

No. 10607

**BELGIUM
and
ICELAND**

**Agreement for the avoidance of double taxation on the income
of airlines. Signed at Brussels on 9 July 1970**

Authentic texts: French, Dutch and Icelandic.

Registered by Belgium on 28 July 1970.

**BELGIQUE
et
ISLANDE**

**Convention tendant à éviter la double imposition des revenus
des entreprises de navigation aérienne. Signée à Bruxelles
le 9 juillet 1970**

Textes authentiques: français, néerlandais et islandais.

Enregistrée par la Belgique le 28 juillet 1970.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN BELGIUM AND DENMARK FOR
THE AVOIDANCE OF DOUBLE TAXATION ON THE
INCOME OF AIRLINES

His Majesty the King of the Belgians and
The President of the Republic of Iceland,

Desiring to avoid double taxation on income derived from air transport,
Have decided to conclude an Agreement based on the principle of reciprocity and have for that purpose appointed as their Plenipotentiaries :

His Majesty the King of the Belgians :

Mr. Pierre Harmel, Minister for Foreign Affairs,

The President of the Republic of Iceland :

Mr. Ingvi Ingvarsson, Chargé d'Affaires a.i. of Iceland

Who, having exchanged their full powers, found in good and due form, have agreed as follows :

Article 1

On the basis of article 141, paragraph 5, of the Belgian Income Tax Code, profits derived from the operation of aircraft in international traffic by airlines constituted in Iceland shall, subject to reciprocity, be exempt in Belgium from any tax on income levied for the State or its political sub-divisions. Furthermore, Belgium does not at present levy any tax on fortune or capital.

Article 2

On the basis of article 2, last paragraph, of Icelandic Act no. 90 on taxation of revenue and fortune and article 67 of Icelandic Act no. 51 concerning municipal revenues, profits derived from the operation of aircraft in international traffic by airlines constituted in Belgium and assets allocated to the operation of the said aircraft shall, subject to reciprocity, be exempt in Iceland from any tax on income or fortune levied for the State or its political sub-divisions.

Article 3

The expression "airlines constituted in Iceland" means air navigation enterprises operated, either by the State of Iceland or any company or partner-

¹ Came into force on 9 July 1970 by signature, in accordance with article 6.

ship—including companies in which the State of Iceland has an interest—which are constituted in conformity with the laws in force in Iceland and which have their actual head office in Icelandic territory.

Article 4

The expression “airlines constituted in Belgium” means air navigation enterprises operated, either by the Belgian State or any company or partnership—including companies in which the Belgian State has an interest—which are constituted in conformity with the laws in force in Belgium and which have their actual head office in Belgian territory.

Article 5

The expression “operation of aircraft in international traffic” means the carriage by air of persons or goods by the owners or charterers of aircraft, including sale of tickets.

Article 6

This Agreement shall enter into force after its signature and shall apply :

- In Belgium to profits earned during accounting years ending on or after 31 December 1965;
- In Iceland, to profits earned during accounting years ending on or after 31 December 1965 and to assets existing at the end of accounting years ending on or after 31 December 1965.

Article 7

This Agreement may be denounced by either of the two States, before 30 June of each calendar year, by notification to the other State through the diplomatic channel; in that event, the exemption shall last apply :

- In Belgium, to profits earned during accounting years ending not later than 31 December of the year of denunciation;
- In Iceland, to profits earned during the accounting years ending not later than the year of denunciation and to assets existing at the end of those accounting years.

IN WITNESS WHEREOF the Plenipotentiaries of the two States have signed this Agreement and have thereto affixed their seals.

DONE at Brussels, on 9 July 1970, in duplicate in the Dutch, French and Icelandic languages, the three texts being equally authentic.

For Belgium :

P. HARMEL

[SEAL]

For Iceland :

I. INGVARSSON

[SEAL]