two ways: first, for resource-rich countries, and second, for the service sector.

1. Resource-Rich Countries

Many SC Member States, especially in Africa, possess substantial reserves of critical minerals crucial for advancing the global energy transition, including cobalt, copper, and lithium, recognized as pivotal for sustainable energy transition initiatives.[54]

The opportunities and challenges facing African SC Member States hinge on effectively utilizing their abundant critical mineral resources, where tax treaties play a pivotal role in asserting taxing rights over income, profits, and capital gains generated from these resources.

Our findings highlight that provisions in restrictive tax treaties, especially those involving African countries, often fail to adequately assert their taxing rights. This inadequacy can result in significant revenue losses as these countries miss opportunities to fully capitalize on income from critical mineral resources. The current treaties may favor more developed trading partners, limiting SC Member States' ability to collect fair taxes on their resource wealth. Strengthening these provisions is crucial for these States to benefit more effectively from their resources and support economic development. Therefore, revising tax treaties to enhance revenue capture from natural resources is essential for achieving sustainable economic growth. Improving provisions related to source State taxation of all activities connected with the exploration and exploitation of natural resources—whether onshore or offshore, renewable or non-renewable—and capital gains will empower these countries to maximize their resource wealth. The UN Tax Committee has proposed Article 5A, urging countries to incorporate this provision into their treaty policies once finalized.

2. Service Sector

The service sector has emerged as a pivotal driver in the global economy, with profound implications for SC Member States. This trend underscores the growing significance of services in global economic activities. The OECD underscores their critical role, noting that services account for more than two-thirds of global GDP. In advanced economies, services attract over three-quarters of foreign direct investment (FDI), employ the largest workforce, and generate most new jobs worldwide.[55]

Our findings indicate that the provisions for taxing services within DTTs of SC Member States are insufficient. Service PE provisions for these States began around 1978, with a trend of increasing duration over time. Since 1990, the average length of service PE has stabilized around 6 months, consistent with UN Model guidelines. However, treaties scoring below 0.4 introduced these provisions later, around 1995. Some treaties extend the duration of service PE beyond the typical 6-month period, sometimes reaching up to 12 months.

Optimizing tax policies related to services represents a potential revenue stream, yet the key challenge lies in crafting these policies to effectively capture the economic contributions of the service sector while fostering growth and investment. This is crucial for countries seeking to

[54] United Nations Trade and Development, "Critical Minerals: Africa Holds Key to Sustainable Energy Future", June 4, 2024. Available from https://unctad.org/news/critical-minerals-africa-holds-key-sustainable-energy-future.
[55] OECD, "Services Trade". Available from https://www.oecd.org/trade/topics/services-trade/ (accessed June 14, 2024).

diversify their economies and reduce reliance on natural resources. Enhancing both international tax treaties and domestic tax frameworks to comprehensively address the service sector is essential for promoting sustainable economic development.

V. Final Remarks

Fair and balanced tax treaties play a role in fostering FDI and promoting cross-border trade. There is a positive correlation between entering into double tax treaties and attracting increased foreign direct investment. These treaties contribute to FDI inflows in developing countries. While recently signed tax treaties continue to promote FDI, their impact is less pronounced compared to older ones.[56,57] However, many bilateral treaties, particularly those negotiated by developing countries, often lack reciprocity, leaving them at a disadvantage due to their limited negotiating power, leading to significant losses in tax revenues annually resulting from limitations imposed by unfair tax treaties.

The persistence of unbalanced tax treaties has significant ramifications, particularly in terms of forgone tax revenues resulting from limitations on taxing rights as stipulated by restrictive treaties. Resource-rich countries, particularly those dependent on mineral extraction, face heightened challenges in navigating unbalanced tax treaties. The energy transition exacerbates these challenges. Developing countries should consider renegotiating unfair treaties and ensure such treaties provide for source State taxation of the renewable energy value chain in a manner that allows governments to generate some revenue while also incentivizing investments in non-fossil energy industry and use of low carbon energy products.

Addressing the imbalance in tax treaties is essential to ensure equitable distribution of benefits and promote sustainable development globally. Balancing the interests of all parties involved and addressing potential loopholes and inequalities are essential for maximizing the benefits of tax treaties while mitigating their adverse effects on tax policies and revenue streams. Developing countries should prioritize negotiations aimed at achieving fair and balanced tax treaties, supported by international organizations and stakeholders. Continued research is necessary to assess the long-term implications and inform policy decisions. By ensuring equitable outcomes, developing countries can harness the potential of FDI and cross-border trade for sustainable economic growth and development and increase domestic resource mobilization to finance education, public health and other developmental needs.

[56] Siwook Lee, and Daeyong Kim, "The Impact of Tax Treaties on Foreign Direct Investment: The Evidence Reconsidered," *KDI Journal of Economic Policy,* Vol. 44, no. 3 (2022), pp. 27-48. Available from http://dx.doi.org/10.23895/kdijep.2022.44.3.27 (accessed June 14, 2024).
[57] Fabian Barthel, Matthias Busse, Richard Krever, and Eric Neumayer, "The Relationship between Double Taxation Treaties and Foreign Direct Investment", in *Tax Treaties: Building Bridges between Law and Economics*, December 2010. Available from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1756550.

VI. Recommendations

Given the findings from country-specific analyses, it is advisable to reassess existing restrictive treaties and address their shortcomings by incorporating relevant schedules from the proposed United Nations Fast Track Instrument (FTI).[58] The FTI aims to strengthen tax policies and ensure equitable revenue collection across diverse economic activities. Developing countries should urgently begin the process of renegotiating treaties with unfavorable provisions. These renegotiations can be conducted bilaterally or through the FTI once it is approved. However, the UN FTI must undergo intergovernmental negotiation and ratification, a process that will take several years. In the meantime, countries should start renegotiating treaties while monitoring the FTI as a tool to assist in this process once it becomes available.

Incorporating these schedules into revised treaties will provide a more equitable distribution of taxing rights, helping countries, especially those in the SC, to better leverage their resources and economic activities for domestic revenue generation. This holistic approach will support sustainable development and reduce dependency on restrictive treaties that limit their fiscal sovereignty.

Furthermore, tax advocacy must encompass both domestic and international dimensions to be effective. This integrated approach ensures that domestic policies and international agreements work together to support revenue generation. Bridging the gap between domestic tax policy and the international tax regime is essential, as trade treaties, investment treaties, and tax treaties are all inherently linked to revenue rights. Any disconnect between these areas can significantly impact a country's revenue base.

For low and lower-middle-income countries (LMICs), a substantial portion of their revenue comes from international sources, which are currently restricted by these treaties. To strengthen tax revenue, key partners like the South Centre, with its tax-focused programs, can provide valuable support and expertise. For instance, lobbying for fair and balanced bilateral tax treaties under the South Centre Tax Initiative could be one avenue. This integration will help ensure that these treaties enhance rather than impede the ability of countries to mobilize domestic resources effectively.

[58] Sol Picciotto, "The UN Tax Committee Spreads Its Wings", Tax Justice Network, December 21, 2023. Available from https://taxjustice.net/2023/12/21/the-un-tax-committee-spreads-its-wings/# (accessed June 14, 2024).

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Annex: Country-Specific Recommendations

Policy Recommendations

Algeria

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Austria

Treaty Score: 0.22

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.31	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	29

02 - France

Treaty Score: 0.27

PE: 0.11	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.32	10(2)(a)Q, 10(2)(a)T, 11(2)F, 12(2)C, 12(A)
Other: 0.38	7(1)(b&c), 8(2), 13(5), 16(2), 21(3)
Exceptions	29

03 - Germany

Treaty Score: 0.32

PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)Q, 10(2)(a)T, 11(2), 12(A)
Other: 0.38	7(1)(b&c), 8(2), 13(5), 16(2), 21(3)
Exceptions	29

04 - Netherlands

Treaty Score: 0.21

PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.28	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)(E), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 29

05 - Portugal

Treaty Score: 0.27

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.47	10(2)(a)T, 11(2), 11(2)F, 12(A)
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	29

06 - South Korea

Treaty Score: 0.23

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.34	10(2)(a)Q, 10(2)(a)T, 11(2), 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	29

07 - Spain

Treaty Score: 0.12

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.27	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	14, 29

08 - Switzerland

Treaty Score: 0.3

PE: 0.09	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.27	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	27, 29

09 - United Kingdom

Treaty Score: 0.27

PE: 0.22	5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.34	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 29

Policy Recommendations

Argentina

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Germany

Treaty Score: 0.35

PE: 0.22	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.57	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	27, 29

02 - Italy

Treaty Score: 0.36

PE: 0.2	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.63	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.25	5(7), 7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2)
Exceptions	27, 29

Policy Recommendations

Benin

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Norway

Treaty Score: 0.23

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.48	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

Policy Recommendations

Bolivia

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Germany

Treaty Score: 0.3

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.56	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Spain

Treaty Score: 0.22

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.56	10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

03 - Sweden

Treaty Score: 0.27

PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.47	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

04 - United Kingdom

Treaty Score: 0.3

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.56	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Brazil

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Finland

Treaty Score: 0.36

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.48	10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.5	7(1)(b&c), 7(3), 8(2), 16(2)
Exceptions	25B(5), 27, 29

02 - Israel

Treaty Score: 0.39

PE: 0.09	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.48	10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.5	7(1)(b&c), 7(3), 8(2), 16(2)
Exceptions	25B(5), 27, 29

03 - Japan

Treaty Score: 0.31

PE: 0.22	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(6), 5(7)
WHT: 0.47	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2)
Exceptions	25B(5), 27, 29

04 - Switzerland

Treaty Score: 0.38

PE: 0.08	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.56	10(2)(a)T, 11(2)
Other: 0.5	7(1)(b&c), 7(3), 8(2), 16(2)
Exceptions	25B(5), 27

05 - Austria

Treaty Score: 0.38

PE: 0.22	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.54	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 27, 29

06 - Belgium

Treaty Score: 0.25

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.53	10(2)(a)T, 11(2)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Cape Verde

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Portugal

Treaty Score: 0.28

PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.38	10(2)(b), 11(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Spain

Treaty Score: 0.2

PE: 0.19	5(3)(a)C, 5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.16	10(2)(a)T, 10(2)(b), 11(2), 12(2), 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

China

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Czechia

Treaty Score: 0.25

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.31	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2),12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 14, 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Denmark

Treaty Score: 0.38

PE: 0.44	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.33	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 27, 29

03 - Estonia

Treaty Score: 0.3

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

04 - France

Treaty Score: 0.38

PE: 0.44	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.33	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 29

05 - Germany

Treaty Score: 0.38

PE: 0.44	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.33	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 29

06 - Greece

Treaty Score: 0.3

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

07 - Iceland

Treaty Score: 0.38

PE: 0.44	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.33	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 27, 29

08 - Ireland

Treaty Score: 0.27

PE: 0.22	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.33	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

09 - Isreal

Treaty Score: 0.34

PE: 0.44	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.34	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

10 - Luxembourg

Treaty Score: 0.39

PE: 0.47	5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.33	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 27, 29

11 - New Zealand

Treaty Score: 0.4

PE: 0.31	5(3)(a)C, 5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.38	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.5	7(1)(b&c), 7(3), 8(2), 16(2)
Exceptions	25B(5), 27, 29

12 - Portugal

Treaty Score: 0.36

PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.39	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 21(3)
Exceptions	25B(5), 27, 29

13 - Slovenia

Treaty Score: 0.25

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.31	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

14 - South Korea

Treaty Score: 0.35

PE: 0.47	5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

15 - Spain

Treaty Score: 0.34

PE: 0.31	5(3)(a)C, 5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 27, 29

16 - Turkey

Treaty Score: 0.31

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Colombia

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01- France

Treaty Score: 0.3

PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.31	10(2)(a)Q, 10(2)(a)T, 11(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 29

02 - South Korea

Treaty Score: 0.4

PE: 0.47	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.47	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 29

03 - Spain

Treaty Score: 0.23

PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.34	10(2)(a)T, 10(2)(b), 11(2)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 29

04 - Switzerland

Treaty Score: 0.21

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.41	10(2)(a)T, 11(2)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Dominican Republic

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Spain

Treaty Score: 0.34

PE: 0.34	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.31	10(2)(a)T, 10(2)(b), 11(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Canada

Treaty Score: 0.39

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.6	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.5	7(1)(b&c), 7(3), 13(5), 16(2)
Exceptions	25B(5), 27, 29

Policy Recommendations

Ecuador

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - France

Treaty Score: 0.28

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.53	10(2)(a)Q, 11(2), 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Germany

Treaty Score: 0.28

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.53	10(2)(a)(Q), 11(2), 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 16(2), 21(3)
Exceptions	25B(5), 27, 29

03 - Italy

Treaty Score: 0.19

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)Q, 11(2), 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

04 - South Korea

Treaty Score: 0.31

PE: 0.33	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.36	10(2)(a)Q, 10(2)(a)T, 10(2)b, 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 29

05 - Spain

Treaty Score: 0.2

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.42	10(2)(a)Q, 11(2), 12(2)C, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

06 - Switzerland

Treaty Score: 0.2

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)Q, 11(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

06 - Belgium

Treaty Score: 0.19

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)Q, 11(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Egypt

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01- France

Treaty Score: 0.28

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	25B(5), 27, 29

02 - Ireland

Treaty Score: 0.4

PE: 0.47	5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.34	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	25B(5), 27, 29

03 - Netherlands

Treaty Score: 0.29

PE: 0.34	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.39	10(2)(a)T, 10(2)(b), 11(2)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 29

04 - South Korea

Treaty Score: 0.29

PE: 0.08	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.53	10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2)
Exceptions	25B(5), 27, 29

Policy Recommendations

Gabon

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Belgium

Treaty Score: 0.38

PE: 0.47	5(3)(a)S, 5(3)(b), 5(6), 5(7)
WHT: 0.54	12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	29

02 - Canada

Treaty Score: 0.39

PE: 0.34	5(3)(a)S, 5(3)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.44	11(2), 11(2)F, 12(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	27, 29

03 - France

Treaty Score: 0.27

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.33	11(2), 11(2)F, 12(2), 12(2)C, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	29

04 - South Korea

Treaty Score: 0.27

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.38	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 14, 16(2), 21(3)
Exceptions	29

Policy Recommendations

Ghana

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Belgium	Treaty Score: 0.31	PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.46	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)E
		Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	29
02 - Denmark	Treaty Score: 0.28	PE: 0.2	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.39	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12A
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	29
03 - France	Treaty Score: 0.37	PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.53	10(2)(a)Q, 10(2)(a)T, 12(2)E
		Other: 0.38	7(1)(b&c), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
04 - Germany	Treaty Score: 0.27	PE: 0.08	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.35	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12A
		Other: 0.38	7(1)(b&c), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
05 - Italy	Treaty Score: 0.32	PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.5	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
06 - Netherlands	Treaty Score: 0.3	PE: 0.2	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.31	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12A
		Other: 0.38	7(1)(b&c), 8(2), 13(5), 16(2), 21(3)
		Exceptions	25B(5), 29
07 - Switzerland	Treaty Score: 0.23	PE: 0.08	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.35	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12A
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
08 - United Kingdom	Treaty Score: 0.37	PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.53	10(2)(a)Q, 10(2)(a)T, 12(2)E
		Other: 0.38	7(1)(b&c), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29

Policy Recommendations

India

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Israel

Treaty Score: 0.36

PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.5	10(2)(b), 11(2), 11(2)F, 12(2)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	27, 29

South Centre

Policy Recommendations

Indonesia

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Portugal

Treaty Score: 0.32

PE: 0.34		5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38		10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25		7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions		27, 29

Policy Recommendations

Iran

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Austria	Treaty Score: 0.29	PE: 0.56	5(3)(a)C, 5(3)(b), 5(5)(b), 5(6)
		WHT: 0.19	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	27, 29
02 - Czechia	Treaty Score: 0.34	PE: 0.69	5(3)(a)C, 5(5)(b), 5(6)
		WHT: 0.19	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 14, 16(2), 21(3)
		Exceptions	27, 29
03 - France	Treaty Score: 0.29	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.53	12(2), 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
04 - Germany	Treaty Score: 0.25	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.53	12(2), 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	25B(5), 27, 29
05 - Poland	Treaty Score: 0.35	PE: 0.33	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
		WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
		Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
		Exceptions	27, 29
06 - Slovakia	Treaty Score: 0.31	PE: 0.59	5(5)(b), 5(6), 5(7)
		WHT: 0.22	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 14, 16(2), 21(3)
		Exceptions	27, 29
07 - Slovenia	Treaty Score: 0.35	PE: 0.58	5(3)(a)C, 5(3)(b), 5(5)(b), 5(6)
		WHT: 0.21	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
08 - South Korea	Treaty Score: 0.4	PE: 0.56	5(3)(a)C, 5(3)(b), 5(5)(b), 5(6)
		WHT: 0.38	10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
09 - Spain	Treaty Score: 0.21	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.2	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
10 - Switzerland	Treaty Score: 0.27	PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
		WHT: 0.25	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
11 - Turkey	Treaty Score: 0.35	PE: 0.47	5(3)(a)S, 5(3)(b), 5(5)(b), 5(6)
		WHT: 0.47	11(2), 11(2)F, 12(2), 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	27, 29

Policy Recommendations

Jordan

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Italy

Treaty Score: 0.28

PE: 0.33	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

02 - Poland

Treaty Score: 0.2

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

03 - South Korea

Treaty Score: 0.4

PE: 0.31	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.5	7(1)(b&c), 7(3), 8(2), 13(5)
Exceptions	27, 29

04 - Turkey

Treaty Score: 0.22

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.43	11(2), 11(2)F, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	29

Policy Recommendations

Libya

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - France

Treaty Score: 0.22

PE: 0.11	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.18	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	27, 29

02 - United Kingdom

Treaty Score: 0.24

PE: 0.36	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b)
WHT: 0	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	27, 29

Policy Recommendations

Mauritius

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Belgium

Treaty Score: 0.33

PE: 0.47	5(3)(b), 5(4)(a), 5(4)(b), 5(6)
WHT: 0.16	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 8(2), 13(4), 13(5), 16(2)
Exceptions	25B(5), 27, 29

02 - Estonia

Treaty Score: 0.12

PE: 0.19	5(3)(a)C, 5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.04	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12A
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 14, 16(2), 21(3)
Exceptions	25B(5), 29

03 - Germany

Treaty Score: 0.19

PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.25	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12A
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 14, 16(2), 21(3)
Exceptions	25B(5), 29

04 - Italy

Treaty Score: 0.39

PE: 0.34	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(6)
WHT: 0.56	10(2)(a)Q, 12(A)
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

05 - Luxembourg

Treaty Score: 0.23

PE: 0.34	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.09	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

06 - Sweden

Treaty Score: 0.09

PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7),
WHT: 0.09	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 14, 16(2), 21(3)
Exceptions	27, 29

07 - United Kingdom

Treaty Score: 0.34

PE: 0.47	5(3)(b), 5(4)(a), 5(4)(b), 5(6)
WHT: 0.31	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2)F, 12(A)
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Morocco

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

Treaty	Treaty Score	Category	Provisions
01 - Austria	Treaty Score: 0.31	PE: 0.34	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b)
		WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	27, 29
02 - Canada	Treaty Score: 0.33	PE: 0.13	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.48	12(2), 12(2)C, 12(A)
		Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
		Exceptions	27, 29
03 - Denmark	Treaty Score: 0.22	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.44	11(2), 11(2)F, 12(2), 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	29
04 - Germany	Treaty Score: 0.2	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.38	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	27, 29
05 - Hungary	Treaty Score: 0.21	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.4	10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
		Exceptions	27, 29
06 - Italy	Treaty Score: 0.2	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.39	11(2), 11(2)F, 12(2), 12(2)C, 12(A)
		Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3))
		Exceptions	27, 29
07 - Japan	Treaty Score: 0.39	PE: 0.47	5(4)(a), 5(4)(b), 5(5)(b), 5(6)
		WHT: 0.32	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
		Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
		Exceptions	29
08 - Lithuania	Treaty Score: 0.35	PE: 0.34	5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
		WHT: 0.34	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
		Other: 0.38	7(3), 8(2), 13(5), 16(2), 21(3)
		Exceptions	29
09 - Luxembourg	Treaty Score: 0.25	PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
		WHT: 0.41	11(2), 11(2)F, 12(2), 12(A)
		Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2)
		Exceptions	29

Policy Recommendations

Morocco

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

10 - Netherlands

Treaty Score: 0.22

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.44	11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

11 - Norway

Treaty Score: 0.22

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.44	11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

12 - Poland

Treaty Score: 0.29

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.51	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)E
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	27, 29

13 - Portugal

Treaty Score: 0.21

PE: 0.08	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.43	12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

14 - South Korea

Treaty Score: 0.3

PE: 0.33	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b)
WHT: 0.32	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	27, 29

15 - Spain

Treaty Score: 0.23

PE: 0.19	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(6), 5(7)
WHT: 0.39	11(2), 11(2)F, 12(2), 12(2)C, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

16 - Switzerland

Treaty Score: 0.33

PE: 0.34	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(7)
WHT: 0.39	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	27, 29

17 - Turkey

Treaty Score: 0.31

PE: 0.32	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b)
WHT: 0.36	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	27, 29

18 - United Kingdom

Treaty Score: 0.26

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.56	10(2)(a)T, 11(2), 11(2)F, 12(2)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

Policy Recommendations

Mozambique

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Italy

Treaty Score: 0.22

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.44	11(2), 11(2)F, 12(2), 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

02 - Portugal

Treaty Score: 0.36

PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	29

Policy Recommendations

Namibia

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - France

Treaty Score: 0.22

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.31	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	27, 29

02 - Germany

Treaty Score: 0.21

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.28	10(2)(a)T, 11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	27, 29

Policy Recommendations

Nigeria

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

Treaty Score: 0.38

01 - Spain

01 - Spain	PE: 0.47	5(4)(a), 5(4)(b), 5(5)(b), 5(6)
	WHT: 0.3	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
	Other: 0.38	7(3), 8(2), 13(5), 16(2), 21(3)
	Exceptions	25B(5), 29

South Centre

Policy Recommendations

North Korea

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

Treaty Score: 0.31

01 - Czechia	PE: 0.31	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
	WHT: 0.38	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
	Exceptions	25B(5), 27, 29

Policy Recommendations

Pakistan

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Spain

Treaty Score: 0.29

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.44	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 14, 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Philippines

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Turkey

Treaty Score: 0.38

PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.41	10(2)(a)T, 11(2), 12(A)
Other: 0.38	7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Germany

Treaty Score: 0.39

PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.33	10(2)(a)Q, 10(2)(a)T, 11(2), 12(A)
Other: 0.5	7(1)(b&c), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Seychelles

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Belgium

Treaty Score: 0.27

PE: 0.44	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.25	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 14, 16(2)
Exceptions	25B(5), 29

02 - Luxembourg

Treaty Score: 0.16

PE: 0.31	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.16	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)
Other: 0	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 14, 16(2), 21(3)
Exceptions	27, 29

Policy Recommendations

South Africa

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

Country	Treaty Score	PE	PE provisions	WHT	WHT provisions	Other	Other provisions	Exceptions
01 - Australia	Treaty Score: 0.36	PE: 0.47	5(3)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.25	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)	25B(5), 29
02 - Austria	Treaty Score: 0.1	PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)	25B(5), 27, 29
03 - Belgium	Treaty Score: 0.19	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.25	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)	25B(5), 29
04 - Canada	Treaty Score: 0.35	PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.36	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(A)	Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)	25B(5), 27, 29
05 - Czechia	Treaty Score: 0.27	PE: 0.31	5(3)(a)C, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.25	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
06 - Denmark	Treaty Score: 0.19	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 29
07 - France	Treaty Score: 0.15	PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
08 - Finland	Treaty Score: 0.19	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
09 - Greece	Treaty Score: 0.3	PE: 0.34	5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.3	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2)	25B(5), 27, 29
10 - Hungary	Treaty Score: 0.1	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 14, 16(2), 21(3)	25B(5), 27, 29
11 - Ireland	Treaty Score: 0.18	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.09	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
12 - Italy	Treaty Score: 0.21	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.33	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 14, 16(2), 21(3)	25B(5), 27, 29
13 - Japan	Treaty Score: 0.35	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.38	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)	Other: 0.5	7(1)(b&c), 7(3), 8(2), 16(2)	25B(5), 29
14 - Luxembourg	Treaty Score: 0.15	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)	25B(5), 27, 29
15 - Netherlands	Treaty Score: 0.09	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.09	10(2)(a)Q, 10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 14, 16(2), 21(3)	29
16 - Norway	Treaty Score: 0.15	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)	25B(5), 29
17 - Poland	Treaty Score: 0.27	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.38	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
18 - Portugal	Treaty Score: 0.28	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.41	11(2), 11(2)F, 12(2), 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
19 - South Korea	Treaty Score: 0.19	PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.38	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)	25B(5), 27, 29
20 - Spain	Treaty Score: 0.19	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.25	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(5), 14, 16(2), 21(3)	25B(5), 27, 29
21 - Sweden	Treaty Score: 0.19	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.13	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	25B(5), 27, 29
22 - Switzerland	Treaty Score: 0.21	PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)	WHT: 0.19	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)C, 12(2)E, 12(A)	Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)	27, 29

Policy Recommendations

Sri Lanka

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Canada

Treaty Score: 0.35

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.46	10(2)(a)T, 12(2), 12(2)C, 12(A)
Other: 0.5	7(1)(b&c), 7(3), 13(4), 16(2)
Exceptions	25B(5), 27, 29

02 - Italy

Treaty Score: 0.32

PE: 0.22	5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.48	10(2)(a)T, 11(2), 11(2)F, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

03 - South Korea

Treaty Score: 0.33

PE: 0.34	5(3)(a)C, 5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.41	11(2), 11(2)F, 12(2), 12(A)
Other: 0.25	7(1)(b&c), 7(3), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

04 - Swizterland

Treaty Score: 0.3

PE: 0.22	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.44	11(2), 11(2)F, 12(2)
Other: 0.25	7(1)(b&c), 7(3), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Sudan

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Turkey

Treaty Score: 0.16

PE: 0.03	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.33	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Tanzania

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Danmark

Treaty Score: 0.4

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.84	10(2)(a)T, 11(2)
Other: 0.25	7(1)(b&c), 7(3), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Italy

Treaty Score: 0.39

PE: 0.19	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.72	10(2)(a)T, 10(2)(b), 11(2)
Other: 0.25	7(1)(b&c), 7(3), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Uganda

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Italy

Treaty Score: 0.36

PE: 0.22	5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.63	10(2)(a)T
Other: 0.25	7(1)(b&c), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

02 - Netherlands

Treaty Score: 0.28

PE: 0.47	5(4)(a), 5(5)(b), 5(6), 5(7)
WHT: 0.24	10(2)(a)Q, 11(2), 11(2)F, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 8(2), 13(4), 13(5), 14, 16(2), 21(3)
Exceptions	29

03 - United Kingdom

Treaty Score: 0.32

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.75	10(2)(a)T
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Venezuela

Tax Treaties Provisions for renegotiation

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - Belguim

Treaty Score: 0.25

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.31	10(2)(a)Q, 11(2), 11(2)F, 12(2)C, 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	25B(5), 29

02 - Canada

Treaty Score: 0.33

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.39	11(2), 11(2)F, 12(2)C, 12(A)
Other: 0.5	7(1)(b&c), 8(2), 13(5), 16(2)
Exceptions	25B(5), 27, 29

03 - Germany

Treaty Score: 0.15

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.25	10(2)(a)Q, 11(2), 11(2)F, 12(2)C, 12(2)E, 12(A)
Other: 0.13	7(1)(b&c), 7(3), 8(2), 13(4), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

04 - Spain

Treaty Score: 0.27

PE: 0.33	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.22	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

05 - Sweden

Treaty Score: 0.25

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.32	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	25B(5), 27, 29

06 - Switzerland

Treaty Score: 0.17

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.19	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(2)C, 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

07 - Turkey

Treaty Score: 0.34

PE: 0.31	5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(7)
WHT: 0.34	10(2)(a)Q, 10(2)(b), 11(2), 11(2)F, 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 29

08 - United Kingdom

Treaty Score: 0.27

PE: 0.06	5(3)(a)C, 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.26	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2)C, 12(2)E, 12(A)
Other: 0.5	7(1)(b&c), 8(2), 13(5), 16(2)
Exceptions	25B(5), 27, 29

09 - United States

Treaty Score: 0.35

PE: 0.34	5(3)(a)S, 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
WHT: 0.32	10(2)(a)Q, 10(2)(a)T, 11(2), 11(2)F, 12(2)E, 12(A)
Other: 0.38	7(1)(b&c), 8(2), 13(4), 13(5), 16(2)
Exceptions	25B(5), 27, 29

Policy Recommendations

Viet Nam

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country’s tax regime.

01 - Australia

Treaty Score: 0.32

PE: 0.22	5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.38	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(A)
Other: 0.38	7(1)(b&c), 7(3), 8(2), 13(5), 16(2)
Exceptions	25B(5), 27, 29

02 - Germany

Treaty Score: 0.27

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.47	10(2)(a)Q, 11(2), 11(2)F
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

03 - South Korea

Treaty Score: 0.38

PE: 0.34	5(3)(a)S, 5(3)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.43	10(2)(a)T, 10(2)(b), 11(2), 11(2)F, 12(2), 12(2)E
Other: 0.38	7(1)(b&c), 7(3), 8(2), 16(2), 21(3)
Exceptions	25B(5), 27, 29

04 - United Kingdom

Treaty Score: 0.23

PE: 0.09	5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
WHT: 0.35	10(2)(a)Q, 11(2), 11(2)F, 12(2), 12(2)E, 12(A)
Other: 0.25	7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
Exceptions	25B(5), 27, 29

Policy Recommendations

Zimbabwe

Tax Treaties Provisions for renegotiation

SOUTH CENTRE

A score at or below 0.4 indicates provisions unfavorable to the country's tax regime.

01 - France

Treaty Score: 0.29

- PE: 0.09 — 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
- WHT: 0.53 — 11(2), 11(2)F
- Other: 0.25 — 7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
- Exceptions — 25B(5), 27, 29

02 - Germany

Treaty Score: 0.28

- PE: 0.09 — 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6)
- WHT: 0.5 — 11(2), 11(2)F, 12(2)C, 12(2)E
- Other: 0.25 — 5(7), 7(1)(b&c), 7(3), 8(2), 13(4), 16(2), 21(3)
- Exceptions — 25B(5), 27, 29

03 - Netherlands

Treaty Score: 0.3

- PE: 0.09 — 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
- WHT: 0.56 — 11(2), 11(2)F
- Other: 0.25 — 7(1)(b&c), 7(3), 8(2), 13(4), 16(2), 21(3)
- Exceptions — 25B(5), 27, 29

04 - Poland

Treaty Score: 0.29

- PE: 0.2 — 5(3)(a)C, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
- WHT: 0.41 — 11(2), 11(2)F, 12(A)
- Other: 0.25 — 7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
- Exceptions — 25B(5), 27, 29

05 - United Kingdom

Treaty Score: 0.29

- PE: 0.09 — 5(3)(a)S, 5(3)(b), 5(4)(a), 5(4)(b), 5(5)(b), 5(6), 5(7)
- WHT: 0.53 — 10(2)(a)Q, 11(2), 11(2)F
- Other: 0.25 — 7(1)(b&c), 7(3), 8(2), 13(5), 16(2), 21(3)
- Exceptions — 25B(5), 27, 29

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