

SINGAPORE AND KENYA SIGN BILATERAL INVESTMENT TREATY AND AGREEMENT FOR AVOIDANCE OF DOUBLE TAXATION TO PROMOTE GREATER INVESTMENT FLOWS

1. Singapore and Kenya are enhancing economic ties through the signing of a Bilateral Investment Treaty (BIT) and an Agreement for the Avoidance of Double Taxation (DTA). Deputy Prime Minister Tharman Shanmugaratnam witnessed the signing of both agreements today by Senior Minister of State for Trade and Industry Dr Koh Poh Koon and Kenya's Cabinet Secretary of the Treasury Henry Rotich.
2. The BIT will promote greater investment flows between Singapore and Kenya by protecting the interests of both Singaporean and Kenyan investors. It will give greater confidence to investors to take up investment opportunities in either country. The DTA¹ stipulates the taxing rights of both jurisdictions on all forms of income flows arising from cross-border business activities, and minimises the double taxation of such income.
3. Dr Koh said, "Kenya's strong economic growth and diversified economy present opportunities for Singapore companies. Enterprise Singapore has been working closely with Singapore companies to venture into Kenya and the rest of East Africa. The agreements signed today will further boost trade and investment flows between our countries, and encourage participation in Kenya's growth sectors such as agri-business, technology and transport and logistics. This also signifies our commitment to deepen economic relations with Kenya and the East African region."
4. Kenya is one of the fastest growing economies in East Africa, with GDP growth at an average of 6% per annum between 2010 and 2017. It has one of the largest maritime ports in Sub-Saharan Africa (SSA) and serves as an important point of entry to its neighboring landlocked countries. Kenya was Singapore's 13th trading partner in SSA in 2017 with total bilateral trade in goods amounting to S\$85.4 million.

Ministry of Trade and Industry
12 June 2018

Annex A: Kenya-Singapore Bilateral Investment Treaty
Annex B: Factsheet on Kenya-Singapore Economic Relations
Annex C: Photos & Caption of Kenya-Singapore BIT and DTA Signing

¹ The full text of the Kenya-Singapore DTA will be made available on the Inland Revenue Authority of Singapore's website on 13 June 2018.

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ANNEX A

Kenya-Singapore Bilateral Investment Treaty

The Kenya-Singapore Bilateral Investment Treaty (BIT) is a legally-binding agreement between Kenya and Singapore. It establishes rules on how Kenya should treat investments from Singapore and vice versa. With this treaty, Singapore companies operating in Kenya will enjoy protection on their investments, on top of that already accorded under Kenya's domestic laws.

The Kenya-Singapore BIT will also grant investors from both countries the following protection:

- Non-discriminatory treatment compared to other foreign investments (Most Favoured Nation treatment);
- Fair and equitable treatment and full protection and security based on customary international law;
- Protection from illegal expropriation;
- Non-discriminatory compensation for losses arising from war, armed conflict and civil strife;
- Freedom to transfer capital and returns in and out of country; and
- Access to international arbitration for investment disputes.

ANNEX B

Fact Sheet on Kenya-Singapore Economic Relations

Trade in Goods

1. In 2017, total bilateral trade in goods between Singapore and Kenya was S\$85.4 million. Singapore's imports from Kenya amounted to S\$13.9 million, while Singapore's exports to Kenya amounted to S\$71.4 million.
2. Top exports to Kenya include synthetic filament yarn, artificial filament and polymers of ethylene. Top imports from Kenya include processors and controllers, avocado and reptile leathers.
3. Singapore's exports of services to Kenya in 2016 amounted to S\$165 million and imports of services from Kenya amounted S\$52 million.

Investment

4. Bilateral Investments between Kenya and Singapore have been nascent with Singapore's Direct Investment Abroad (DIA) to Kenya standing at less than S\$10 million as at end-2016. There is scope for bilateral investments to grow, and the Kenya-Singapore BIT will provide investors with more confidence to do so.

Bilateral Agreements signed between Kenya and Singapore

5. The Singapore-Kenya Air Services Agreement (ASA) was concluded in February 2007 and signed in January 2010. The ASA allows for unlimited rights for Singapore cargo flights to fly between Singapore and Kenya and within Kenya. In December 2017, the 20% cap on intra-African passenger traffic was lifted, which allowed Singapore Airlines to codeshare on Ethiopian Airlines to provide flights to Nairobi and Mombasa.
6. Visa-free travel is enjoyed by Singaporeans and Kenyans between the two countries.

Singapore Companies in Kenya

7. Singapore companies in Africa are present in the agriculture, maritime, info-communication technology, manufacturing, tourism and oil & gas sectors. Notable companies include:

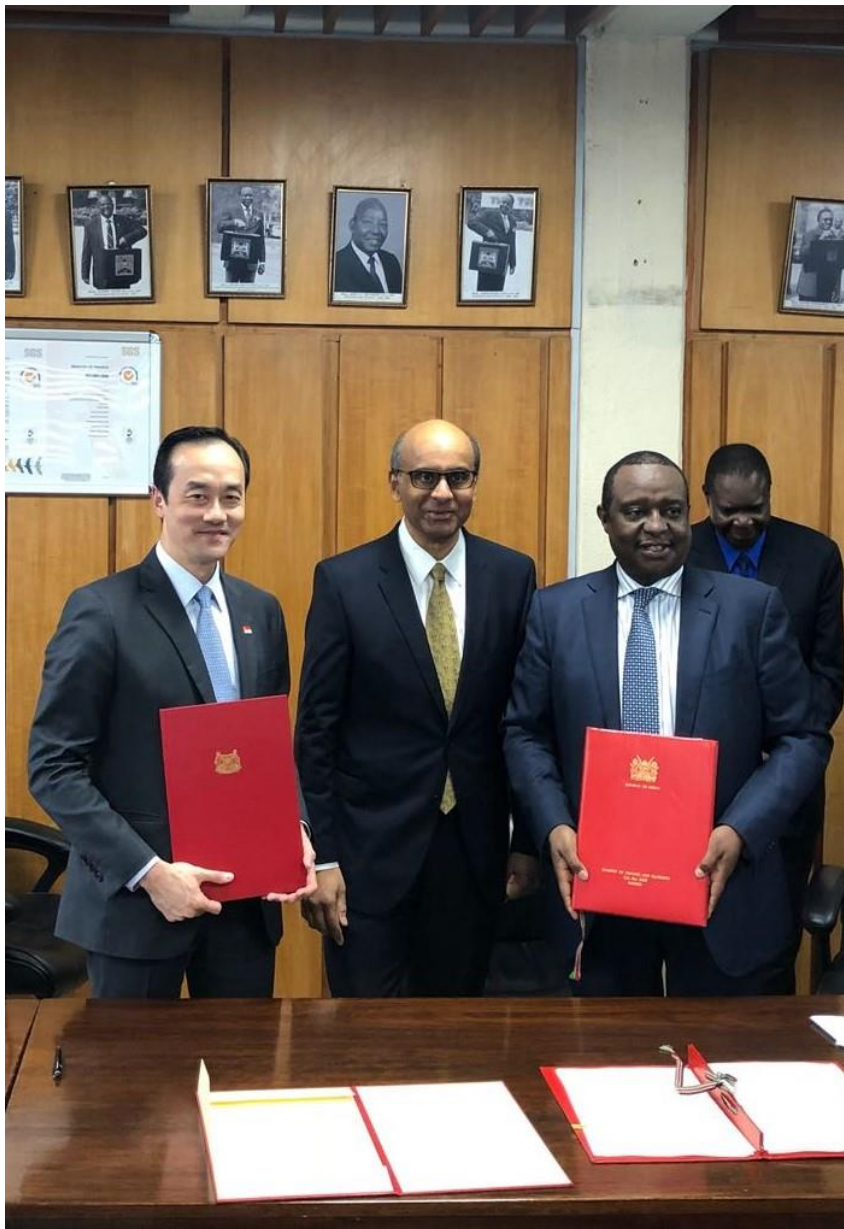
| Company | Sector | Details |
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| CrimsonLogic | Infocomms | CrimsonLogic helps governments to design and run innovative and sustainable services to collaborate with their citizens and ecosystem. It also won the Kenya National Electronic Single Window System (KNESWS) in 2012. |
| TransferTo | | TransferTo is a B2B mobile payment network, interconnecting financial institutions and mobile operators globally. It facilitates multi-party airtime and mobile money transfer in Africa and has a representative office in Nairobi since 2016. |
| vCargo Cloud | | vCargo Cloud is a service provider specialising in e-trade and cloud solutions and services for the logistics industry. It is implementing a Single Customs Territory (SCT) with the East African Community (EAC) to enable interconnectivity of customs systems in the region. It opened its Nairobi office in 2016. |
| Pacific International Lines (PIL) | Transport & Logistics | PIL is a shipping company, transporting cargo to many major hub ports worldwide. It has two offices in Kenya (Nairobi and Mombasa) and is one of the first few liners in the world that provides a link from Asia and the Middle East to Africa. |
| Ascent Solutions | Logistics | Ascent Solutions provides cargo tracking and management solutions. It developed a container tracking device called iSpot that allows round-the-clock monitoring and expedites customs clearance process. There are currently 10,000 iSpots in Kenya and Tanzania. |
| Asiatic Agricultural Industries | Agriculture | Asiatic Agricultural Industries focuses on manufacturing and distributing products and solutions which help optimise crop yields and |

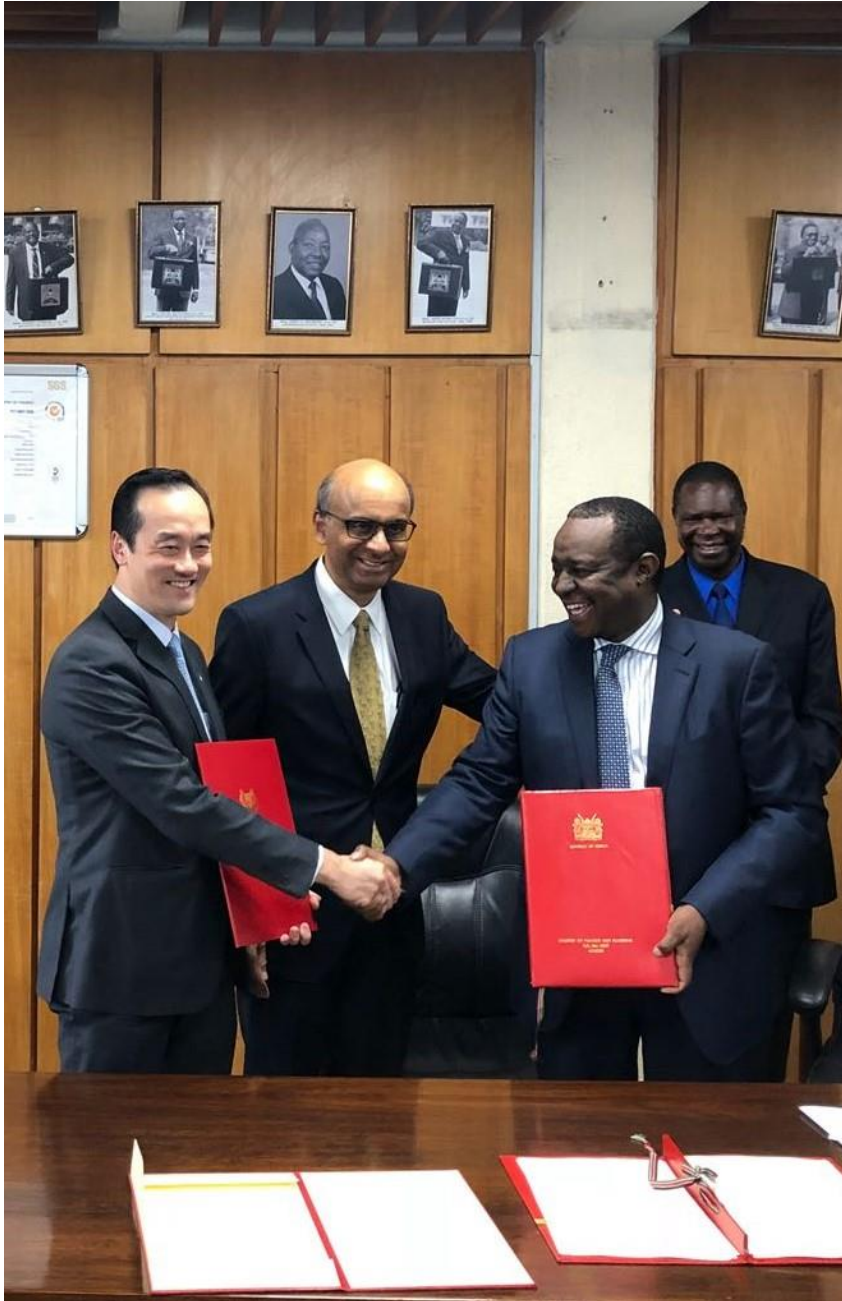
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| | | safeguard the well-being of livestock and the public. It started trading with Africa since the mid-1990s, and the company now exports to Kenya, Rwanda, Uganda, Ethiopia and Ghana. |
| Vega Foods | Agri-commodities | Vega Foods owns and markets a portfolio of food and beverage brands such as Pavani, Afriking, Supersavers. It is present in countries including Kenya, Nigeria, Senegal, Cameroon, Ghana and South Africa. |
| Food Empire | Food Manufacturing | Food Empire is a global branding and manufacturing company in the food and beverage sector. Its products include instant beverage products, frozen convenience food, confectionery and snack food. Partnering major local and international supermarket chains, Food Empire has been distributing its instant 3-in-1 house brand coffee, MacCoffee, to African countries (starting with Kenya) since 2013. |
| Meinhardt | Engineering Services | Meinhardt is a leading global engineering, planning and management firm. It is providing the structural, Mechanical, Electrical and Plumbing engineering, facade & specialist engineering services for the 300m tall 66-storey office tower, Pinnacle Tower, in Kenya. When completed in 2018, it will be the tallest building in Africa. |
| SMEC | | SMEC is an urban, industrial and infrastructure consulting firm. In August 2016, SMEC was acquired by Surbana Jurong. SMEC has operated in Kenya since 1976 and established a permanent office in Nairobi in 2008. |
| Modern Montessori International | Education | Modern Montessori International provides education and pre-school learning services. It opened a Montessori Learning Centre and |

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| | | teacher training centre in Nairobi in 2009. |
| Kheng Keng Auto | Automotive | Kheng Keng Auto provides a full range of car auto products and services such as vehicle scrapping, autoparts, car trade, repairs and maintenance. It has offices in Kenya to serve the East Africa region. |

ANNEX C

Photos & Caption of Kenya-Singapore BIT and DTA Signing





Caption: Senior Minister of State for Trade and Industry Dr Koh Poh Koon and Kenya's Cabinet Secretary of the Treasury Henry Rotich at the signing of the Bilateral Investment Treaty (BIT) and the Agreement for the Avoidance of Double Taxation (DTA), witnessed by Deputy Prime Minister Tharman Shanmugaratnam.