# Double Taxation Conventions / Agreements / Protocols Formal Ratification

4 August 2010

# South Africa – Ireland Protocol amending the Double Taxation Convention

# Introduction

- Amendments to the Convention, became necessary in view of the proposed phasing out of the secondary tax on companies and its replacement with a dividends tax.

- Articles of interest in the South Africa – Ireland Protocol amending the Double Tax Convention are as follows:

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# Article 4: Dividends

- The definition of "resident" has been updated and a Common Contractual Fund in Ireland is excluded from this definition as it is fiscally transparent and therefore not an entity for tax purposes.

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## Article 10: Dividends

- In practice, withholding taxes vary widely internationally.
- Dividend rate in South Africa – Ireland Protocol:
  - 5% for shareholding of at least 10%; and
  - 10% on all others.

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## Article 26: Exchange of Information

- Article 26 of the Convention was deleted and replaced by the new Article on Exchange of Information.
- This new Article is in line with the OECD Model. This new Article ensures that bank secrecy or the absence of a domestic tax interest can no longer be used to deny a request for exchange of information.

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# South Africa – Sweden Protocol amending the Double Taxation Convention

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## Introduction

- Amendments to the Convention, became necessary in view of the proposed phasing out of the secondary tax on companies and its replacement with a dividends tax.
- Articles of interest in the South Africa – Sweden Protocol amending the Double Tax Convention are as follows:

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# Article 10: Dividends

- In practice, withholding taxes vary widely internationally.

- Dividend rate in South Africa – Sweden Protocol:
  - 5% for shareholding of at least 10%; and
  - 15% on all others.

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