

**Double Taxation
Conventions / Agreements
/ Protocols
Formal Ratification**

1 September 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:



Article 4: Resident

- 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.



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.

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.

South Africa – Sweden 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 – Sweden Protocol amending the Double Tax Convention are as follows:



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.

