

No. 3171

**DENMARK
and
ICELAND**

**Agreement concerning avoidance of double taxation of
income derived from sea and air transport. Signed
at Reykjavik, on 10 October 1955**

Official texts: Danish and Icelandic.

Registered by Denmark on 1 March 1956.

**DANEMARK
et
ISLANDE**

**Accord tendant à éviter la double imposition des revenus
provenant des transports maritimes et aériens. Signé
à Reykjavik, le 10 octobre 1955**

Textes officiels danois et islandais.

Enregistré par le Danemark le 1^{er} mars 1956.

[TRANSLATION — TRADUCTION]

No. 3171. AGREEMENT¹ BETWEEN DENMARK AND ICELAND CONCERNING AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM SEA AND AIR TRANSPORT. SIGNED AT REYKJAVIK, ON 10 OCTOBER 1955

The Government of Denmark and the Government of Iceland, desiring to conclude an agreement providing for reciprocal exemption from State and local government taxation of income derived from the business of sea and air transport, have agreed upon the following provisions :

Article 1

The Government of Denmark shall exempt Icelandic enterprises from State or local government taxes on profits derived from the business of sea or air transport carried on by such enterprises.

Article 2

The Government of Iceland shall exempt Danish enterprises from State or local government taxes on profits derived from the business of sea or air transport carried on by such enterprises.

Article 3

For the purposes of this Agreement :

“Icelandic enterprise” means the Government of Iceland, any individual having his permanent residence in Iceland and having no permanent residence in Denmark, or any body corporate or partnership constituted under the laws of Iceland and managed and controlled in Iceland;

“Danish enterprise” means the Government of Denmark, any individual having his permanent residence in Denmark and having no permanent residence in Iceland, or any body corporate or partnership constituted under the laws of Denmark and managed and controlled in Denmark;

“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 owners or charterers of ships or aircraft.

¹ Came into force on 10 October 1955 by signature.

Article 4

The present Agreement shall enter into force :

In Denmark, with respect to taxes for the fiscal year beginning on 1 April 1955.

In Iceland, with respect to taxes on income in the year 1954.

Article 5

This Agreement may be terminated by either of the High Contracting Parties by written notice of termination addressed to the other Party. Such notice of termination shall only have effect in respect of incomes arising after a period of at least six months from the date of the notice.

IN WITNESS WHEREOF the undersigned, having been duly authorized thereto, have signed this Agreement and have thereto affixed their seals.

DONE at Reykjavik, in duplicate, in the Danish and Icelandic languages, both texts being equally authentic.

Reykjavik, 10 October 1955.

For the Government of Denmark :
(Signed) Viggo CHRISTENSEN

For the Government of Iceland :
(Signed) Kristinn GUTHMUNDSSON