

No. 3489

CANADA
and
UNION OF SOUTH AFRICA

**Exchange of notes constituting an agreement concerning
the avoidance of double taxation on income derived
from the operation of ships and aircraft. Pretoria,
26 November 1951**

Official text: English.

Registered by Canada on 6 August 1956.

CANADA
et
UNION SUD-AFRICAINE

**Échange de notes constituant un accord tendant à éviter
les doubles impositions sur les revenus provenant de
l'exploitation de navires et d'aéronefs. Prétoria,
26 novembre 1951**

Texte officiel anglais.

Enregistré par le Canada le 6 août 1956.

No. 3489. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN CANADA AND THE UNION OF SOUTH AFRICA CONCERNING THE AVOIDANCE OF DOUBLE TAXATION ON INCOME DERIVED FROM THE OPERATION OF SHIPS AND AIRCRAFT. PRETORIA, 26 NOVEMBER 1951

I

*The Minister of Finance of the Union of South Africa
to the High Commissioner for Canada*

Pretoria, November 26, 1951

Your Excellency,

As the Government of the Union of South Africa and the Government of Canada desire to conclude an agreement for the avoidance of double taxation on the income derived from shipping and aircraft, I have the honour to inform you that the Government of the Union of South Africa are prepared to conclude an agreement with the Government of Canada in the following terms :

Article I

For the purpose of this agreement the expression :

“the 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.

“Union Enterprises” means the Government of the Union of South Africa, physical persons ordinarily resident in the Union of South Africa and not ordinarily resident in Canada, and corporations and partnerships constituted under the laws of the Union of South Africa and managed and controlled in the Union of South Africa.

“Canadian Enterprises” means the Government of Canada, physical persons ordinarily resident in Canada and not ordinarily resident in the Union of South Africa, and corporations and partnerships constituted under the laws of Canada and managed and controlled in Canada.

Article II

(1) The Government of the Union of South Africa shall exempt all income derived from the business of sea or air transport between the Union of South Africa and other

¹ Came into force on 29 February 1952, in accordance with article III.

countries by Canadian enterprises engaged in such business from income tax and all other taxes on income which are chargeable in the Union of South Africa.

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

Article III

This agreement 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 and shall thereupon have effect as respects all income derived on or after the 1st July, 1948.

Article IV

This agreement shall continue in effect indefinitely but may be terminated by either Government by an instrument in writing addressed to the other Government ; provided that such notice of termination shall only have effect in respect of income derived after a period of at least six months from the date of such notice.

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

I have the honour to be,

Your Excellency's obedient Servant,

N. C. HAVENGA

II

*The High Commissioner for Canada to the Minister of Finance
of the Union of South Africa*

November 26, 1951

Sir :

I have the honour to acknowledge the 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 Canada are in agreement with the foregoing and that your Note and the present reply shall be regarded as constituting an agreement between our two Governments.

I have the honour to be, Sir,

Your obedient Servant,

T. W. L. MACDERMOT