

POSITIONS ON ARTICLE 16 (DIRECTORS' FEES) AND ITS COMMENTARY

Positions on the Article

1. *Albania, Azerbaijan, Bulgaria, the Democratic Republic of the Congo, Indonesia, Latvia, Lithuania and Serbia* reserve the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company.

(Amended on 15 July 2014; see HISTORY)

2. (Deleted on 22 July 2010; see HISTORY)

3. *Morocco* reserves the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company. *Morocco* also reserves the right to extend the Article to cover the remuneration of senior employees.

(Added on 28 January 2003; see HISTORY)

4. *Indonesia, Malaysia and Vietnam* reserve the right to extend the Article to cover the remuneration of top-level managerial officials.

(Amended on 22 July 2010; see HISTORY)

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HISTORY

Paragraph 1: Amended on 15 July 2014, by changing the list of countries indicating the position by adding Azerbaijan and deleting Estonia, by the Report entitled "The 2014 Update to the Model Tax Convention", adopted by the Council of the OECD on 15 July 2014. After 22 July 2010 and until 15 July 2014, paragraph 1 read as follows:

"1. *Albania, Bulgaria, the Democratic Republic of the Congo, Estonia, Indonesia, Latvia, Lithuania and Serbia* reserve the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company."

Paragraph 1 was previously amended on 22 July 2010, by changing the list of countries indicating the position by adding Indonesia and deleting Slovenia, by the report entitled "The 2010 Update to the Model Tax Convention", adopted by the OECD Council on 22 July 2010. After 17 July 2008 and until 22 July 2010, paragraph 1 read as follows:

"1. *Albania, Bulgaria, the Democratic Republic of the Congo, Estonia, Latvia, Lithuania, Serbia and Slovenia* reserve the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company."

Paragraph 1 was previously amended on 17 July 2008, by changing the list of countries indicating the position by adding the Democratic Republic of the Congo and replacing Serbia and Montenegro with Serbia, by the report entitled "The 2008 Update to the Model Tax Convention", adopted by the OECD Council on 17 July 2008. After 15 July 2005 and until 17 July 2008, paragraph 1 read as follows:

“1. *Albania, Bulgaria, Estonia, Latvia, Lithuania, Serbia and Montenegro and Slovenia* reserve the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company.”

Paragraph 1 was previously amended on 15 July 2005, by adding Serbia and Montenegro to the list of countries indicating the position, by the report entitled “The 2005 Update to the Model Tax Convention”, adopted by the OECD Council on 15 July 2005. After 28 January 2003 and until 15 July 2005, paragraph 1 read as follows:

“1. *Albania, Bulgaria, Estonia, Latvia, Lithuania and Slovenia* reserve the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company.”

Paragraph 1 was previously amended on 28 January 2003, by adding Albania, Bulgaria and Slovenia to the list of countries indicating the position, by the report entitled “The 2002 Update to the Model Tax Convention”, adopted by the OECD Council on 28 January 2003. After 23 October 1997 and until 28 January 2003, paragraph 1 read as follows:

“1. *Estonia, Latvia and Lithuania* reserve the right to tax under this Article any remuneration of a member of a board of directors or any other similar organ of a resident company.”

Paragraph 1 was included when this section was added in 1997 by the report entitled “The 1997 Update to the Model Tax Convention”, adopted by the OECD Council on 23 October 1997.

Paragraph 2: Deleted on 22 July 2010 by the report entitled “The 2010 Update to the Model Tax Convention”, adopted by the OECD Council on 22 July 2010. After 23 October 1997 and until 22 July 2010, paragraph 2 read as follows:

“2. *Thailand* reserves the right to extend the Article to cover the remuneration of senior employees.”

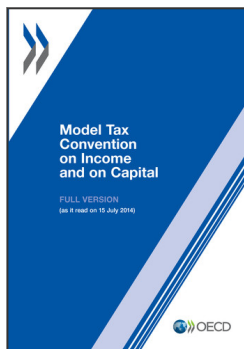
Paragraph 2 was included when this section was added in 1997 by the report entitled “The 1997 Update to the Model Tax Convention”, adopted by the OECD Council on 23 October 1997.

Paragraph 3: Added on 28 January 2003 by the report entitled “The 2002 Update to the Model Tax Convention”, adopted by the OECD Council on 28 January 2003.

Paragraph 4: Amended on 22 July 2010, by adding Indonesia to the list of countries indicating the position, by the report entitled “The 2010 Update to the Model Tax Convention”, adopted by the OECD Council on 22 July 2010. After 17 July 2008 and until 22 July 2010, paragraph 4 read as follows:

“4. *Malaysia and Vietnam* reserve the right to extend the Article to cover the remuneration of top-level managerial officials.”

Added on 17 July 2008 by the report entitled “The 2008 Update to the Model Tax Convention”, adopted by the OECD Council on 17 July 2008.



From:
**Model Tax Convention on Income and on Capital
2014 (Full Version)**

Access the complete publication at:
<https://doi.org/10.1787/9789264239081-en>

Please cite this chapter as:

OECD (2015), "Positions on Article 16 (Directors' Fees) and its commentary", in *Model Tax Convention on Income and on Capital 2014 (Full Version)*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264239081-81-en>

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