

No. 9663

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

**Exchange of notes constituting an agreement for the  
avoidance of double taxation on profits derived from  
air transport. Madrid, 21 December 1968**

*Authentic texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 24 June 1969.*

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

**Échange de notes constituant un accord tendant à éviter  
la double imposition des bénéfices provenant de  
l'exploitation de transports aériens. Madrid,  
21 décembre 1968**

*Textes authentiques: anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 24 juin 1969.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED KING-  
DOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND THE GOVERNMENT OF SPAIN FOR THE AVOID-  
ANCE OF DOUBLE TAXATION ON PROFITS DERIVED  
FROM AIR TRANSPORT.

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I

*Her Majesty's Ambassador at Madrid to the Minister for Foreign Affairs of Spain*

BRITISH EMBASSY  
MADRID

21 December, 1968

Your Excellency,

I have the honour to inform Your Excellency that, in order to avoid double taxation of profits derived from air transport, the Government of the United Kingdom of Great Britain and Northern Ireland propose an agreement in the following terms :

(1) The Government of Spain shall exempt United Kingdom undertakings devoted to the business of air transport from the corporation tax, and shall exempt members of the Boards of Administration of the said undertakings from the taxes on the earnings of personal work, and the dividends and interest which according to Spanish law are considered to be earned in Spain, from the taxes on income from capital.

(2) The Government of the United Kingdom shall exempt from income tax, corporation tax, and capital gains tax all profits derived by Spanish undertakings from the business of air transport.

(3) The expression "the business of air transport" means the business of transporting persons, goods or mail carried on by the owner, hirer or charterer of aircraft.

(4) The expression "United Kingdom undertakings" means the Government of the United Kingdom, and corporations and partnerships constituted under the laws in force in the United Kingdom and managed and controlled in the United Kingdom.

(5) The expression "Spanish undertakings" means the Government of Spain, and corporations and partnerships constituted under the laws in force in Spain and managed and controlled in Spain.

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<sup>1</sup> Came into force on 21 December 1968, in accordance with the provisions of the said notes.

(6) By mutual consent this agreement shall also apply to any identical or substantially similar taxes which are imposed by either contracting State after the date of this note in addition to or in place of the existing taxes referred to above.

(7) The exemption provided for in sub-paragraphs (1) and (2) above shall apply to all profits earned as from the 1st of January, 1968.

(8) The agreement may be terminated by either contracting Government by giving six months' notice in writing to the other.

If the foregoing proposal is acceptable to the Government of Spain, I have the honour to suggest that the present Note and Your Excellency's reply to that effect shall be regarded as constituting an agreement between the two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Alan WILLIAMS

## II

*The Minister for Foreign Affairs of Spain to Her Majesty's Ambassador at Madrid*

[SPANISH TEXT — TEXTE ESPAGNOL]

MINISTERIO DE ASUNTOS EXTERIORES,  
MADRID

21 de diciembre de 1968

Excelentísimo Señor:

Tengo la honra de acusar recibo a Vuestra Excelencia de su Nota de fecha de hoy que, debidamente traducida, dice lo siguiente:

“Tengo la honra de informar a Vuestra Excelencia que con el fin de evitar la doble imposición sobre los beneficios derivados de la navegación aérea, el Gobierno del Reino Unido de Gran Bretaña e Irlanda del Norte propone un acuerdo en los siguientes términos:

1) El Gobierno de España eximirá del impuesto sobre sociedades a las empresas del Reino Unido dedicadas a la actividad del transporte aéreo, de los impuestos sobre el rendimiento del trabajo personal a los miembros del Consejo de Administración de dichas empresas, y de los impuestos sobre las rentas del capital a los dividendos e intereses que, de acuerdo con la legislación española, se consideren obtenidos en España.

[TRANSLATION <sup>1</sup> — TRADUCTION <sup>2</sup>]

MINISTRY OF FOREIGN AFFAIRS  
MADRID

21 December, 1968

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which in translation reads as follows:

[*See note I*]

In reply, I have the honour to inform Your Excellency that the foregoing proposal is acceptable to the Government of Spain, who therefore agree that Your Excellency's Note together with this reply shall be regarded as constituting an agreement between the two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency the assurance of my high consideration.

Fernando M<sup>a</sup>. CASTIELLA

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<sup>1</sup> Translation by the Government of the United Kingdom.

<sup>2</sup> Traduction du Gouvernement du Royaume-Uni de Grande-Bretagne.