

No. 2931

**EGYPT
and
SWITZERLAND**

Exchange of notes constituting an agreement for the avoidance of double taxation of income derived from air transport. Cairo, 5 January 1955

Official texts: French and Arabic.

Registered by the International Civil Aviation Organization on 13 September 1955.

**ÉGYPTE
et
SUISSE**

Échange de notes constituant un accord visant à éviter les doubles impositions sur les revenus provenant des entreprises de navigation aérienne. Le Caire, 5 janvier 1955

Textes officiels français et arabe.

Enregistré par l'Organisation de l'aviation civile internationale le 13 septembre 1955.

[TRANSLATION — TRADUCTION]

No. 2931. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN EGYPT AND SWITZERLAND FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM AIR TRANSPORT. CAIRO, 5 JANUARY 1955

I

The Swiss Chargé d'Affaires a.i. at Cairo to the Egyptian Minister of Foreign Affairs

Cairo, 5 January 1955

Sir,

I have the honour to inform you that the Swiss Federal Council, being desirous of encouraging international air traffic between Switzerland and Egypt and of avoiding double taxation of commercial and industrial profits and of income from movable capital derived by air transport companies from international air services, and acting in virtue of the powers conferred upon it by the Federal Decree of 1 October 1952, whereby it is authorized to exchange declarations of reciprocal treatment with respect to the taxation of sea, inland water or air transport undertakings, makes the following declaration, subject to reciprocity :

1. Egyptian air transport undertakings shall not be liable in Switzerland to federal, cantonal or communal taxes :

- (a) on income or profits which they derive from the operation of air transport services;
- (b) on their movable property, including such aircraft as they may employ.

2. Subject to reciprocity, the tax exemption defined in paragraph 1 shall also apply where an Egyptian air transport undertaking is a party to a pool, a joint operating arrangement or an international operating organization.

3. For the purposes of the provisions of paragraphs 1 and 2 above :

- (a) the term "Egyptian undertaking" means an air transport undertaking having its centre of actual management in Egypt and operated by individuals domiciled in Egypt, by partnerships or joint-stock companies constituted in accordance with Egyptian law, by the Egyptian State itself or by Egyptian companies in which the State participates.

¹ Came into force on 1 January 1955, in accordance with the terms of the said notes.

- (b) the term "operation of air transport services" means the business of transporting persons or goods carried on by owners, hirers or charterers of aircraft.

4. Subject to reciprocity, the exemption granted hereby shall apply to all Swiss taxes mentioned in paragraph 1 above collected in respect of the period after 31 December 1954.

5. The Swiss Federal Council reserves the right to withdraw this declaration at six months' notice, such withdrawal to take effect at the end of the calendar year.

I have the honour to propose that this letter and your Excellency's reply accepting the above provisions shall constitute an agreement between the Swiss Federal Council and the Egyptian Government having effect from 1 January 1955.

I have the honour to be, etc.

(Signed) René STOUDMANN
Chargé d'affaires ad interim of Switzerland

His Excellency Monsieur Mahmoud Fawzi
Minister of Foreign Affairs
Cairo

II

*The Egyptian Foreign Minister of Foreign Affairs to the Swiss Chargé d'Affaires
a.i. in Cairo*

Cairo, 5 January 1955

Sir,

I have the honour to acknowledge receipt of your letter dated this day regarding reciprocal exemption from taxes on air transport undertakings.

I have the honour to inform you in reply that the Egyptian Government, being desirous of encouraging international air traffic between Egypt and Switzerland and of avoiding double taxation of commercial and industrial profits and of income from movable capital derived by air transport companies from international air services, and acting in virtue of the powers conferred upon it by Act No. 588 of 1953, whereby it is authorized to grant tax exemptions to foreign air transport undertakings, makes the following declaration, subject to reciprocity:

1. Swiss air transport undertakings shall not be liable in Egypt to taxes:
 - (a) on income from movable capital (article 1, paragraph 1, of Act No. 14 of 1939);

- (b) on commercial and industrial profits derived from the operation of air transport services (articles 30 to 32 of Act No. 14 of 1939).

[See note I]

In communicating to you the Egyptian Government's approval of the terms of your aforementioned letter, I have the honour to confirm that your letter and this letter constitute an agreement between the Egyptian Government and the Swiss Federal Council having effect from 1 January 1955.

I have the honour to be, etc.

(Signed) M.FAWZI
Minister of Foreign Affairs

M.René Stoudmann
Chargé d'Affaires ad interim of Switzerland
Cairo