

No. 14501

**UNITED STATES OF AMERICA
and
JORDAN**

Exchange of notes constituting an agreement for the avoidance of double taxation on earnings from operation of ships and aircraft. Amman, 17 April 1973 and 20 June 1974

Authentic text: English.

Registered by the United States of America on 31 December 1975.

**ÉTATS-UNIS D'AMÉRIQUE
et
JORDANIE**

Échange de notes constituant un accord visant à éviter une double imposition sur les bénéfices provenant de l'exploitation de navires et d'aéronefs. Amman, 17 avril 1973 et 20 juin 1974

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 31 décembre 1975.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND HASHE-
MITE KINGDOM OF JORDAN FOR THE AVOIDANCE OF
DOUBLE TAXATION ON EARNINGS FROM OPERATION OF
SHIPS AND AIRCRAFT

I

The American Ambassador to the Jordanian Minister of Foreign Affairs

Amman, April 17, 1973

No. 102

Excellency:

I have the honor to propose to Your Excellency an Agreement between our two Governments on the subject of reciprocal exemption from income tax of shipping and airlines of our respective countries.

1. The Government of the United States of America, in accordance with Sections 872 (B) and 883 (A) of its Internal Revenue Code of 1954, shall, on the basis of equivalent exemptions granted by the Government of the Hashemite Kingdom of Jordan to citizens of the United States of America and to corporations organized in the United States of America, exclude from gross income and exempt from income tax all earnings derived

(A) By a corporation organized in the Hashemite Kingdom of Jordan, or

(B) By an individual who is

(I) A citizen of the Hashemite Kingdom of Jordan and

(II) A non-resident alien as to the United States of America,

from the operation of a ship or ships documented, and from the operation of aircraft registered, under the laws of the Hashemite Kingdom of Jordan.

2. For the purpose of this Agreement:

(A) The expressions "operation of a ship or ships" and "operation of aircraft" mean the business or enterprise carried on by owners or charterers of a ship or ships, or of aircraft, as the case may be, of

(I) Transporting persons, including the embarking and debarking of passengers, or

(II) Transporting articles, mails, and other cargo, including the loading and unloading thereof, or

(III) Both (I) and (II).

(B) The term "earnings" means income derived from the activities described in subparagraph (A) hereof, including the sale of tickets in the United States of America. It also includes:

(I) Income derived by a domestic or international carrier from the lease of ships or aircraft either on a bareboat or full charter basis, if such lease is incidental to its business as a carrier, and

(II) Income derived from the use of and lease of containers or trailers for the inland transport of containers, and of other related equipment if such income is incidental to income derived from the activities described in subparagraph (A) hereof.

¹ Came into force on 20 June 1974, the date of the note in reply, in accordance with the provisions of the said notes.

3. The exclusions and exemptions provided for in paragraph (I)

- (A) Shall be accorded even though the corporation was resident in the United States of America by reason of engaging in trade or business therein at any time within the taxable year and even though the citizen was engaged in trade or business within the United States of America at any time within the taxable year, regardless of the activities constituting such trade or business;
- (B) Shall be applicable with respect to taxable years beginning on or after the first day of January 1972.

4. Either of the two Governments may terminate this agreement by giving to the other Government six months' prior notice of termination in writing and, in such event, the agreement shall cease to be effective for the taxable years beginning on or after the first day of January next following the expiration of the six-month period.

The Government of the United States of America will consider this Note, together with your Note of reply confirming that the Government of the Hashemite Kingdom of Jordan agrees to terms corresponding to those outlined above, as constituting an agreement between the two Governments, entering into force on the date of your reply Note.

Accept, Excellency, the renewed assurances of my highest consideration.

LEWIS DEAN BROWN

His Excellency Salah Abu Zayd
Minister of Foreign Affairs
Amman

II

The Jordanian Ministry of Foreign Affairs to the American Embassy

THE HASHEMITE KINGDOM OF JORDAN
MINISTRY OF FOREIGN AFFAIRS

Date 20/6/1974

Ref. No. TD/16/4090

The Ministry of Foreign Affairs of the Hashemite Kingdom of Jordan presents its compliments to the Embassy of the United States of America, and has the honour to reply to the Embassy's Note, reference No. 102 of April 17, 1973, and to confirm that the Hashemite Kingdom of Jordan agrees to the terms corresponding to those outlined in the said Note and considers this note with their note reference No. 102 of April 17, 1973, as constituting an agreement between the two Governments to provide reciprocal exemption from income tax of shipping and airlines of their respective countries.

The Ministry of Foreign Affairs of the Hashemite Kingdom of Jordan avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Embassy of the United States of America
Amman, Jordan

[Letter No. 40325/849]