

No. S 19

**INCOME TAX ACT  
(Chapter 35)**

**INCOME TAX (BRUNEI DARUSSALAM – THE REPUBLIC OF THE PHILIPPINES)  
(AVOIDANCE OF DOUBLE TAXATION AGREEMENT) ORDER, 2023**

WHEREAS it is provided by section 41 of the Income Tax Act that if the Minister, with the approval of His Majesty the Sultan and Yang Di-Pertuan, by order declares that arrangements specified in the order have been made with the government of any country or territory outside Brunei Darussalam in relation to tax under that Act and any tax of a similar character imposed by the laws of that country or territory for the purposes of which include relief from double taxation and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to tax and other related matters under that Act notwithstanding anything in any written law.

AND WHEREAS by an agreement dated the 16th day of July 2021 between the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam and the Government of the Republic of the Philippines, arrangements were made, amongst other things, for the avoidance of double taxation.

NOW THEREFORE it is hereby declared by the Minister, with the approval of His Majesty the Sultan and Yang Di-Pertuan, that —

*(a)* the agreement specified in the Schedule have been made with the Government of the Republic of the Philippines; and

*(b)* it is expedient that those arrangements shall have effect notwithstanding anything in any written law.

**SCHEDULE**

**AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF HIS MAJESTY THE SULTAN AND YANG DI-PERTUAN  
OF BRUNEI DARUSSALAM**

**AND**

**THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES**

**FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL  
EVASION WITH RESPECT TO TAXES ON INCOME**

The Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam and the Government of the Republic of the Philippines,

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows:

**Article 1**

**PERSONS COVERED**

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

**Article 2**

**TAXES COVERED**

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property, and taxes on total amounts of wages or salaries, paid by enterprises.

3. The existing taxes to which this Agreement shall apply are:

(a) in the case of Brunei Darussalam:

- (i) income tax imposed under Income Tax Act (Chapter 35); and
- (ii) petroleum profits tax imposed under Income Tax (Petroleum) Act (Chapter 119)

(hereinafter collectively referred to as "Brunei Darussalam tax");

(b) in the case of the Republic of the Philippines:

- (i) tax on individuals;
- (ii) tax on corporations;
- (iii) tax on estates and trusts;
- (iv) withholding tax on income; and
- (v) stock transaction tax

(hereinafter collectively referred to as "Philippine tax").

4. This Agreement shall apply also to any identical or substantially similar taxes which are subsequently imposed after date of signature of this Agreement in addition to, or in place of, the existing taxes referred to in paragraph 3 above. The competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their respective taxation laws within a reasonable period of time after such changes and furnish copies of relevant enactments and regulations.

5. If by reason of changes made in the taxation law of either Contracting State, it appears desirable to amend any Article of this Agreement without affecting the general principles thereof, the necessary amendments may be made by mutual consent by means of an exchange of diplomatic notes or in any other manner in accordance with their constitutional procedures.

### Article 3

#### GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:

(a) the term "Brunei Darussalam" means the territory of Brunei Darussalam including its territorial sea, the subsoil beneath and the

airspace above such territory, over which it exercises sovereignty, and the maritime area beyond its territorial sea, including the sea-bed and subsoil, which has been or may hereafter be designated, over which it exercises sovereign rights and jurisdiction in accordance with the laws of Brunei Darussalam as amended from time to time;

*(b)* the term "the Republic of the Philippines" means: the national territory which comprises the Philippine archipelago, with all the islands and waters embraced therein, and all other territories over which the Philippines has sovereignty or jurisdiction, consisting of its terrestrial, fluvial and aerial domains, including its territorial sea, the seabed, the subsoil, the insular shelves, and other submarine areas. The waters around, between, and connecting the islands of the archipelago, regardless of their breadth and dimensions form part of the internal waters of the Philippines;

Nothing in the definition of territory in this Agreement should be construed as affecting the views of either Contracting State on the scope of the territory or maritime zones of either Contracting State except for the purposes of the application of this Agreement.

*(c)* the terms "a Contracting State" and "the other Contracting State" mean Brunei Darussalam or the Republic of the Philippines as the context requires;

*(d)* the term "tax" means Brunei Darussalam tax or the Philippine tax referred to in paragraph 3 of Article 2 (Taxes Covered), as the context requires;

*(e)* the term "person" includes an individual, a company, a body of persons and any other entity which is treated as a taxable entity under the tax laws of the respective Contracting States;

*(f)* the term "company" means any company, body corporate or any other entity which is treated as a company under the tax laws of the respective Contracting States;

*(g)* the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

*(h)* the term "national" means:

- (i) any individual possessing the status of a national of a Contracting State under the applicable laws of that Contracting State; and
- (ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State.

(i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

(j) the term "competent authority" means:

- (i) in Brunei Darussalam: the Minister of Finance and Economy or his authorised representative;
- (ii) in the Republic of the Philippines: the Secretary of Finance or the Commissioner of Internal Revenue or their authorised representative.

(k) the term "Government" includes any local or statutory authority or body corporate controlled or wholly owned by the Government of either of the Contracting States, in particular:

(i) in the case of Brunei Darussalam:

- (1) the Autoriti Monetari Brunei Darussalam;
- (2) the Brunei Investment Agency;
- (3) the Employees Trust Fund Board; and
- (4) such institutions as may be agreed from time to time between the two Contracting States.

(ii) in the case of the Republic of the Philippines:

- (1) the Bangko Sentral ng Pilipinas;
- (2) the Board of Investments; Philippine Export Zone Authority and Tourism Infrastructure and Enterprise Zone Authority;
- (3) the Social Security System and Government Service Insurance System; and
- (4) such institutions as may be agreed from time to time between the two Contracting States.

2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Contracting State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Contracting State prevailing over a meaning given to the term under other laws of that Contracting State.

Article 4

RESIDENT

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that Contracting State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature, and also includes that Contracting State and any political subdivision or local authority thereof. But this term does not include any person who is liable to tax in that Contracting State in respect only of income from sources in that Contracting State.

2. Where by reason of the provisions of paragraph 1, an individual is a resident of both Contracting States, then his status shall be determined as follows:

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

*(b)* if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has no permanent home available to him in either Contracting State, he shall be deemed to be a resident only of the Contracting State in which he has an habitual abode;

*(c)* if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident only of the Contracting State of which he is a national;

*(d)* if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1, a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which the control and management of its business is exercised. If its place of control and management cannot be determined, the competent authorities of the Contracting States shall settle the question by mutual agreement.

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of the enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

(f) a mine, an oil or gas well, a quarry or any other place of extraction or exploration of natural resources, drilling rig or working ship used for the exploration or exploitation of natural resources including timber or other forest produce;

(g) a farm or plantation;

(h) a warehouse, in relation to a person providing storage facilities for others;

(i) a store or premises used as a sales outlet;

(j) a building site, a construction, installation or assembly project or supervisory activities in connection therewith, where such site, project or activities continue for a period of more than 183 days; and

(k) the furnishing of services including consultancy services by a resident of one of the Contracting States through employees or other personnel, where activities of that nature continue for the same or a connected project within the other Contracting State for a period or periods aggregating more than 183 days within any twelve-month period.

3. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

(a) the use of facilities solely for the purpose of storage, or display of goods or merchandise belonging to the enterprise;

*(b)* the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display;

*(c)* the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

*(d)* the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information for the enterprise;

*(e)* the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise;

*(f)* the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs *(a)* to *(e)*, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

4. Notwithstanding the provisions of paragraphs 1 and 2, where a person, other than an agent of an independent status to whom paragraph 6 applies is acting in a Contracting State on behalf of an enterprise of the other Contracting State, that enterprise shall be deemed to have a permanent establishment in the first-mentioned Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person:

*(a)* has and habitually exercises in that Contracting State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 3 which, if exercised through a fixed place of business would not make this fixed place of business a permanent establishment under the provisions of that paragraph;

*(b)* has no such authority, but habitually maintains in the first-mentioned Contracting State a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the enterprise; or

*(c)* manufactures or processes in that Contracting State for the enterprise goods or merchandise belonging to the enterprise.

5. An insurance enterprise of a Contracting State shall, except with regard to reinsurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in that other Contracting State or insures risks situated therein through an employee or through a representative who is not an agent of an independent status within the meaning of paragraph 6.

6. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission

agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise or its associated enterprises, he will not be considered an agent of an independent status within the meaning of this paragraph.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other Contracting State (whether through a permanent establishment or otherwise), shall not of itself make either company a permanent establishment of the other.

#### **Article 6**

#### **INCOME FROM IMMOVABLE PROPERTY**

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture and forestry) situated in the other Contracting State may be taxed in that other Contracting State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture, forestry and fishery, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments in cash or kind as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

#### **Article 7**

#### **BUSINESS PROFITS**

1. The profits of an enterprise of a Contracting State shall be taxable only in that Contracting State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other Contracting State but only so much of them as is attributable to —

(a) that permanent establishment;

(b) sales in that other Contracting State of goods or merchandise of the same or similar kind as those sold through that permanent establishment; or

(c) other business activities carried on in that other Contracting State of the same or similar kind as those effected through that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the Contracting State in which the permanent establishment is situated or elsewhere, but this does not include any expenses which under the law of that Contracting State would not be allowed to be deducted by an enterprise of that Contracting State.

4. In so far as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles laid down in this Article.

5. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

6. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

7. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

## Article 8

### SHIPPING AND AIR TRANSPORT

1. Profits derived by an enterprise of a Contracting State from the operation in international traffic of ships or aircraft shall be taxable in that Contracting State.

2. Notwithstanding the provisions of paragraph 1, profits from sources within a Contracting State derived by an enterprise of the other Contracting State from the operation of ships or aircraft in international traffic may be taxed in the first-mentioned Contracting State but the tax so charged shall not exceed the lesser of:

(a) one and one-half (1½) per cent of the gross revenues derived from sources in that Contracting State; and

(b) the lowest rate that may be imposed by the Republic of the Philippines on profits of the same kind derived under similar circumstances by a resident of a third State.

3. The provisions of paragraph 1 of this Article shall likewise apply to profits derived from the participation in a pool, a joint business or in an international operating agency of any kind by enterprises engaged in the operation of ships or aircraft in international traffic.

4. For the purposes of this Article, profits derived from the other Contracting State mean profits from the carriage of passengers, mail, livestock or goods shipped, or loaded into a ship or an aircraft in that Contracting State (excluding the profits accruing from passengers, mail, livestock or goods which are brought to that other Contracting State solely for transshipment, or for transfer from one aircraft to another or from one aircraft to a ship or from a ship to an aircraft).

## Article 9

### ASSOCIATED ENTERPRISES

1. Where —

(a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or

(b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State, and in either case conditions are made or imposed between the two enterprises, in their commercial or financial relations, which differ from those which would

be made between independent enterprises, any profits which would, but for those conditions, have accrued to one of the enterprises but by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the profits of an enterprise of that Contracting State and taxes accordingly profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Contracting State shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall, if necessary, consult each other.

3. A Contracting State shall not change the profits of an enterprise in the circumstances referred to in paragraph 2 after the expiry of the time limits provided in its tax laws. This paragraph shall not apply in the case of fraud, wilful default or neglect.

#### Article 10

#### DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that Contracting State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

(a) ten (10) per cent of the gross amount of the dividends if the beneficial owner is a company (excluding partnerships) which holds directly at least 10 per cent of the capital of the paying company; and

(b) fifteen (15) per cent of the gross amount of the dividends in all other cases.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. Notwithstanding the provisions of paragraph 2, dividends arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

4. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.

5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other Contracting State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 (Business Profits) or Article 14 (Independent Personal Services), as the case may be, shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting State may not impose any tax on the dividends paid by the company except in so far as such dividends are paid to a resident of that other Contracting State or in so far as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other Contracting State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other Contracting State.

7. Nothing in this Article shall prevent either Contracting State from imposing, apart from the corporate income tax, a tax on remittance of profits by a branch to its head office provided that the tax so imposed shall not exceed the lesser of:

(a) ten (10) per cent of the amount remitted; and

(b) the lowest rate that may be imposed by the Republic of the Philippines on remittance of profits under similar circumstances by a resident of a third State.

## Article 11

### INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.

2. However, such interest may also be taxed in the Contracting State in which it arises, and according to the laws of that Contracting State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed:

(a) ten (10) per cent of the gross amount of the interest on public issues of bonds, debentures or similar obligations; and

(b) fifteen (15) per cent in all other cases.

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State.

4. The term "interest" as used in this Article means income from debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures, as well as income assimilated to income from money lent by the taxation laws of the Contracting State in which the income arises including interest on deferred payment sales. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other Contracting State independent personal services from a fixed base situated therein, and the debt claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 (Business Profits) or Article 14 (Independent Personal Services), as the case may be, shall apply.

6. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting State. Where, however, the person paying the interest, whether he is a resident of that Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial

owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such a case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

## Article 12

### ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other Contracting State.
2. However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that Contracting State, but, if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed ten (10) per cent of the gross amount of the royalties.
3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematographic films or tapes for television or broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning industrial or scientific experience.
4. Royalties shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a local authority or a resident of that Contracting State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in that Contracting State a permanent establishment or fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in that Contracting State in which the permanent establishment or fixed base is situated.
5. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other Contracting State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid, is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 (Business Profits) or Article 14 (Independent Personal Services), as the case may be, shall apply.
6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the recipient in

the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.

**Article 13**

**CAPITAL GAINS**

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 (Income from Immovable Property) and situated in the other Contracting State may be taxed in that other Contracting State.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other Contracting State.
3. Gains derived by an enterprise of a Contracting State from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Contracting State.
4. Gains from the alienation of shares of a company, the property of which consists principally of immovable property situated in a Contracting State, may be taxed in that Contracting State. Gains from the alienation of an interest in a partnership or a trust, the property of which consists principally of immovable property situated in a Contracting State, may be taxed in that Contracting State.
5. Gains from the alienation of any property, other than those mentioned in paragraphs 1, 2 and 4, shall be taxable only in the Contracting State of which the alienator is a resident.

**Article 14**

**INDEPENDENT PERSONAL SERVICES**

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that Contracting State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities or he is present in that other Contracting State for a period or periods exceeding in the

aggregate 183 days within any twelve month period. If he has such a fixed base or remains in that other Contracting State for the aforesaid period or periods, the income may be taxed in that other Contracting State but only so much of it as is attributable to that fixed base or is derived in that other Contracting State during the aforesaid period or periods.

2. The term "professional services" includes independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

#### Article 15

#### DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16 (Directors' Fees), 18 (Pensions and Social Security Benefits), 19 (Government Service), 20 (Students and Trainees) and 21 (Professors, Teachers and Researchers), salaries, wages and other similar remuneration or income for personal services derived by a resident of a Contracting State in respect of an employment shall be taxable only in that Contracting State, unless the services are performed in the other Contracting State. If the services are so performed, such remuneration or income as is derived therefrom may be taxed in that other Contracting State.

2. Notwithstanding the provisions of paragraph 1, remuneration or income derived by a resident of a Contracting State in respect of an employment performed in the other Contracting State shall be exempt from tax in that other Contracting State if —

(a) the recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 days within any twelve-month period, and

(b) the remuneration or income is paid by, or on behalf of, a person who is a resident of the first-mentioned Contracting State, and

(c) the remuneration or income is not borne by a permanent establishment or a fixed base which that person has in the other Contracting State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that Contracting State.

**Article 16**

**DIRECTORS' FEES**

1. Directors' fees and similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other Contracting State.
2. The remuneration which a person to whom paragraph 1 applies derives from the company in respect of the discharge of day-to-day functions of a managerial or technical nature shall be taxed in accordance with the provisions of Article 15 (Dependent Personal Services).

**Article 17**

**ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles 14 (Independent Personal Services) and 15 (Dependent Personal Services), income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other Contracting State.
2. Where income in respect of personal activities of an entertainer or a sportsman in his capacity as such accrues not to that entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7 (Business Profits), 14 (Independent Personal Services) and 15 (Dependent Personal Services), be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.
3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, income derived in respect of the activities referred to in paragraph 1 of this Article within the framework of cultural or sports exchange programme agreed to by both Contracting States, substantially supported by public funds or officially recognized and endorsed by a Contracting State, shall be exempt from tax in the Contracting State in which these activities are exercised.

**Article 18**

**PENSIONS AND SOCIAL SECURITY BENEFITS**

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

2. Notwithstanding the provisions of paragraph 1 of this Article and of paragraph 2 of Article 19 (Government Service), benefits received by an individual, being a resident of a Contracting State, under the social security legislation of the other Contracting State shall be taxable only in that other Contracting State.

#### Article 19

#### GOVERNMENT SERVICE

1. (a) Remuneration, including benefits other than a pension, paid by a Contracting State, a local authority or the Government thereof to an individual in respect of services rendered to that Contracting State, authority or Government shall be taxable only in that Contracting State.

(b) However such remuneration shall be taxable only in the other Contracting State if the services are rendered in that other Contracting State and the recipient is a resident of that Contracting State who:

- (i) is a national of that Contracting State; or
- (ii) did not become a resident of that Contracting State solely for the purpose of rendering the services.

2. (a) Any pension paid by, or out of funds created by, a Contracting State or a local authority thereof to an individual in respect of services rendered to that Contracting State or authority shall be taxable only in that Contracting State.

(b) However, such pension shall be taxable only in the other Contracting State if the recipient is a resident and a national of that other Contracting State.

3. The provisions of Articles 15 (Dependent Personal Services), 16 (Directors' Fees), 17 (Artistes and Sportsmen) and 18 (Pensions and Social Security Benefits) shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a local authority thereof.

#### Article 20

#### STUDENTS AND TRAINEES

1. An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and is temporarily present in that other Contracting State solely:

(a) as a student at a recognised university, college or school in that other Contracting State;

(b) as a recipient of a grant, allowance or award for the primary purpose of study or research from a governmental, religious, charitable, scientific, literary or educational organisation; or

(c) as a business or technical apprentice,

shall be exempt from tax in that other Contracting State in respect of —

- (i) all remittances from abroad for the purposes of his maintenance, education, study, research or training;
- (ii) the grant, allowance or award; and
- (iii) any remuneration for personal services rendered in that other Contracting State for an aggregate period of not more than four years from the date of his first arrival with a view to supplementing the resources available to him for such purposes.

2. An individual who was a resident of a Contracting State immediately before visiting the other Contracting State and is temporarily present in that other Contracting State solely as a trainee for the purpose of acquiring technical, professional or business experience, shall for a period not exceeding four years from the date of his first arrival in that other Contracting State in connection with that visit be exempt from tax in that other Contracting State in respect of —

(a) all remittances from abroad for the purposes of his maintenance or training; and

(b) any remuneration for personal services rendered in that other Contracting State, provided, such services are in connection with his training or incidental thereto.

#### Article 21

#### PROFESSORS, TEACHERS AND RESEARCHERS

An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State, and who, at the invitation of any university, college, school or other similar educational institution, which is recognised by the competent authority in that other Contracting State, visits that other Contracting State for a period not exceeding four years solely for the purpose of teaching or research or both at such educational institution shall be exempt from tax in that other Contracting State on his remuneration for such teaching or research.

**Article 22**

**OTHER INCOME**

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxed only in that Contracting State.

**Article 23**

**ELIMINATION OF DOUBLE TAXATION**

1. Double taxation shall be avoided as follows:

*(a)* In the case of Brunei Darussalam,

Subject to the provisions of the laws of Brunei Darussalam regarding the allowances as a credit against Brunei Darussalam tax of tax paid in a territory outside Brunei Darussalam (which shall not affect the general principle of this Article), Philippine tax paid under the laws of Philippines and in accordance with this Agreement, whether directly or by deduction, on profits or income from source within the Republic of the Philippines shall be allowed as a credit against any Brunei Darussalam tax computed by reference to the same profits or income on which the Philippine tax is computed.

*(b)* In the case of the Republic of the Philippines,

Subject to the laws of the Philippines regarding the credit of taxes paid outside the Republic of the Philippines, tax payable in Brunei Darussalam in respect of income or profits derived in Brunei Darussalam shall be allowed as a credit against any tax payable in the Republic of the Philippines in respect of that income or profits. The credit shall not, however, exceed that part of the tax payable in the Republic of the Philippines as computed before the credit is given, which is appropriate to such item of income or profits.

2. For the purpose of allowance as a credit in a Contracting State, the tax paid in the other Contracting State shall be deemed to include the tax which is otherwise payable in that other Contracting State but has been reduced or exempted in accordance with special incentive laws designed to promote economic development in that other Contracting State. The provision of this paragraph shall be effective only for a period of ten (10) years starting from the date this Agreement becomes effective.

**Article 24**

**NON-DISCRIMINATION**

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other Contracting State in the same circumstances are or may be subjected.
2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Except where the provisions of paragraph 1 of Article 9 (Associated Enterprises), paragraph 7 of Article 11 (Interest), or paragraph 6 of Article 12 (Royalties) apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned Contracting State.
4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of that first-mentioned State are or may be subjected.
5. Where a Contracting State grants tax incentives to its nationals designed to promote economic or social development in accordance with its national policy and criteria, it shall not be construed as discrimination under this Article.
6. The provisions of this Article shall, notwithstanding the provisions of Article 2 (Taxes Covered), apply to taxes of every kind and description.

**Article 25**

**MUTUAL AGREEMENT PROCEDURE**

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the

provisions of this Agreement, he may, irrespective of the remedies provided by the domestic laws of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24 (Non-Discrimination), to that Contracting State of which he is a national. The case must be presented within three years from the first notification of the action which gives rise to taxation not in accordance with the provisions of the Agreement.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulty or doubt arising as to the interpretation or application of this Agreement. They may also consult together for the elimination of double taxation in cases not provided for in this Agreement.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. The competent authorities, through consultations, shall develop appropriate bilateral procedures, conditions, methods and techniques for the implementation of the mutual agreement procedure provided for in this Article.

## Article 26

### EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting State shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws of the Contracting State concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that Contracting State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to the taxes referred to in paragraph 1. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Information

shall not be disclosed to any third jurisdiction for any purpose. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such purposes under the laws of both Contracting States and the competent authority of the supplying State authorise such use.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

*(a)* to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

*(b)* to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

*(c)* to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other Contracting State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

#### Article 27

#### MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

**Article 28**

**ENTRY INTO FORCE**

1. Each of the Contracting States shall notify the other, through diplomatic channels, of the completion of the procedures required by its law for the entry into force of this Agreement.

2. This Agreement shall enter into force on the day of the later of the notifications referred to in paragraph 1 and its provisions shall have effect:

*(a)* in respect of taxes withheld at source, on income paid to non-residents on or after the first day of January in the calendar year next following that in which the Agreement enters into force;

*(b)* in respect of other taxes, on income in any taxable year beginning on or after the first day of January in the calendar year next following that in which the Agreement enters into force.

**Article 29**

**TERMINATION**

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving written notice of termination at least six (6) months before the end of any calendar year following after the period of five (5) years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect:

*(a)* in respect of taxes withheld at source, on income paid to non-residents on or after the first day of January in the calendar year next following that in which the notice is given;

*(b)* in respect of other taxes, on income in any taxable year beginning on or after the first day of January in the calendar year next following that in which the notice is given.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

DONE in duplicate at Bandar Seri Begawan on this 16th day of July 2021, in the Malay and English languages. In the event of divergence between the texts of this Agreement, the English text shall prevail.

**FOR THE GOVERNMENT OF  
HIS MAJESTY THE SULTAN AND  
YANG DI-PERTUAN OF  
BRUNEI DARUSSALAM**

**FOR THE GOVERNMENT OF  
THE REPUBLIC OF THE PHILIPPINES**

**THE HONORABLE  
DATO DR AMIN ABDULLAH  
MINISTER AT THE PRIME  
MINISTER'S  
OFFICE AND MINISTER OF  
FINANCE  
AND ECONOMY II  
MINISTRY OF FINANCE AND  
ECONOMY**

**HON. CARLOS G. DOMINGUEZ III  
SECRETARY  
DEPARTMENT OF FINANCE**

**EXCHANGE OF LETTERS REGARDING THE AGREEMENT  
BETWEEN THE GOVERNMENT OF HIS MAJESTY THE SULTAN AND YANG  
DI-PERTUAN OF BRUNEI DARUSSALAM AND THE GOVERNMENT OF THE  
REPUBLIC OF THE PHILIPPINES  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF  
FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

Your Excellency,

*I have the honour to refer to the Agreement between the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam and the Government of the Republic of the Philippines for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (hereinafter referred to as the "Agreement") and propose in the name of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to add the following:*

**(1) Article 26 – EXCHANGE OF INFORMATION**

- (i) It is admitted that the competent authority of the requested State shall provide on request of the competent authority of the State requesting the information for purposes referred to in Article 26.*
- (ii) The competent authority of the applicant State shall provide in support of its written request with the most possible details the following information to the competent authority of the requested State when introducing a request for information under the Agreement, to demonstrate the foreseeable relevance of the information to the request:*
  - (a) The purpose of the request;*
  - (b) The identity of the competent authority;*
  - (c) The identity of the person in relation to whom the information is requested;*
  - (d) A statement of the information requested for including its nature, the relevance of the information to the purpose of the request, and the form in which the competent authority wishes to receive the information from the requested State;*
  - (e) The grounds for believing that the information requested for is held by the requested State, or is in the possession or control of a person within the jurisdiction of the requested State;*
  - (f) To the extent known, the name and address of any person believed to have possession or control of the information requested;*

- (g) A statement that the request is in conformity with the law and administrative practices of the requesting State, that if the requested information was within the jurisdiction of the requesting State then the competent authority of the requesting State would be authorised to obtain the information under the laws of the requesting State or in the normal course of administrative practice;*
- (h) A statement that the requesting State has pursued all means available in its own territory to obtain the information (except those that would give rise to disproportionate difficulties) including getting the information directly from the person in relation to whom the information is requested;*
- (i) The details of the period within which that requesting State wishes the request to be met;*
- (j) Any other information required to be included with the request under the arrangement;*
- (k) Any other information that may assist in giving effect to the request.*
- (iii) The competent authority of the requested State may decline to provide the requested information:*
  - (a) when the request is not made in conformity with this Agreement; and*
  - (b) to obtain or provide information which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:*
    - (i) produced for the purposes of seeking or providing legal advice or*
    - (ii) produced for the purposes of use in existing or contemplated legal proceedings.*

**(2) Article 8 – SHIPPING AND AIR TRANSPORT**

*With regard to Paragraph 2 of Article 8, it is understood that the reciprocal exemption will be available to International Carriers from Brunei Darussalam under Section 28(A)(3) of National Revenue Code of Philippines on reciprocal basis as Brunei Darussalam will also grant exemption to International Carriers from Philippines under Section 10(1)(l) of Income Tax Act (Chapter 35).*

*If the foregoing is acceptable to the Government of the Republic of the Philippines, I have the honour to propose that this letter and your letter in*

3rd. JUNE, 2023

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*reply shall constitute an Agreement between our two Governments and shall take effect on the date of your letter in reply.*

*I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.*

**Sincerely,**

**FOR THE GOVERNMENT OF  
HIS MAJESTY THE SULTAN AND  
YANG DI-PERTUAN OF  
BRUNEI DARUSSALAM**

**DATO DR. AMIN ABDULLAH  
MINISTER AT THE PRIME  
MINISTER'S OFFICE AND MINISTER  
OF FINANCE AND ECONOMY II,  
MINISTRY OF FINANCE  
AND ECONOMY  
BRUNEI DARUSSALAM**

**DATE: 16 JULY 2021**

**EXCHANGE OF LETTERS REGARDING THE AGREEMENT  
BETWEEN THE GOVERNMENT OF HIS MAJESTY THE SULTAN AND YANG  
DI-PERTUAN OF BRUNEI DARUSSALAM AND THE GOVERNMENT OF THE  
REPUBLIC OF THE PHILIPPINES  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF  
FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

*"I have the honour to refer to the Agreement between the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam and the Government of the Republic of the Philippines for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (hereinafter referred to as the "Agreement") and propose in the name of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to add the following:*

**(1) Article 26 – EXCHANGE OF INFORMATION**

- (i) It is admitted that the competent authority of the requested State shall provide on request of the competent authority of the State requesting the information for purposes referred to in Article 26.
- (ii) The competent authority of the applicant State shall provide in support of its written request with the most possible details the following information to the competent authority of the requested State when introducing a request for information under the Agreement, to demonstrate the foreseeable relevance of the information to the request:
  - (a) *The purpose of the request;*
  - (b) *The identity of the competent authority;*
  - (c) *The identity of the person in relation to whom the information is requested;*
  - (d) *A statement of the information requested for including its nature, the relevance of the information to the purpose of the request, and the form in which the competent authority wishes to receive the information from the requested State;*

- (e) The grounds for believing that the information requested for is held by the requested State, or is in the possession or control of a person within the jurisdiction of the requested State;*
- (f) To the extent known, the name and address of any person believed to have possession or control of the information requested;*
- (g) A statement that the request is in conformity with the law and administrative practices of the requesting State, that if the requested information was within the jurisdiction of the requesting State then the competent authority of the requesting State would be authorised to obtain the information under the laws of the requesting State or in the normal course of administrative practice;*
- (h) A statement that the requesting State has pursued all means available in its own territory to obtain the information (except those that would give rise to disproportionate difficulties) including getting the information directly from the person in relation to whom the information is requested;*
- (i) The details of the period within which that requesting State wishes the request to be met;*
- (j) Any other information required to be included with the request under the arrangement;*
- (k) Any other information that may assist in giving effect to the request.*
- (iii) The competent authority of the requested State may decline to provide the requested information:
  - (a) when the request is not made in conformity with this Agreement; and*
  - (b) to obtain or provide information which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:*
    - (i) produced for the purposes of seeking or providing legal advice or*
    - (ii) produced for the purposes of use in existing or contemplated legal proceedings.*

**(2) Article 8 – SHIPPING AND AIR TRANSPORT**

*With regard to Paragraph 2 of Article 8, it is understood that the reciprocal exemption will be available to International Carriers from Brunei Darussalam*

*under Section 28(A)(3) of National Revenue Code of Philippines on reciprocal basis as Brunei Darussalam will also grant exemption to International Carriers from Philippines under Section 10(1)(l) of Income Tax Act (Chapter 35).*

*If the foregoing is acceptable to the Government of the Republic of the Philippines, I have the honour to propose that this letter and your letter in reply shall constitute an Agreement between our two Governments and shall take effect on the date of your letter in reply."*

*I have the honour to confirm that the above proposal is acceptable to the Government of the Republic of the Philippines, and that your letter together with this reply shall constitute an agreement between our two Governments and shall take effect on the date of this reply.*

*I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.*

Sincerely,

FOR THE GOVERNMENT OF  
THE REPUBLIC OF THE PHILIPPINES

CARLOS G. DOMINGUEZ III  
SECRETARY  
DEPARTMENT OF FINANCE  
THE REPUBLIC OF THE PHILIPPINES

DATE: 16 JULY 2021

Made this 1st. day of Sya'aban, 1444 Hijriah corresponding to the 22nd. day of February, 2023.

**DATO SERI SETIA DR. AWANG HAJI MOHD AMIN LIEW BIN ABDULLAH**  
**Minister in the Office of the Prime Minister and**  
**Minister of Finance and Economy II.**