

## **Treaty Interpretation – Static v. Dynamic Approaches**CA Saurabh Shah

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1. INTRODUCTION One of the basic principles of treaty interpretation is that a tax treaty ought to be interpreted in good faith, with the intentions of both of the contracting parties needing to be The Vienna Convention on the Law of Treaties ('VCLT') states that treaty interpretations should be in accordance with the 'ordinary' meanings that are given to the terms of the treaty in their contexts and in the light of their objects and purposes. One of the facets of treaty interpretation involves the meanings that need to be ascribed to terms that remain undefined in a tax As per Article 3(2) of the UN model,2 one can make recourse to domestic law in order to import the meanings of the terms that remain undefined in a tax treaty. The aforementioned Article reads as follows: "As regards the application of the Convention at any time by a Contracting State, any term not defined therein sh.......

1/1