

No. 4299

**BELGIUM
and
SWITZERLAND**

Exchange of letters constituting an agreement for the avoidance of double taxation of income derived from sea and air transport. Berne, 5 December 1957

Official text: French.

Registered by Belgium on 23 April 1958.

**BELGIQUE
et
SUISSE**

Échange de lettres constituant un arrangement tendant à éviter la double imposition des revenus des entreprises de navigation aérienne et maritime. Berne, 5 décembre 1957

Texte officiel français.

Enregistré par la Belgique le 23 avril 1958.

[TRANSLATION — TRADUCTION]

No. 4299. EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN BELGIUM AND SWITZERLAND FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM SEA AND AIR TRANSPORT. BERNE, 5 DECEMBER 1957

I

EMBASSY OF BELGIUM

Berne, 5 December 1957

Sir,

On behalf of the Belgian Government, which is desirous of avoiding the double taxation of income derived from sea or air navigation, I have the honour to inform you of the following :

1. The Belgian Government, acting in virtue of the powers conferred upon it by article 10 of the Act of 8 March 1951, undertakes, subject to reciprocity, to exempt Swiss sea or air navigation undertakings from any Belgian tax on profits or income derived from sea or air navigation in international traffic. It further declares that Belgium does not at present levy any tax on property or capital.

2. The exemption provided for in paragraph 1 shall also apply to Swiss air navigation undertakings participating in a pool, a joint operating arrangement or an international air navigation operating organization.

3. The expression "sea or air navigation" means the business of transporting persons and goods by sea or by air carried on by the owners, lessees or charterers of ships or aircraft, including the sale of passage tickets.

4. The expression "Swiss undertaking" means any corporation or partnership—including any company in which the Swiss Confederation or one of its cantons has an interest—constituted in accordance with the laws in force in Switzerland and having its actual head-office in Swiss territory, and the Swiss Confederation or one of its cantons.

5. The exemption provided for in paragraphs 1 and 2 shall apply to profits earned during accounting years ending on or after 31 December 1955.

¹ Came into force retroactively on 1 January 1955, in accordance with paragraph 5. Is not applicable to the Territories of the Belgian Congo and Ruanda-Urundi.

6. The Belgian Government reserves the right to withdraw this declaration by giving six months' notice in writing to the Swiss Federal Council ; in that event the exemption shall last apply to profits earned during accounting years ending not later than the 31 December immediately following the expiry of the said six months' notice.

I have the honour to be, etc.

(Signed) F. SEYNAEVE
Ambassador of Belgium

His Excellency Max Petitpierre
Chief of the Political Department
Berne

II

FEDERAL POLITICAL DEPARTMENT

Berne, 5 December 1957

Sir,

I have the honour to acknowledge the receipt of your letter of today's date.

In reply, on behalf of the Swiss Federal Council, which is desirous of avoiding the double taxation of income derived from sea or air navigation, I have the honour to inform you of the following :

1. The Swiss Federal Council, 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 or air navigation undertakings, declares, subject to reciprocity, that Belgian sea or air navigation undertakings shall be exempt in Switzerland from all taxes (federal, cantonal or communal) on profits or income derived from sea or air navigation in international traffic and from taxes (federal, cantonal or communal) on movable property, including ships and aircraft operated by such undertakings.

2. The exemption provided for in paragraph 1 shall also apply to Belgian air navigation undertakings participating in a pool, a joint operating arrangement or an international air navigation operating organization.

3. The expression "sea or air navigation" means the business of transporting persons and goods by sea or by air carried on by the owners, lessees or charterers of ships or aircraft, including the sale of passage tickets.

4. The expression "Belgian undertaking" means any corporation or partnership, including any company in which the Belgian State has an interest, constituted in accordance with the laws in force in Belgium and having its actual head-office in Belgian territory, and the Belgian State.

5. The exemption provided for in paragraphs 1 and 2 shall apply to Swiss taxes levied for the period following 31 December 1954.

6. The Swiss Federal Council reserves the right to withdraw this declaration by giving six months' notice in writing to the Belgian Government ; in that event the exemption shall last apply to Swiss taxes levied for the period ending on the 31 December immediately following the expiry of the said six months' notice.

In transmitting to you the Swiss Federal Council's agreement to the contents of your note, I have the honour to confirm that your note and this note constitute an agreement on the subject between the two Governments.

I have the honour to be, etc.

Max PETITPIERRE

His Excellency Fernand Seynaeve
Ambassador extraordinary and Plenipotentiary of Belgium
Berne