

No. 6800

**CANADA
and
SWITZERLAND**

**Exchange of notes constituting an agreement concerning
the taxation of enterprises operating ships and aircraft.
Berne, 22 September 1959**

Official text: French.

Registered by Canada on 8 July 1963.

**CANADA
et
SUISSE**

**Échange de notes constituant un accord concernant l'im-
position des entreprises de navigation maritime ou
aérienne. Berne, 22 septembre 1959**

Texte officiel français.

Enregistré par le Canada le 8 juillet 1963.

[TRANSLATION¹ — TRADUCTION²]

No. 6800. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT³ BETWEEN THE GOVERNMENT OF CANADA AND THE SWISS FEDERAL COUNCIL CONCERNING THE TAXATION OF ENTERPRISES OPERATING SHIPS AND AIRCRAFT. BERNE, 22 SEPTEMBER 1959

I

*The Chief of the Federal Political Department of Switzerland to the
Canadian Ambassador to Switzerland*

Excellency,

The Swiss Federal Council and the Government of Canada being desirous of avoiding double taxation with respect to enterprises operating ships and aircraft, I have the honour to inform you that the Swiss Federal Council is ready to enter into an agreement with the Government of Canada in the following terms :

Article I

For the purposes of this agreement :

(a) The term " operation of maritime and air navigation " means the professional transportation by sea and air of persons, animals, goods and mail carried out by the owner, lessee or charterer of ships or aircraft;

(b) The term " Canadian enterprises " means the Government of Canada, physical persons residing in Canada and not residing in Switzerland, as well as joint stock companies or associations of persons which are formed in accordance with Canadian law and whose business is directed and controlled in Canada;

(c) The term " Swiss enterprises " means the Swiss Confederation or one of its cantons, physical persons residing in Switzerland and not residing in Canada, as well as joint stock companies or associations of persons which are formed in accordance with Swiss law and whose business is directed and controlled in Switzerland.

Article II

(1) The Government of Canada shall exonerate all receipts resulting from the operation of maritime and air navigation between Canada and other countries, which

¹ Translation by the Government of Canada.

² Traduction du Gouvernement canadien.

³ Came into force on 22 September 1959 by the exchange of the said notes.

are obtained by Swiss enterprises operating ships and aircraft, from income tax and all other taxes on revenue levied by the Government of Canada.

(2) Under the terms of the federal decree of October 1, 1952, all receipts resulting from the operation of maritime and air navigation between Switzerland and other countries, which are obtained by Canadian enterprises operating ships and aircraft, shall be exonerated from taxes on income and profits levied in Switzerland (by the Confederation, cantons and communes).

(3) The fiscal exoneration defined in Paragraphs 1 and 2 above is also applicable to Canadian or Swiss enterprises of air transportation that participate in a "pool", a joint business or an international organization.

Article III

This agreement comes into force immediately and shall be applicable for the fiscal years beginning or following January 1, 1958.

Article IV

This agreement shall remain in force for an indefinite period, but each of the two Governments may terminate it for the first day of January of any year, by sending a written note to the other Government at least six months in advance. In this case, the present agreement shall cease to have effect for the fiscal years commencing on or after that date.

If the above proposals are accepted by the Canadian Government, I propose that this Note and your confirming reply should constitute an agreement between our two Governments in this respect.

Accept, Your Excellency, the assurance of my highest consideration.

Max PETITPIERRE

II

*The Canadian Ambassador to Switzerland to the Chief of the Federal
Political Department of Switzerland*

CANADIAN EMBASSY

September 22, 1959

Sir,

I have the honour to acknowledge receipt of your Note dated September 22, 1959 concerning the exchange of views which took place between our two govern-

ments for the purpose of reaching an agreement to avoid double taxation on revenue or profits of enterprises operating ships and aircraft.

I am happy to inform you that the Canadian Government agrees to the four articles contained in your Note. In consequence your Note and the present reply shall constitute an agreement in this respect between our two governments.

Accept, Sir, the renewed assurances of my highest consideration.

Edmond TURCOTTE
Ambassador