

No. 8415

**NORWAY
and
YUGOSLAVIA**

Exchange of notes constituting an agreement concerning the avoidance of double taxation of enterprises engaged in air and maritime navigation. Belgrade, 18 May and 18 June 1966

Official text : English.

Registered by Norway on 30 November 1966.

**NORVÈGE
et
YOUGOSLAVIE**

Échange de notes constituant une convention tendant à éviter la double imposition des entreprises de navigation aérienne et maritime. Belgrade, 18 mai et 18 juin 1966

Texte officiel anglais.

Enregistré par la Norvège le 30 novembre 1966.

No. 8415. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN NORWAY AND THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA CONCERNING THE AVOIDANCE OF DOUBLE TAXATION OF ENTERPRISES ENGAGED IN AIR AND MARITIME NAVIGATION. BELGRADE, 18 MAY AND 18 JUNE 1966

I

No. 415941

The Secretariat of State for Foreign Affairs of the Socialist Federal Republic of Yugoslavia presents its compliments to the Norwegian Embassy and, with reference to the Embassy's Note of 21 July 1965, has the honour, acting upon the instructions of its Government, to propose to the Government of Norway the following :

1. The Government of the Socialist Federal Republic of Yugoslavia, in exercising the authorization conferred to it under Article 73 of the Basic Law on Taxes, declares, under reservation of reciprocity, that the Norwegian enterprises engaged in air and maritime traffic are exempt in Yugoslavia of all income taxes and taxes on benefits deriving from their engaging in air and maritime navigation ; this exemption covers also taxes on movable property, including vessels and aircraft used by such enterprises.

2. The Royal Government of Norway exercising the authorization conferred to it by Section 15 of the Norwegian Taxation Act for the Rural Districts of 18th August, 1911, and Section 10 of the Norwegian Taxation Act for the Urban Districts of the same date, as amended, declares, under reservation of reciprocity, that the Yugoslav enterprises engaging in air and maritime traffic are exempt in Norway of all income taxes and taxes on benefits deriving from their engaging in air and maritime navigation ; this exemption covers also taxes on movable property, including vessels and aircraft used by such enterprises.

3. The exemption under paragraphs 1 and 2 can also be applied to Yugoslav and Norwegian civil aviation enterprises participating in a "pool", joint venture or in an international agency engaged in traffic.

4. The term "engaging in maritime or air traffic" relates to the professional transportation of persons or goods by the owner, charterer or lease-holder of vessels or aircraft.

5. The term "Yugoslav enterprises" relates to enterprises engaging in air or maritime navigation whose head offices are located in Yugoslavia and which are run by societies of persons or capital founded in conformity with the Yugoslav legislation, having their

¹ Came into force on 20 June 1966, the date of delivery of the reply note.

seat in Yugoslavia and not having their seat in Norway, including also such societies in which the Yugoslav State holds shares.

The term "Norwegian enterprises" relates to enterprises engaging in air and maritime navigation whose head offices are located in Norway and which are run either by physical persons residing in Norway and not residing in Yugoslavia, or by societies of persons or capital founded in conformity with the Norwegian legislation, including such societies in which the Norwegian State or the Government holds shares.

6. The exemption provided for under paragraphs 1, 2 and 3 is applicable to taxes levied in Yugoslavia or Norway for all calendar years commencing after December 31, 1964.

7. The Government of Yugoslavia or the Government of Norway reserve the right to withdraw this declaration at the end of a calendar year by a written notice submitted not later than 6 months in advance ; in such a case the exemption shall be applied for the last time to Yugoslav and Norwegian receipts acquired in that calendar year.

If this proposal is acceptable to the Norwegian Government, this Note together with the reply of the Norwegian Embassy in confirmation thereof, shall be considered as constituting an Agreement on avoidance of double taxation of the enterprises engaging in maritime and air traffic concluded between the Socialist Federal Republic of Yugoslavia and the Kingdom of Norway.

The Secretariat of State for Foreign Affairs avails itself of this opportunity to renew to the Norwegian Embassy the assurances of its high consideration.

Beograd, 18 May 1966

Norwegian Embassy
Beograd

II

The Royal Norwegian Embassy presents its compliments to the Secretariat of State for Foreign Affairs of the Socialist Federal Republic of Yugoslavia and has the honour to refer to the Note of the Secretariat of State of May 18, 1966, which reads as follows :

[See note I]

The Embassy has the honour to confirm that the Government of Norway is in agreement with the contents of the Secretariat's Note. Therefore, the Note of the Secretariat of State and this reply shall constitute the Agreement on the avoidance

of double taxation of the enterprises engaging in air and maritime navigation concluded between the Kingdom of Norway and the Socialist Federal Republic of Yugoslavia.

The Royal Norwegian Embassy avails itself of this opportunity to renew to the Secretariat of State for Foreign Affairs the assurances of its highest consideration.

Beograd, June 18, 1966

The Secretariat of State for Foreign Affairs
of the Socialist Federal Republic of Yugoslavia
Beograd

[SEAL]