

No. 2325

**UNITED STATES OF AMERICA
and
ICELAND**

Exchange of notes constituting an agreement relating to relief from Icelandic taxation of United States expenditures for the common defense. Reykjavik, 5 and 18 March 1952

Official text: English.

Registered by the United States of America on 22 October 1953.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

Échange de notes constituant un accord tendant à exonérer des impôts islandais les dépenses faites par les États-Unis dans l'intérêt de la défense commune. Reykjavik, 5 et 18 mars 1952

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 22 octobre 1953.

No. 2325. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ICELAND RELATING TO RELIEF FROM ICELANDIC TAXATION OF UNITED STATES EXPENDITURES FOR THE COMMON DEFENSE. REYKJAVIK, 5 AND 18 MARCH 1952

I

The American Minister to the Icelandic Minister for Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
AMERICAN LEGATION, REYKJAVIK, ICELAND

March 5, 1952

Excellency :

I have the honor to call your attention to the recent discussions which have been held between the Government of the United States and the Government of Iceland on the subject of Icelandic taxation insofar as such taxes may affect United States expenditures in Iceland for the common defense. These discussions have culminated in certain understandings which I am pleased to communicate to you for your approval as undertakings of the Icelandic Government.

By the terms of the Annex on the Status of U. S. Personnel and Property² of the Icelandic-United States Defense Agreement of May 5, 1951,³ the Government of Iceland has agreed that no tax will be levied on material, equipment, supplies or goods brought into Iceland in connection with operations under that Agreement. Similarly, the Government of Iceland has also agreed that no tax will be levied on property procured in Iceland by U. S. authorities for the use of the U. S. or its agents or for the use of personnel present in Iceland only in connection with operations under that Agreement.

¹ Came into force on 18 March 1952 by the exchange of the said notes.

² The following information is given by the Department of State of the United States of America (*Treaties and Other International Acts Series 2557*): "Treaties and Other International Acts Series 2295; 2 UST 1533. Dated May 8, 1951."

³ United States of America: TIAS 2266; 2 UST 1195.

The Government of Iceland agrees that, with respect to any other U. S. expenditures for equipment, materials, facilities or services for the common defense effort, including such expenditures for any foreign aid program of the U. S., it will provide relief to the U. S. from any taxes which might affect such expenditures. This relief will be afforded to the U. S. Government pursuant to mutually satisfactory arrangements developed by the two governments in consultation.

Tax benefits or exemptions now in effect will be continued, and relief granted pursuant to this note will continue in effect without regard to limitation which may be contained in other agreements previously signed.

Please accept, Excellency, the assurances of my highest consideration.

Edward LAWSON

His Excellency Bjarni Benediktsson
Minister for Foreign Affairs
Iceland

II

The Icelandic Minister for Foreign Affairs to the American Minister

UTANRÍKISRÁÐUNEYTIÐ¹
REYKJAVÍK

No. 19

March 18, 1952

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's note, dated March 5, 1952, reading as follows :

[See note I]

The contents of your note are approved by the Government of Iceland.

Please accept, Excellency, the assurances of my highest consideration.

Bjarni BENEDIKTSSON

His Excellency Edward B. Lawson
Minister of the United States of America
Reykjavik

¹ Ministry for Foreign Affairs.