

No. 16332

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**UNITED STATES OF AMERICA  
and  
INTERNATIONAL CIVIL AVIATION  
ORGANIZATION**

**Exchange of letters constituting an agreement relating to  
the reimbursement of income taxes. Montreal, 16 and  
21 February 1977**

*Authentic text: English.*

*Registered by the United States of America on 27 January 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ORGANISATION DE L'AVIATION CIVILE  
INTERNATIONALE**

**Échange de lettres constituant un accord relatif au rem-  
boursement de l'impôt sur le revenu. Montréal, 16 et  
21 février 1977**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 27 janvier 1978.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND THE  
INTERNATIONAL CIVIL AVIATION ORGANIZATION RELAT-  
ING TO THE REIMBURSEMENT OF INCOME TAXES

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I

REPRESENTATIVE OF THE UNITED STATES OF AMERICA  
TO THE INTERNATIONAL CIVIL AVIATION ORGANIZATION

Montreal, Canada, February 16, 1977

Dear Sir:

In response to the letter of December 1 from the Chief of the Finance Branch of ICAO, I have been authorized to inform you that the United States Government can reimburse the International Civil Aviation Organization (ICAO) for the sums utilized to reimburse personnel subject to payment of U.S. income tax in order to equalize the remuneration between such personnel and staff members of the ICAO not subject to national taxes. To do this, I propose below a formal agreement establishing the procedure:

“The United States Government understands that the International Civil Aviation Organization (ICAO) will reimburse ICAO staff members who are U.S. citizens, or otherwise liable to pay U.S. income taxes, for any U.S. income taxes paid on their income from ICAO, through a special suspense account. The U.S. Government will be obligated to pay a tax equalization charge to the ICAO to compensate this special suspense account. This charge will cover actual reimbursements made by ICAO to employees subject to U.S. income taxes. This agreement does not cover ICAO employees paid from voluntary funds.”

Your concurrence in the above paragraph by letter will constitute the agreement between the United States Government and the International Civil Aviation Organization formalizing the tax reimbursement procedure which will cover reimbursements beginning with taxes paid for calendar year 1976. This agreement shall enter into force upon receipt of your letter in reply.

Sincerely,

[Signed]

BETTY C. DILLON  
Minister Representative

The Secretary-General  
International Civil Aviation Organization  
Montreal

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<sup>1</sup> Came into force on 22 February 1977, upon receipt of the letter in reply, with retroactive effect from 1 January 1976, in accordance with the provisions of the said letters.

## II

INTERNATIONAL CIVIL  
AVIATION ORGANIZATION  
ORGANIZACIÓN DE AVIACIÓN  
CIVIL INTERNACIONAL

ORGANISATION DE L'AVIATION  
CIVILE INTERNATIONALE  
МЕЖДУНАРОДНАЯ ОРГАНИЗАЦИЯ  
ГРАЖДАНСКОЙ АВИАЦИИ

Montreal, Quebec, Canada, 21 February 1977

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Dear Mrs. Dillon,

Thank you for your letter of February 16, 1977, proposing a formal agreement by which the United States Government will compensate the International Civil Aviation Organization (ICAO) for the sums utilized to reimburse U.S. income taxes incurred by the staff members paid under its regular budget. You proposed agreement to the following text, which would establish the procedure:

[*See letter I*]

I am happy to indicate the concurrence of the International Civil Aviation Organization in the above text, on the understanding that it concerns all United States income taxes levied on ICAO income, and to acknowledge that this exchange of letters constitutes the agreement between the United States Government and the International Civil Aviation Organization formalizing the tax reimbursements procedures which will enter into force upon receipt of this letter and will cover reimbursements beginning with taxes paid for calendar year 1976.

Certified copies of your letter proposing this agreement, and of this reply, are enclosed.

The International Civil Aviation Organization expresses its appreciation for this action by the Government of the United States of America.

Sincerely yours,

[*Signed*]  
YVES LAMBERT  
Secretary-General

Mrs. Betty C. Dillon  
Representative of the United States of America  
on the Council of ICAO  
Montreal, Canada

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