

No. 1118

**DENMARK
and
UNION OF SOUTH AFRICA**

Exchange of notes constituting an agreement providing for reciprocal exemption from government and local government taxation of income derived from the exercise of shipping activities and operation of aircraft services. Pretoria, 30 November 1950

Official text: English.

Registered by Denmark on 2 April 1951.

**DANEMARK
et
UNION SUD-AFRICAINE**

Échange de notes constituant un accord prévoyant l'exonération réciproque de l'impôt d'État ou de l'impôt local sur les revenus provenant de la navigation maritime et aérienne. Prétoira, 30 novembre 1950

Texte officiel anglais.

Enregistré par le Danemark le 2 avril 1951.

No. 1118. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN DENMARK AND THE UNION OF SOUTH AFRICA PROVIDING FOR RECIPROCAL EXEMPTION FROM GOVERNMENT AND LOCAL GOVERNMENT TAXATION OF INCOME DERIVED FROM THE EXERCISE OF SHIPPING ACTIVITIES AND OPERATION OF AIRCRAFT SERVICES. PRETORIA, 30 NOVEMBER 1950

I

ROYAL DANISH LEGATION
IN PRETORIA

30th November, 1950.

Mr. Minister,

The Government of Denmark and the Government of the Union of South Africa being desirous to conclude an agreement providing for reciprocal exemption from Government and local Government taxation of income derived from the exercise of shipping activities and the operation of aircraft services, I have the honour to inform you that the Danish Government are prepared to conclude an agreement with the Government of the Union of South Africa in the following terms :—

1) The Danish Government shall exempt Union enterprises from paying taxes to the Government or to local Government on profits derived from the business of sea or air transport carried on by such enterprises.

2) The Government of the Union of South Africa shall exempt all income derived from the business of sea or air transport by Danish enterprises engaged in such business from income tax and all other taxes on income which are chargeable in the Union of South Africa.

3) For the purpose of this Agreement—

“ Union enterprise ” means the Government of the Union of South Africa, a physical person ordinarily resident in the Union of South Africa and not ordinarily resident in Denmark, and a corporation or a partnership constituted under the laws of and managed and controlled in the Union of South Africa;

¹ Came into force on 9 February 1951, in accordance with the terms of the said notes.

“Danish enterprise” means the Government of Denmark, a physical person ordinarily resident in Denmark and not ordinarily resident in the Union of South Africa, and a corporation or a partnership constituted under the laws of and managed and controlled in Denmark;

“Business of sea or air transport” means the business of transporting by sea or by air persons, livestock, goods or mail carried on by the owner or charterer of ships or aircraft.

4) This Agreement, which shall come into force upon notification of its terms by proclamation in the Government Gazette in terms of sub-section (2) of section ninety-four of Act No. 31 of 1941 of the Union of South Africa, shall be effective as respects taxes payable in Denmark for the fiscal year 1948—49 commencing on the 1st April, 1948, and for the two subsequent fiscal years and as respects taxes payable in the Union of South Africa for the year of assessment ending on the 30th June, 1949, and for the two subsequent years of assessment. After the expiration of this three-year period the Agreement shall continue in effect indefinitely but may be terminated by either of the two High Contracting Parties by an instrument in writing addressed to the other Party. Provided that such notice of termination shall only have effect for incomes arising after a period of at least six months from the date of such notice.

If the foregoing proposals are acceptable to the Government of the Union of South Africa, I suggest that this note and your confirmatory reply thereto be regarded as constituting an agreement between the two Governments in this matter.

Please accept, Mr. Minister, the renewed assurance of my highest consideration.

(Signed) E. TORP-PEDERSEN

The Honourable N. C. Havenga
Minister of Finance of the
Union of South Africa
Pretoria

II

UNION OF SOUTH AFRICA

TREASURY
PRETORIA

30th November, 1950.

Mr. Minister,

I have the honour to acknowledge receipt of your note of today's date reading as follows :—

[*See note I*]

In reply thereto I have the honour to inform you that the Government of the Union of South Africa are in agreement with the foregoing provisions and that your note and the present reply shall be regarded as constituting an agreement between our two Governments.

Please accept, Mr. Minister, the renewed assurance of my highest consideration.

(*Signed*) N. C. HAVENGA
Minister of Finance

E. Torp-Pedersen, Esq.
Envoy Extraordinary and Minister Plenipotentiary of Denmark
Pretoria
