

No. 14718

**DENMARK
and
REPUBLIC OF KOREA**

Exchange of notes constituting an agreement on the reciprocal tax exemption in respect of the operation of ships and aircraft in international traffic. Seoul, 18 September 1975

Authentic text: English.

Registered by Denmark on 19 April 1976.

**DANEMARK
et
RÉPUBLIQUE DE CORÉE**

Échange de notes constituant un accord concernant l'exonération fiscale réciproque des bénéfices provenant de l'exploitation de navires et d'aéronefs en trafic international. Séoul, 18 septembre 1975

Texte authentique : anglais.

Enregistré par le Danemark le 19 avril 1976.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF DENMARK AND THE
GOVERNMENT OF THE REPUBLIC OF KOREA ON THE
RECIPROCAL TAX EXEMPTION IN RESPECT OF THE
OPERATION OF SHIPS AND AIRCRAFT IN INTERNATIONAL
TRAFFIC

I

MINISTRY OF FOREIGN AFFAIRS
SEOUL

18th September 1975

Excellency,

I have the honour to confirm, on behalf of my Government, the following understandings reached recently between the representatives of the Government of the Republic of Korea and the Government of the Kingdom of Denmark concerning the reciprocal tax exemption in respect of the operation of ships and aircraft in international traffic.

1. The Government of the Republic of Korea, in accordance with its relevant laws and regulations, shall, on the basis of reciprocity, exempt a Danish resident or corporation from Korean taxes chargeable in the Republic of Korea on revenue or income derived by such resident or corporation from the operation of ships or aircraft in international traffic.

2. The Government of the Kingdom of Denmark, in accordance with its relevant laws and regulations, shall, on the basis of reciprocity, exempt a Korean resident or corporation from Danish taxes chargeable in the Kingdom of Denmark on revenue or income derived by such resident or corporation from the operation of ships or aircraft in international traffic.

3. The exemption under the provisions of paragraphs 1 and 2 above shall likewise be applied in respect of participations in a pool, in a joint business or in an international operation agency of any kind by a resident or corporation of the Republic of Korea or the Kingdom of Denmark engaging in the operation of ships or aircraft in international traffic.

In such a case, the exemption of taxes as provided for in paragraphs 1 and 2 shall be applied only with respect to the revenue or income shared by a resident or corporation of the Republic of Korea or the Kingdom of Denmark.

4. For the purpose of this Agreement:

(a) The term "Korean taxes" means income tax, corporation tax and other taxes on revenue or income which are or may be chargeable in the Republic of Korea;

(b) The term "Danish taxes" means income tax, corporation tax and other taxes on revenue or income which are or may be chargeable in the Kingdom of Denmark;

(c) The term "resident or corporation of the Republic of Korea" referred to in paragraph 2 means any individual who is a resident of the Republic of Korea for the

¹ Came into force on 18 September 1975, the date of the note in reply, in accordance with the provisions of the said notes.

purpose of tax of the Republic of Korea and not a resident of the Kingdom of Denmark for the purpose of tax of the Kingdom of Denmark or any corporation (including any entity treated as a corporation for the purpose of tax of the Republic of Korea) which has its head or main office in the Republic of Korea;

(d) The term "resident or corporation of the Kingdom of Denmark" referred to in paragraph 1 means any individual who is a resident of the Kingdom of Denmark for the purpose of tax of the Kingdom of Denmark and not a resident of the Republic of Korea for the purpose of tax of the Republic of Korea or any corporation (including any entity treated as a corporation for the purpose of tax of the Kingdom of Denmark) which has its head or main office in the Kingdom of Denmark.

5. The exemption of taxes as provided for in paragraphs 1 and 2 shall be applicable to revenue or income for the taxable periods, taxable years or business years beginning on or after January 1, 1975.

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

If Your Excellency would confirm, on behalf of your Government, that the aforesaid understandings are acceptable to the Government of the Kingdom of Denmark, this Note and Your Excellency's confirming Note in reply shall constitute an Agreement between our two Governments on this matter which shall enter into force from the date of Your Excellency's Note in reply.

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

DONG-JO KIM
Minister of Foreign Affairs

His Excellency Tyge Dahlgard
Ambassador Extraordinary and Plenipotentiary
of the Kingdom of Denmark to the Republic of Korea

II

18th September 1975

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of 18th September 1975 which reads as follows:

[See note I]

I have further the honour to confirm, on behalf of my Government, that the aforesaid understandings are acceptable to the Government of the Kingdom of Denmark and Your Excellency's Note and this Note shall constitute an Agreement between our two Governments which shall enter into force from the date of this reply.

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

TYGE DAHLGAARD
Ambassador

His Excellency Dong-Jo Kim
Minister of Foreign Affairs
Republic of Korea

III

MINISTRY OF FOREIGN AFFAIRS
SEOUL

18th September 1975

Excellency,

I have the honour to confirm, on behalf of my Government, the following understandings reached between the representatives of our two Governments in connection with the exchange of Notes of 18th September 1975 constituting an Agreement between the Governments of the Republic of Korea and the Kingdom of Denmark concerning the reciprocal tax exemption in respect of the operation of ships and aircraft in international traffic:

The Government of the Republic of Korea, in accordance with its relevant laws and regulations, shall, on the basis of reciprocity, exempt a Danish resident or corporation from Korean taxes chargeable in the Republic of Korea on revenue or income derived during the period of 1st January 1968 to 31st December 1974 by such resident or corporation from the operation of ships or aircraft in international traffic in accordance with the rules laid down in Notes exchanged this day.

The Government of the Kingdom of Denmark, in accordance with its relevant laws and regulations, shall, on the basis of reciprocity, exempt a Korean resident or corporation from Danish taxes chargeable in the Kingdom of Denmark on revenue or income derived during the period of 1st January 1968 to 31st December 1974 by such resident or corporation from the operation of ships or aircraft in international traffic in accordance with the rules laid down in Notes exchanged this day.

If Your Excellency would confirm, on behalf of your Government, that the aforesaid understandings are acceptable to the Government of the Kingdom of Denmark, this Note and Your Excellency's confirming Note and reply shall constitute an Agreement between our two Governments on this matter which shall enter into force from the date of Your Excellency's Note in reply.

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

DONG-JO KIM
Minister of Foreign Affairs

His Excellency Tyge Dahlgaard
Ambassador Extraordinary and Plenipotentiary
of the Kingdom of Denmark to the Republic of Korea

IV

18th September 1975

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of 18th September 1975 which reads as follows:

[*See note III*]

I have further the honour to confirm, on behalf of my Government, that the aforesaid understandings are acceptable to the Government of the Kingdom of Denmark and Your Excellency's Note and this Note shall constitute an Agreement between our two Governments which shall enter into force from the date of this reply.

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

TYGE DAHLGAARD
Ambassador

His Excellency Dong-Jo Kim
Minister of Foreign Affairs
Republic of Korea