

No. 9406

**DENMARK
and
YUGOSLAVIA**

Exchange of notes constituting an agreement for the avoidance of double taxation of enterprises engaged in air and maritime traffic. Belgrade, 26 March and 11 April 1968

Authentic text : English.

Registered by Denmark on 14 February 1969.

**DANEMARK
et
YOUGOSLAVIE**

Échange de notes constituant une convention tendant à éviter la double imposition des entreprises de transports aériens et maritimes. Belgrade, 26 mars et 11 avril 1968

Texte authentique : anglais.

Enregistré par le Danemark le 14 février 1969.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
BETWEEN DENMARK AND YUGOSLAVIA FOR THE
AVOIDANCE OF DOUBLE TAXATION OF ENTREPRISES
ENGAGED IN AIR AND MARITIME TRAFFIC

I

AMBASSADE ROYALE DE DANEMARK
BELGRADE

The Royal Danish Embassy presents its compliments to the Secretariat of State for Foreign Affairs of the Socialist Federal Republic of Yugoslavia and, acting upon instructions from its Government, has the honour to submit the following proposal :

1. The Royal Government of Denmark, in exercising the authorization conferred on it by Act No. 74 of March 31, 1953 on the Conclusion of Agreements with Foreign States with a View to Avoiding Double Taxation, declares, under reservation of reciprocity, that Yugoslav enterprises engaged in air and maritime traffic are exempt in Denmark from all income taxes and taxes on benefits ; derived from their engaging in such traffic ; this exemption covers also taxes on movable property, including vessels and aircraft used by such enterprises.

2. The Government of the Socialist Federal Republic of Yugoslavia, in exercising the authorization conferred on it under Article 73 of the Basic Law on Taxes, declares, under reservation of reciprocity, that Danish enterprises engaged in air and maritime traffic are exempt in Yugoslavia from all income taxes and taxes on benefits derived 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 applies also to income derived by Danish and Yugoslav civil aviation enterprises participating in a " pool ", joint venture or in an international agency engaged in traffic.

4. The term " engaged in air and maritime traffic " relates to the professional transportation of persons or goods by the owner, charterer or leaseholder of aircraft and vessels.

5. The term " Danish enterprises " means enterprises engaged in air and maritime traffic whose head offices are located in Denmark and which are run

¹ Came into force on 11 April 1968 by the exchange of the said notes.

either by physical persons residing in Denmark and not residing in Yugoslavia, or by societies of persons or capital founded in conformity with Danish legislation, including societies in which the Danish Government holds shares.

The term " Yugoslav enterprises " means enterprises engaged in air or maritime traffic whose head offices are located in Yugoslavia and which are run by societies of persons or capital founded in conformity with Yugoslav legislation, having their seat in Yugoslavia and not having their seat in Denmark, including such societies in which the Yugoslav State holds shares.

6. The exemption provided for under paragraphs 1, 2 and 3 applies to income derived by Danish and Yugoslav enterprises for all calendar years commencing after December 31, 1964.

7. The Government of Denmark or the Government of Yugoslavia reserve the right to withdraw this declaration at the end of a calendar year by written notice submitted not later than 6 months in advance ; in that event the exemption shall apply for the last time to income derived by Danish and Yugoslav enterprises for that calendar year.

If this proposal is acceptable to the Yugoslav Government, this Note together with the reply of the Secretariat of State for Foreign Affairs in confirmation thereof shall be regarded as constituting an Agreement for the avoidance of double taxation of enterprises engaged in air and maritime traffic, concluded between the Kingdom of Denmark and the Socialist Federal Republic of Yugoslavia.

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

Belgrade, March 26, 1968

Secretariat of State for Foreign Affairs
of the S.F.R.Y.
Belgrade

II

The Secretariat of State for Foreign Affairs of the Socialist Federal Republic of Yugoslavia presents its compliments to the Embassy of Denmark and has the honour to refer to the Embassy's Note of March 26th which reads as follows :

[See note I]

The State Secretariat has the honour to confirm that the Government of the Socialist Federal Republic of Yugoslavia is in agreement with the contents of the Embassy's Note. Therefore, the Embassy's Note and this reply shall constitute an Agreement for the avoidance of double taxation of enterprises engaged in air and maritime traffic, concluded between the Socialist Federal Republic of Yugoslavia and the Kingdom of Denmark.

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

Beograd, April 11, 1968

To the Royal Danish Embassy
Beograd