

No. 3190

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**UNION OF SOUTH AFRICA  
and  
SWITZERLAND**

**Exchange of notes constituting an agreement for the avoidance of double taxation with respect to enterprises operating ships or aircraft. Pretoria, 15 September and 7 November 1955**

*Official text: English.*

*Registered by the Union of South Africa on 27 March 1956.*

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**UNION SUD-AFRICAINE  
et  
SUISSE**

**Échange de notes constituant un accord tendant à éviter les doubles impositions des entreprises de navigation maritime ou aérienne. Prétoria, 15 septembre et 7 novembre 1955**

*Texte officiel anglais.*

*Enregistré par l'Union Sud-Africaine le 27 mars 1956.*

No. 3190. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNION OF SOUTH AFRICA AND SWITZERLAND FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO ENTERPRISES OPERATING SHIPS OR AIRCRAFT. PRETORIA, 15 SEPTEMBER AND 7 NOVEMBER 1955

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I

DEPARTMENT OF EXTERNAL AFFAIRS  
PRETORIA

41/1/24.

15th September, 1955

Mr. Minister,

As the Government of the Union of South Africa and the Swiss Federal Council desire to conclude an agreement for the avoidance of double taxation with respect to enterprises operating ships or aircraft, I have the honour to inform you that the Government of the Union of South Africa is prepared to conclude an agreement with the Swiss Federal Council in the following terms :

*Article I*

For the purpose of this agreement, the expression :

- (a) "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, hirer or charterer of ships or aircraft;
- (b) "Union enterprises" means the Government of the Union of South Africa, natural persons ordinarily resident in the Union of South Africa and not domiciled in Switzerland, and corporations or partnerships constituted under the laws of and managed and controlled in the Union of South Africa;
- (c) "Swiss enterprises" means the Swiss Confederation or any canton thereof, natural persons domiciled in Switzerland and not ordinarily resident in the Union of South Africa, and corporations or partnerships constituted under the laws of and managed and controlled in Switzerland.

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<sup>1</sup> Came into force on 2 March 1956, in accordance with article III.

*Article II*

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

(2) The Swiss Federal Council, authorised by virtue of the Federal Decree of 1st October, 1952, to exchange declarations of reciprocity with respect to the taxation of enterprises operating ships or aircraft, shall exempt all income derived from the business of sea or air transport by Union enterprises engaged in such business from Swiss (federal, cantonal and communal) income tax or profits tax which are chargeable in Switzerland.

(3) The exemption provided for in paragraphs (1) and (2) above shall also apply to Union or Swiss air transport enterprises participating in a pooled service, in a joint air transport operating organisation or in an international operating agency.

*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 in respect of the year of assessment beginning as regards Switzerland on the 1st January, 1948, and as regards the Union of South Africa on the 1st July, 1948, and every year of assessment thereafter.

*Article IV*

This agreement shall continue in effect for an indefinite period but may be terminated, with effect from any year of assessment commencing on the 1st July of any year in respect of the taxes assessable in the Union of South Africa and the 1st January of the same year in respect of the taxes assessable in Switzerland, by either Government by an instrument in writing addressed to the other Government at least six months prior to the date of expiration of the agreement in respect of the taxes assessable in the country of the Government by which that instrument is so addressed.

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

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

(Signed) J. G. STRIJDOM  
Acting Minister of External Affairs

J. de Rham, Esq.  
Envoy Extraordinary and Minister  
Plenipotentiary for Switzerland  
Pretoria

## II

Pretoria, November 7th, 1955

Mr. Minister,

I have the honour to acknowledge receipt of the Note of the 15th September, 1955, in which the Government of the Union of South Africa suggests to the Swiss Federal Council to conclude an agreement for the avoidance of double taxation with respect to enterprises operating ships or aircraft in the following terms :

[*See note I*]

By giving you the consent of the Swiss Federal Council to the contents of the abovementioned Note, I have the honour to inform you that said Note and the present one are constituting an agreement between our two Governments in this matter.

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

(*Signed*) J. DE RHAM  
Minister of Switzerland

The Department of External Affairs  
Pretoria

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