

No. 10801

FRANCE
and
UNITED ARAB REPUBLIC

**Exchange of letters constituting an agreement for the avoidance of double taxation on income from air transport.
Cairo, 5 September 1968**

Authentic text: French.

Registered by France on 26 October 1970.

FRANCE
et
RÉPUBLIQUE ARABE UNIE

**Échange de lettres constituant un accord en vue d'éliminer les doubles impositions en matière de navigation aérienne.
Le Caire, 5 septembre 1968**

Texte authentique: français.

Enregistré par la France le 26 octobre 1970.

[TRANSLATION — TRADUCTION]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE FRENCH
REPUBLIC AND THE GOVERNMENT OF THE UNITED
ARAB REPUBLIC FOR THE AVOIDANCE OF DOUBLE
TAXATION ON INCOME FROM AIR TRANSPORT

I

Sir,

I have the honour to inform you that the Government of the French Republic, desiring to avoid double taxation on income from air transport, is prepared to conclude an agreement for that purpose with the Government of the United Arab Republic in the following terms:

I. (a) The French Government, in accordance with article 246 of the French *Code général des impôts* which authorizes, subject to reciprocity, the exemption of foreign air transport enterprises in France, shall exempt from French taxation all profits and income derived by enterprises of the United Arab Republic from the international operation of aircraft owned or chartered by them.

(b) The Government of the United Arab Republic, acting in virtue of the powers conferred upon it by Act No. 119 of 1963 amending Legislative Decree No. 169 of 1952, shall exempt from taxation of the United Arab Republic all profits and income derived by enterprises of the French Republic from the international operation of aircraft owned or chartered by them.

Distributions of income from the movable capital of these enterprises shall also be exempt from all taxation unless the beneficiary has his fiscal domicile in the United Arab Republic.

II. For the purposes of this agreement:

(a) The expression "French taxation" means the tax on the income of individuals, the complementary tax, the tax on the profits of companies and other bodies corporate, the tax deducted at the source on income from movable capital and all other taxes on profits and income that are or may become payable in France.

The expression "taxation of the United Arab Republic" means the tax on commercial and industrial profits, the tax on income from movable capital, the

¹ Came into force on 20 July 1970, the date of the exchange of notes indicating that both Parties had complied with the provisions in force in each of the two Contracting States, in accordance with article III.

general income tax and all other taxes on profits and income that are or may become payable in the United Arab Republic.

(b) The expression “enterprises of the French Republic” means air transport enterprises operated either directly by individuals resident in France and not resident in the United Arab Republic or associations of capital or of persons having their centre of actual management in France, or by the French State or companies in which the State has an interest.

The expression “enterprises of the United Arab Republic” means air transport enterprises operated either directly by individuals resident in the United Arab Republic and not resident in France or associations of capital or of persons having their centre of actual management in the United Arab Republic, or by companies in which the Government has an interest.

(c) The expression “international operation” means the international transport of passengers, cargo or mail carried out by the enterprises of one State in the other State, together with accessory receipts such as those deriving from the sale of tickets for the account of other air transport enterprises.

III. This agreement shall be approved in accordance with the provisions in force in each of the two Contracting States. It shall enter into force upon the exchange of notes indicating that both Parties have complied with these provisions. It shall apply to the profits and income earned as from 1 January 1964.

IV. This agreement shall remain in force indefinitely but may be denounced by either of the Contracting Parties provided the other Contracting Party is notified in writing six months in advance.

If the Government of the United Arab Republic agrees to the foregoing text, I suggest that this letter and your reply shall constitute the agreement desired by our two Governments.

Accept, Sir, etc.

[Signed]
JACQUES ROUX

5 September 1968.

His Excellency Mr. Ahmed El Sayed Chaaban
Under-Secretary of State of the Treasury
for Fiscal Affairs
Cairo

II

Sir,

In your letter of today's date, you have informed me of the following:

[See letter I]

I have the honour to inform you that the Government of the United Arab Republic agrees to the terms of the foregoing letter. That letter and this reply constitute the agreement desired by our two Governments.

Accept, Sir, etc.

[Signed]

AHMED EL SAYED CHAABAN

5 September 1968.

His Excellency Mr. Jacques Roux
Ambassador of France
to the United Arab Republic
Cairo
