

25 June 2026



## Tanzania and Singapore Sign Double Taxation Agreement

- Double taxation on cross-border income addressed
- Reduced withholding tax rates introduced
- Technical service fees expressly covered
- Permanent establishment rules expanded
- Anti-treaty shopping provisions included
- Exchange of information framework established
- Complaints by Mutual Agreement Procedure prescribed

On 9 June 2026, the Government of the United Republic of Tanzania and the Government of the Republic of Singapore signed the Agreement for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Avoidance and Evasion (the Treaty). The Treaty seeks to facilitate trade and investment between the two countries by eliminating double taxation, allocating taxing rights and enhancing cooperation in tax administration. It is noteworthy that the Treaty has not yet been ratified and therefore does not have the force of law.

With respect to passive income, the Treaty limits the withholding tax that may be imposed by the source State. In particular, withholding tax on dividends is capped at 7.5% where the recipient is the beneficial owner, while withholding tax on interest and royalties is limited to 10%. These provisions may reduce the tax burden associated with cross-border financing, licensing and investment arrangements between Tanzania and Singapore.

Furthermore, the Treaty introduces specific provisions governing fees for technical services. Under the Treaty, fees paid for managerial, technical or consultancy services may be taxed in the source State, provided that the tax charged does not exceed 10% of the gross amount of the fees. This provision is particularly relevant for businesses providing or receiving cross-border professional and technical services.

In relation to business profits, the Treaty provides that an enterprise may become taxable in the other Contracting State where it operates through a permanent establishment situated therein. In this regard, the Treaty adopts expanded permanent establishment rules covering construction and installation projects exceeding six months, the furnishing of services for more than 183 days within a twelve-month period and certain natural resource activities carried on for more than 90 days.

Moreover, the Treaty contains anti-avoidance measures aimed at preventing treaty shopping and other arrangements designed primarily to obtain treaty benefits. It also establishes a framework for exchange of information and cooperation between the tax authorities of both States in relation to tax administration and enforcement matters.

Regarding handling of complaints relating to the actions of one or both of the Contracting States that result or will result in taxation not in accordance with the provisions of the Treaty, the Treaty requires the affected person to present his case to the competent authority of the Contracting State of which he is a resident within three years from the first notification of the action. Subsequently, the said authority is obliged to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view of avoiding taxation which is not in accordance with the Treaty.

It is expected that the Treaty will enhance certainty for investors and businesses operating between Tanzania and Singapore. Consequently, taxpayers engaged in cross-border transactions involving the two countries should assess the potential implications of the Treaty once it enters into force.

To read the Agreement for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Avoidance and Evasion between Tanzania and Singapore, [click here](#)

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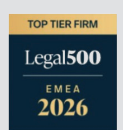
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