**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN AND  
THE GOVERNMENT OF MONGOLIA  
FOR THE AVOIDANCE OF DOUBLE TAXATION AND  
THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL**

**Chapter I**

**Scope of the Agreement**

**Article 1**

**Personal scope**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a1&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a1) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a1&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a1) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

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

**Article 2**

**Taxes covered**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a2&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a2) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a2&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a2) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifThis Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State or its administrative subdivisions or local authorities irrespective of the manner in which they are levied.

2.http://online.ibfd.org/images/spacer.gifThere shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3.http://online.ibfd.org/images/spacer.gifThe existing taxes to which the Agreement shall apply are in particular:

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| (a) | in the Republic of Kazakhstan:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | the individual income tax; | | (ii) | the corporate income tax |   (hereinafter referred to as "Kazakhstan tax"); |
| (b) | in Mongolia:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | the tax on income of legal persons and individuals; | | (ii) | the tax on the property of legal persons and individuals |   (hereinafter referred to as "Mongolian tax"). |

4.http://online.ibfd.org/images/spacer.gifThe Agreement shall apply to any identical or substantially similar taxes which are imposed after the date of signature of the Agreement in addition to, or in place of the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their respective taxation laws.

**Chapter II**

**Definitions**

**Article 3**

**General definitions**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a3&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a3) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a3&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a3) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifFor the purposes of this Agreement, unless the context otherwise requires:

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| http://online.ibfd.org/images/spacer.gif |  |
| (a) | the term:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | "Kazakhstan" means the Republic of Kazakhstan. When used in a geographical sense, the term "Kazakhstan" includes the territorial waters, and also the exclusive economic zone and continental shelf in which Kazakhstan for certain purposes may exercise sovereign rights and jurisdiction in accordance with international law and in which the law relating to Kazakhstan tax are applicable; | | (ii) | "Mongolia" means, when used in a geographical sense, the territory of Mongolia and any area in which the tax law of Mongolia is in force insofar as Mongolia exercises in such area, in conformity with international law, sovereign rights to exploit its natural resources; | |
| (b) | the term "person" includes an individual, a company and any other body of persons; |
| (c) | the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes; |
| (d) | the terms "Contracting State" and "the other Contracting State" mean Mongolia or Kazakhstan as the context requires; |
| (e) | 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; |
| (f) | the term "international traffic" means any transport by a ship, aircraft, land or railway vehicle operated by an enterprise of a Contracting State, except when the ship, aircraft, land or railway vehicle is operated solely between places in the other Contracting State; |
| (g) | the term "competent authority" means:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | in Kazakhstan: the Ministry of Finance or its authorized representative; | | (ii) | in Mongolia: the Minister of Finance or his authorized representative; | |
| (h) | the term "national" means:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | any individual possessing the citizenship of a Contracting State; | | (ii) | any legal person, partnership or any other association deriving its status as such from the laws in force in a Contracting State. | |

2.http://online.ibfd.org/images/spacer.gifAs regards the application of the Agreement by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the law of that State concerning the taxes to which the Agreement applies.

**Article 4**

**Resident**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a4&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a4) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a4&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a4) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifFor the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that 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.

The term shall include also the government of a Contracting State or an administrative subdivision thereof, a local authority, and instrumentality of any such government or authority. It shall include also any pension or other employee benefit plan, and any charitable organization, established under the law of a Contracting State.

But this term does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.

2.http://online.ibfd.org/images/spacer.gifWhere 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:

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| (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 a permanent home available to him in both Contracting States, he shall be deemed to be a resident 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 not a permanent home available to him in either Contracting States, he shall be deemed to be a resident 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 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.http://online.ibfd.org/images/spacer.gifWhere 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 State in which its place of effective management is situated.

**Article 5**

**Permanent establishment**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a5&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a5) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a5&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a5) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifFor the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2.http://online.ibfd.org/images/spacer.gifThe term "permanent establishment" includes especially:

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| (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 of natural resources. |

3.http://online.ibfd.org/images/spacer.gifThe term "permanent establishment" also includes:

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| (a) | a building site or construction, installation or assembly project, supervisory services connected therewith, or an installation or drilling rig or ship used for the exploration or exploitation of natural resources, but only if such site, project, or rig lasts or such services continue for a period of more than 12 months; or |
| (b) | the furnishing of services, including consultancy services, by resident through employees or other personnel engaged by the resident for such purpose, but only where activities of that nature continue (for the same or a connected project) within the country for a period of more than 6 months. |

4.http://online.ibfd.org/images/spacer.gifNotwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

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| (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 of collecting information, for the enterprise; |
| (e) | the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character; |
| (f) | the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a) to (e) of this paragraph, provided that the overall activity of the fixed place of business resulting from this combination is of preparatory or auxiliary character. |

5.http://online.ibfd.org/images/spacer.gifNotwithstanding the provisions of paragraphs 1 and 2 of this Article, where a person other than an agent of an independent status to whom paragraph 6 applies is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 2 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.

6.http://online.ibfd.org/images/spacer.gifNotwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall, except in regard to re-insurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or it insures risks situated therein through a person other than an agent of an independent status to whom paragraph 7 applies.

7.http://online.ibfd.org/images/spacer.gifAn enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or 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, he shall not be considered to be an agent of an independent status within the meaning of this paragraph.

8.http://online.ibfd.org/images/spacer.gifThe 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 State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

**Chapter III**

**Taxation of income**

**Article 6**

**Income from immovable property**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a6&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a6) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a6&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a6) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifIncome derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2.http://online.ibfd.org/images/spacer.gifThe 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 and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources, ships, aircraft, land and railway vehicles shall not be regarded as immovable property.

3.http://online.ibfd.org/images/spacer.gifThe provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4.http://online.ibfd.org/images/spacer.gifThe 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**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a7&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a7) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a7&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a7) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifThe profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on or has carried on business in the other Contracting State through a permanent establishment situated therein.

If the enterprise carries on or has carried on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to:

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| (a) | that permanent establishment; |
| (b) | sales in that other 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 State of the same or similar kind as those effected through that permanent establishment. |

2.http://online.ibfd.org/images/spacer.gifSubject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on or has carried 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.http://online.ibfd.org/images/spacer.gifIn 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 State in which the permanent establishment is situated or elsewhere.

The permanent establishment shall not be allowed a deduction for amounts paid to its head office or any of the other office of the resident by way of royalties, fees or other similar payment in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or by way of interest on moneys lent to the permanent establishment.

4.http://online.ibfd.org/images/spacer.gifInsofar 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 an apportionment as may be customary, the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.

5.http://online.ibfd.org/images/spacer.gifNo 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.

6.http://online.ibfd.org/images/spacer.gifWhere profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

7.http://online.ibfd.org/images/spacer.gifThe 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.

**Article 8**

**Shipping and air transport**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a8&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a8) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a8&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a8) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifProfits derived by a resident of a Contracting State from the operation of ships, aircraft, land and railway vehicles in international traffic shall be taxable only in that Contracting State.

2.http://online.ibfd.org/images/spacer.gifThe provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

**Article 9**

**Associated enterprises**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a9&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a9) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a9&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a9) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifWhere

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| (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, then any profits which would 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.http://online.ibfd.org/images/spacer.gifWhere a Contracting State includes in the profits of an enterprise of that State, and taxes accordingly, profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises , then that other 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 Convention and the competent authorities of the Contracting States shall if necessary consult each other.

**Article 10**

**Dividends**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a10&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a10) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a10&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a10) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifDividends 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 State.

2.http://online.ibfd.org/images/spacer.gifHowever, 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 State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.

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

3.http://online.ibfd.org/images/spacer.gifThe term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights of participating in company, which is subjected to the same taxation treatment as income from shares by the tax laws of the State of which the company making the distribution is a resident.

4.http://online.ibfd.org/images/spacer.gifThe 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 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.

5.http://online.ibfd.org/images/spacer.gifWhere a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar 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 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 State.

6.http://online.ibfd.org/images/spacer.gifNotwithstanding the other provisions of that Agreement, a company which is a resident of Contracting State and which has a permanent establishment in the other Contracting State may be subject in that other State to tax in addition to the tax on profits. Such tax, however, may not exceed 10 per cent of the portion of the profits of the company subject to tax in the other Contracting State.

**Article 11**

**Interest**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a11&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a11) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a11&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a11) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifInterest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2.http://online.ibfd.org/images/spacer.gifHowever, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 10 per cent of the gross amount of the interest.

3.http://online.ibfd.org/images/spacer.gifNotwithstanding the provision of the paragraph 2, interest arising in:

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| (a) | Kazakhstan and paid to the Government, an administrative division or a local authority of Mongolia or to the Central Bank of Mongolia or to the Trade and Development Bank of Mongolia shall be exempted from Kazakhstan tax; |
| (b) | Mongolia and paid to the Government, an administrative division or a local authority of Kazakhstan or to the National Bank of Kazakhstan or to the Export and Import Bank of Kazakhstan shall be exempted from Mongolian tax. |

4.http://online.ibfd.org/images/spacer.gifThe 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 prices attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

5.http://online.ibfd.org/images/spacer.gifThe 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 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 case the provisions of Article 7 (Business profits) or Article 14 (Independent personal services), as the case may be, shall apply.

6.http://online.ibfd.org/images/spacer.gifInterest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a 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 State in which the permanent establishment or fixed base is situated.

7.http://online.ibfd.org/images/spacer.gifWhere, 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 interests 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 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.

8.http://online.ibfd.org/images/spacer.gifThe provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt-claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment.

**Article 12**

**Royalties**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a12&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a12) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a12&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a12) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifRoyalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2.http://online.ibfd.org/images/spacer.gifHowever, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient and the beneficial owner of the royalties is a resident of the other Contracting State the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

3.http://online.ibfd.org/images/spacer.gifThe 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 computer programs, cinematograph films, any patent, trade mark, design or model, plan, secret formula or process, or for information (know-how) concerning industrial, commercial or scientific experience and payments for the use of, or the right to use, industrial, commercial or scientific equipment.

4.http://online.ibfd.org/images/spacer.gifThe 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 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 case the provisions of Article 7 (Business profits) or Article 14 (Independent personal services, as the case may be, shall apply.

5.http://online.ibfd.org/images/spacer.gifRoyalties shall be deemed to arise in a Contracting State when the payer is that State itself, an administrative subdivision, a local authority or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such a permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6.http://online.ibfd.org/images/spacer.gifWhere, 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 royalties 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 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.

7.http://online.ibfd.org/images/spacer.gifThe provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment.

**Article 13**

**Capital gains**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a13&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a13) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a13&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a13) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifGains 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 State.

2.http://online.ibfd.org/images/spacer.gifGains 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 State.

3.http://online.ibfd.org/images/spacer.gifGains derived by a resident of Contracting State from the alienation of ships, aircraft, land and railway vehicles operated in international traffic or movable property pertaining to the operation of such ships, aircraft, land and railway vehicles shall be taxable only in that Contracting State.

4.http://online.ibfd.org/images/spacer.gifGains from the alienation of any property other than that referred to in paragraphs 1 and 2 shall be taxable only in the Contracting State of which the alienator is a resident.

**Article 14**

**Independent personal services**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a14&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a14) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a14&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a14) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifIncome derived by a resident of a Contracting State in respect of professional or other similar services of an independent character shall be taxable only in that Contracting State unless such services are performed or were performed in the other Contracting State; and

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| http://online.ibfd.org/images/spacer.gif |  |
| (a) | the income is attributable to a fixed base which the individual has or had regularly available to him in that other State; or |
| (b) | such individual is present or was present in that other State for a period or periods exceeding in the aggregate 183 days in any consecutive twelve-month period. |

In such a case the income attributable to the services may be taxed in that other State in accordance with principles similar to those of Article 7 (Business profits) which are determine the amount of business profits attributing to a permanent establishment.[sic]

2.http://online.ibfd.org/images/spacer.gifThe term "professional services" includes especially 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**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a15&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a15) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a15&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a15) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifSubject to the provisions of Articles 16 (Directors' fees), 18 (Pensions and other payments), 19 (Government service), salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2.http://online.ibfd.org/images/spacer.gifNotwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

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| http://online.ibfd.org/images/spacer.gif |  |
| (a) | the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any consecutive twelve-month period; and |
| (b) | the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State; and |
| (c) | the remuneration is not borne by a permanent establishment in a fixed base which the employer has in the other State. |

3.http://online.ibfd.org/images/spacer.gifNotwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship, aircraft, land and railway vehicles operated in international traffic, may be taxed in the Contracting State in which the enterprise operating the ship, aircraft, land and railway vehicle is a resident.

**Article 16**

**Directors' fees**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a16&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a16) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a16&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a16) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.

**Article 17**

**Artists and sportsmen**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a17&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a17) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a17&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a17) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifNotwithstanding 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 artist, 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 State.

2.http://online.ibfd.org/images/spacer.gifWhere income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the 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.http://online.ibfd.org/images/spacer.gifNotwithstanding the provisions of paragraphs 1 and 2, income derived from the activities performed in a Contracting State by artist or sportsmen if the visit to that State is substantially supported by public funds of one or both of the Contracting States or of administrative subdivisions or local authorities thereof. In such a case, income is taxable only in the Contracting State of which the artist or the sportsman is a resident.

**Article 18**

**Pensions and other payments**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a18&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a18) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a18&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a18) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifSubject 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 and any annuity paid to such a resident shall be taxable only in that State.

2.http://online.ibfd.org/images/spacer.gifThe term "annuity" means a stated sum payable to an individual periodically at stated times during his life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

3.http://online.ibfd.org/images/spacer.gifAlimony and other similar amounts (including child support payments) arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

**Article 19**

**Government service**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a19&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a19) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a19&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a19) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

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| http://online.ibfd.org/images/spacer.gif |  |
| 1.(a) | Remuneration, other than a pension, paid by a Contracting State or an administrative subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State. |
| (b) | However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | is a national of that State; or | | (ii) | did not become a resident of that State solely for the purpose of rendering the services. | |

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| http://online.ibfd.org/images/spacer.gif |  |
| 2.(a) | Any pension paid by, or out of funds created by, a Contracting State or an administrative subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State. |
| (b) | However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that State. |

3.http://online.ibfd.org/images/spacer.gifThe provisions of Articles 15 (Dependent personal services), 16 (Directors' fees) and 18 (Pensions and other payments) shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or an administrative subdivision or a local authority thereof.

**Article 20**

**Students, teachers and researchers**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a20&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a20) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a20&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a20) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifAn individual who is a resident of a Contracting State at the beginning of his visit to the other Contracting State and who is temporarily present in that other State for the primary purpose of:

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| http://online.ibfd.org/images/spacer.gif |  |
| (a) | studying at a university or other recognized educational institution in that other State; or |
| (b) | securing training required to qualify him to practice a profession or professional speciality; or |
| (c) | studying or doing research as a recipient of a grant, allowance, or other similar payments from a governmental, religious, charitable, scientific, literary, or educational organization, |

shall be exempt from tax by that other State with respect to payments from abroad for the purpose of his maintenance, education, study, research, or training and with respect to the grant, allowance, or other similar payments.

2.http://online.ibfd.org/images/spacer.gifA student who is or was immediately before visiting a Contracting State a resident of the other State and who is present in the first-mentioned State solely for the purpose of his education [or] training shall be exempt from tax in that first-mentioned State on income derived from personal services performed in that Contracting State for a period of 5 years from the date of his first arrival in the first-mentioned Contracting State.

3.http://online.ibfd.org/images/spacer.gifThis Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

4.http://online.ibfd.org/images/spacer.gifAn individual who is, or immediately before visiting a Contracting State was, a resident of the other State and is present in the first-mentioned Contracting State for the primary purpose of teaching [or] giving lectures at a university, college, school or educational institution accredited by the Government of the first-mentioned Contracting State shall be exempt from tax in the first-mentioned Contracting State for a period of three years from the date of his first arrival in the first-mentioned Contracting State, in respect of remuneration for such teaching [or] lectures.

**Article 21**

**Other income**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a21&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a21) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a21&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a21) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

Items of income of a resident of a Contracting State, arising in the other Contracting State and not dealt with in the foregoing Articles of this Agreement may be taxed in that other State.

**Chapter IV**

**Taxation of capital**

**Article 22**

**Capital**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a22&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a22) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a22&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a22) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifCapital represented by immovable property referred to in Article 6 (Income from immovable property) owned by a resident of a Contracting State and situated in the other Contracting State, may be taxed in that other State.

2.http://online.ibfd.org/images/spacer.gifCapital represented by 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 by 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, may be taxed in that other State.

3.http://online.ibfd.org/images/spacer.gifCapital represented by ships, aircraft, land and railway [vehicles] operated in international traffic which [are] owned by a resident of a Contracting State and by movable property pertaining to the operation of such ships, aircraft, land and railway vehicles shall be taxable only in that Contracting State.

4.http://online.ibfd.org/images/spacer.gifAll other elements of capital of a resident of a Contracting State shall be taxable only in that State.

**Chapter V**

**Methods for elimination of double taxation**

**Article 23**

**Elimination of double taxation**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a23&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a23a;tt_o2_02_eng_2014_mo__td1_a23b) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a23&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a23a;tt_u2_02_eng_2011_mo__td1_a23b) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

In accordance with the provisions and subject to the limitations of the laws of the Contracting States (as may be amended from time to time without changing the general principle thereof):

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| http://online.ibfd.org/images/spacer.gif |  |
| (a) | Where a resident of a Contracting State derives income which in accordance with the provisions of this Agreement, may be taxed in the other Contracting State the first-mentioned Contracting State shall allow:   |  |  | | --- | --- | | http://online.ibfd.org/images/spacer.gif |  | | (i) | as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in the other Contracting State; | | (ii) | as a deduction from the tax on the capital of that resident, an amount equal to the capital tax paid in the other State. |     Such deduction shall in no case, however, exceed that part of the income tax or capital tax, as computed before the deduction is given, which is attributable to the income or capital which may be taxed in the other Contracting State. |
| (b) | Where in accordance with any provision of the Agreement, income derived or capital owned by a resident of a Contracting State is exempt from tax in that State, that State may nevertheless, in calculating the amount of tax on the remaining income or capital of such resident, take into account the exempted income or capital. |
| (c) | Where the amount of tax exempted or reduced under certain special incentive measures provided by the domestic legislation of a Contracting State concerning Articles 10, 11 and 12 of this Agreement is deemed to have been paid in a Contracting State then it shall become deductible from tax of the other Contracting State. |

**Chapter VI**

**Special provisions**

**Article 24**

**Non-discrimination**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a24&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a24) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a24&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a24) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifNationals 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 State in the same circumstances, are or may be subjected.

2.http://online.ibfd.org/images/spacer.gifThe 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 State than the taxation levied on enterprises of that other State carrying on the same activities.

3.http://online.ibfd.org/images/spacer.gifExcept 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 State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

4.http://online.ibfd.org/images/spacer.gifEnterprises 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 State to any taxation or any requirements connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

5.http://online.ibfd.org/images/spacer.gifNothing contained in this Article shall be construed as obliging either Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for tax purposes which are granted to its residents.

6.http://online.ibfd.org/images/spacer.gifThe 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**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a25&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a25) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a25&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a25) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifWhere 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 law 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, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

2.http://online.ibfd.org/images/spacer.gifThe 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.http://online.ibfd.org/images/spacer.gifThe competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4.http://online.ibfd.org/images/spacer.gifThe 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. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place between representatives of the competent authorities of the Contracting States.

**Article 26**

**Exchange of information**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a26&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a26) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a26&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a26) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifThe competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. 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.

2.http://online.ibfd.org/images/spacer.gifIn no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

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| --- | --- |
| http://online.ibfd.org/images/spacer.gif |  |
| (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 (order public). |

**Article 27**

**Diplomatic agents and consular officers**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a27&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a28) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a27&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a27) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

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

**Chapter VII**

**Final provisions**

**Article 28**

**Entry into force**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a28&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a30) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a28&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a28) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

1.http://online.ibfd.org/images/spacer.gifEach of the Contracting States shall notify to the other completion of the procedures required by its law for the bringing into force of this Agreement.

2.http://online.ibfd.org/images/spacer.gifThe Agreement shall enter into force on the date of receipt of the later of these notifications and shall thereupon have effect:

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| --- | --- |
| http://online.ibfd.org/images/spacer.gif |  |
| (a) | in respect of taxes withheld at source on dividends, interest or royalties, for amounts paid or credited on or after first day of the second month following the two month [sic] in which the Agreement enters into force; |
| (b) | in respect of other taxes, for taxable periods beginning on or after the first day of January of the year in which the Agreement enters into force. |

**Article 29**

**Termination**

[Compare: [OECD Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a29&file2=/linkresolver/static/tt_o2_02_eng_2014_mo__td1_a31) | [UN Model](http://online.ibfd.org/document-compare/?file1=/linkresolver/static/tt_kz-mn_02_eng_1998_tt__td1_a29&file2=/linkresolver/static/tt_u2_02_eng_2011_mo__td1_a29) | [Other Treaty/Model](http://online.ibfd.org/kbase/#topic=tac&doc1=tt_kz-mn_02_eng_1998_tt__td1)]

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the year beginning after the expiry of five years from the date of entry into force of the Agreement. In such event, the Convention shall cease to have effect:

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| http://online.ibfd.org/images/spacer.gif |  |
| (a) | in respect of taxes withheld at source on dividends, interest or royalties, for amounts paid or credited on or after first January in the year next following that in which the notice of termination is given; and |
| (b) | in respect of other taxes, for taxable periods beginning on or after first January in the year next following that in which the notice of termination is given. |

In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done at Almaty this 12th day of March 1998, in duplicate in the Kazakh, Mongolian, Russian and English languages, all texts being equally authentic. In case of divergence between the texts, the English text shall prevail.