

SINGAPORE AND LIBYA SIGN INVESTMENT GUARANTEE AGREEMENT AND AVOIDANCE OF DOUBLE TAXATION CONVENTION

Singapore and Libya have signed the Investment Guarantee Agreement (IGA) and Convention for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (DTC), in a landmark move that signifies growing economic relations between Singapore and Libya. The IGA and DTC were signed by Senior Minister of State for Trade and Industry and Education, Mr S Iswaran and Dr Mohammed Ali Al Huwayeg, Secretary of the Libyan General People's Committee for Industry, Economy and Trade, on 8 April 2009 in Tripoli, Libya.

The IGA promotes bilateral investment flows by protecting investors and their investments. The IGA would accord the following benefits for interested investors:

- Non-discriminatory treatment;
- Compensation in the event of expropriation/nationalisation of their investments;
- Free transfer of capital and returns from investment; and
- Access to international arbitration for settlement of investment-related disputes between the investor and the host state.

The DTC serves to facilitate cross-flows of trade, investment, technical know-how and expertise between Singapore and Libya. The DTC is Singapore's 63rd comprehensive tax treaty and will enter into force after it is ratified by both countries.

The IGA and DTC were signed in conjunction with the 2nd Libya-Singapore Joint Working Group (LSJWG). The signing of the agreements is a positive signal to the business community that opportunities for business and investment exist amidst the current global economic downturn.

Besides the IGA and DTC, Singapore Cooperation Enterprise (SCE) and the Libyan National Economic Development Board, will partner Lee Kuan Yew School of Public Policy and NUS Extension to develop leadership skills in the public and private sectors.

As the main Government-to-Government platform for strategic partnership between Libya and Singapore, the LSJWG promotes existing economic relations between the two countries, as well as identifies new business opportunities for local companies. Since its inception in 2008, the LSJWG has facilitated projects in water infrastructure, port development and capability development. During the 2nd LSJWG meeting, discussions touched on collaboration in new areas such as wastewater infrastructure, housing, education and human resource development.



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For more information on IGAs and DTAs, please refer to www.mti.gov.sg and www.iras.gov.sg

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