

No. 14962

**AUSTRALIA
and
ITALY**

**Agreement for the avoidance of double taxation of income
derived from international air transport. Signed at
Canberra on 13 April 1972**

Authentic texts: Italian and English.

Registered by Australia on 19 August 1976.

**AUSTRALIE
et
ITALIE**

**Accord visant à éviter la double imposition des revenus tirés
des transports aériens internationaux. Signé à Canberra
le 13 avril 1972**

Textes authentiques : italien et anglais.

Enregistré par l'Australie le 19 août 1976.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF ITALY AND THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM INTERNATIONAL AIR TRANSPORT

The Government of Italy and the Government of the Commonwealth of Australia, desiring to conclude an Agreement for the avoidance of double taxation of income derived from international air transport,

Have agreed as follows:

Article 1. (1) The existing taxes to which the Agreement applies are:

(a) in Italy:

- (i) the tax on income from movable wealth (*imposta sui redditi di ricchezza mobile*);
- (ii) the complementary tax (*imposta complementare progressiva sul reddito*);
- (iii) the tax on companies insofar as the tax is charged on income and not on capital (*imposta sulle società, per la parte che grava sul reddito e non sul patrimonio*); and
- (iv) the taxes on income imposed on behalf of provinces, municipalities and chambers of commerce (*imposte provinciali, comunali e camerali sul reddito*),

(hereinafter referred to as «Italian tax»).

(b) in Australia:

the Commonwealth income tax, including the additional tax upon the undistributed amount of the distributable income of a private company, (hereinafter referred to as «Australian tax»).

(2) This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes.

Article 2. (1) In this Agreement, unless the context otherwise requires:

(a) the term «Italy» means the Italian Republic;

(b) the term «Australia» includes any Territory of or under the authority of the Commonwealth of Australia and any Territory governed by it under a Trusteeship Agreement;

(c) the terms «Contracting State» and «other Contracting State» mean Italy or Australia, as the context requires;

(d) the term «Italian enterprise» means an enterprise that has its place of effective management in Italy;

(e) the term «Australian enterprise» means an enterprise that has its place of effective management in Australia;

(f) the term «enterprise of a Contracting State» means an Italian enterprise or an Australian enterprise, as the context requires;

¹ Came into force on 9 April 1976 by the exchange of the instruments of ratification, which took place at Rome, in accordance with article 4.

(g) the term «tax» means Italian tax or Australian tax, as the context requires;

(h) the term «operation of aircraft in international traffic» means the operation of aircraft for the carriage of persons, livestock, goods or mail between:

- (i) Italy and Australia;
 - (ii) Italy and any other country;
 - (iii) Australia and any other country;
 - (iv) countries other than Italy or Australia or places in any such country,
- and in respect of an enterprise engaged in such operations includes the sale of tickets for, and the provision of services connected with, such carriage, either for the enterprise itself or for any other enterprise engaged in such operations.

(2) In the application of the provisions of this Agreement in one of the Contracting States, any term used but not defined herein shall, unless the context otherwise requires, have the meaning which it has under the laws in force in that Contracting State relating to the taxes to which this Agreement applies.

Article 3. (1) Profits derived by an enterprise of a Contracting State from the operation of aircraft in international traffic or arising from the carriage by air of persons, livestock, goods or mail between places in that Contracting State, shall be exempt from tax in the other Contracting State.

(2) The exemption provided in paragraph (1) of this Article shall apply to a share of the profits from the operation of aircraft in international traffic derived by an enterprise of a Contracting State through participation in a pooled service, in a joint air transport operation or in an international operating agency.

Article 4. (1) This Agreement shall be ratified and the instruments of ratification shall be exchanged at Rome as soon as possible.

(2) This Agreement shall enter into force on the date of the exchange of the instruments of ratification and its provisions shall have effect:

- (a) in Italy, in respect of income assessable for any taxable period commencing on or after the first day of January 1966;
- (b) in Australia, for the year of income that commenced on the first day of July 1966 and subsequent years of income.

Article 5. This Agreement shall continue in effect indefinitely but either Contracting State may, on or before the thirtieth day of June in any calendar year after the year 1973, give notice of termination to the other Contracting State and in such event this Agreement shall cease to be effective:

- (a) in Italy, in respect of income assessable for any taxable period commencing on or after the first day of January in the calendar year next following that in which the notice of termination is given; and
- (b) in Australia, for the year of income commencing on the first day of July in the calendar year next following that in which the notice of termination is given, and subsequent years of income.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed the present Agreement.

DONE in duplicate at Canberra the 13th day of April, 1972 in the Italian and English languages, both texts being equally authoritative.

For the Government
of Italy:

PAOLO CANALI

For the Government
of the Commonwealth of Australia:

BILLY SNEDDEN
