

No. 6454

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
PORTUGAL**

**Agreement for the avoidance of double taxation on income
derived from sea and air transport. Signed at Lisbon,
on 31 July 1961**

Official texts: English and Portuguese.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
20 December 1962.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
PORTUGAL**

**Convention tendant à éviter la double imposition des revenus
provenant de l'exploitation de transports maritimes et
aériens. Signée à Lisbonne, le 31 juillet 1961**

Textes officiels anglais et portugais.

*Enregistrée par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
20 décembre 1962.*

No. 6454. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF PORTUGAL FOR THE AVOIDANCE OF DOUBLE TAXATION ON INCOME DERIVED FROM SEA AND AIR TRANSPORT. SIGNED AT LISBON, ON 31 JULY 1961

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Portuguese Republic,

Desiring to conclude an Agreement for the avoidance of double taxation on income derived from sea and air transport,

Have agreed as follows :

Article I

(1) The Government of Portugal shall exempt from Portuguese tax all profits and income derived by United Kingdom undertakings from operating ships or aircraft, whether owned or chartered by the undertaking.

(2) The Government of the United Kingdom shall exempt from United Kingdom tax all profits and income derived by Portuguese undertakings from operating ships or aircraft, whether owned or chartered by the undertaking.

Article II

In this Agreement

- (a) the expression "Portugal" means Continental Portugal and the Adjacent Islands ;
- (b) the expression "The United Kingdom" means Great Britain and Northern Ireland ;
- (c) the expression "Portuguese tax" means the industrial contribution, the complementary tax and all other taxes on profits and income which are or may become chargeable in Portugal ;
- (d) the expression "United Kingdom tax" means the income tax (including surtax), the profits tax, the excess profits levy and all other taxes on profits and income which are or may become chargeable in the United Kingdom ;

¹ Came into force on 10 July 1962 by the exchange of the instruments of ratification at Lisbon, in accordance with article IV.

- (e) the expression "United Kingdom undertakings" means the Government of the United Kingdom, individuals resident in the United Kingdom and not resident in Portugal, and corporations and partnerships managed and controlled in the United Kingdom ;
- (f) the expression "Portuguese undertakings" means the Government of Portugal, individuals resident in Portugal and not resident in the United Kingdom, and corporations and partnerships managed and controlled in Portugal.

Article III

(1) This Agreement may be extended to any Portuguese Overseas Province or to any territory for whose international relations the Government of the United Kingdom are responsible, subject to such conditions (including conditions as to termination) as may be agreed between the Contracting Parties in Notes to be exchanged for this purpose.

(2) Pending any such extension of the Agreement to the Colony of Aden, the Portuguese Government shall not impose Portuguese tax on the profits of shipowners who are not resident in Portugal but are resident in Aden, so long as in Aden the profits of non-resident shipowners are exempted by law from any tax on profits or income imposed there provided that the country to which the non-resident shipowner belongs extends a similar exemption to shipowners who are not resident in that country but are resident in the United Kingdom or in Aden.

Article IV

(1) The present Agreement shall be ratified and the instruments of ratification shall be exchanged at Lisbon as soon as possible.

(2) Upon the exchange of instruments of ratification the present Agreement shall enter into force, and shall thereupon have effect as regards all profits and income earned as from the 1st April 1952.

Article V

(1) This Agreement shall continue in force indefinitely but may be terminated by either Contracting Party by giving six months' notice in writing to the other Contracting Party.

(2) It may be separately terminated by either Contracting Party in respect of any territory to which it has been extended under Article III, by giving six months' notice in writing to the other Contracting Party, but its termination in respect of Portugal or the United Kingdom shall, at the same time, unless otherwise expressly

agreed by both Contracting Parties, terminate its application to all of the above-mentioned territories.

IN WITNESS WHEREOF the undersigned, duly authorised by their respective Governments, have signed the present Agreement.

DONE in duplicate at Lisbon this 31st day of July, 1961, in English and Portuguese, both texts being equally authoritative.

For the Government of the United Kingdom :

A. D. M. ROSS

For the Government of Portugal :

A. FRANCO NOGUEIRA