

No. 16333

**UNITED STATES OF AMERICA
and
WORLD TOURISM ORGANIZATION**

**Exchange of letters constituting an agreement relating to
the reimbursement of income taxes. Madrid, 24 and
25 February 1977**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ORGANISATION MONDIALE DU TOURISME**

**Échange de lettres constituant un accord relatif au rembour-
sement de l'impôt sur le revenu. Madrid, 24 et 25 février
1977**

Texte authentique : anglais.

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

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
WORLD TOURISM ORGANIZATION RELATING TO THE RE-
IMBURSEMENT OF INCOME TAXES

I

EMBASSY OF THE UNITED STATES OF AMERICA

Madrid, February 24, 1977

Dear Mr. Secretary-General:

In response to your letter of February 18, 1977, to Walter H. Lubkeman, First Secretary of the American Embassy, Madrid, I have been authorized to inform you that the United States Government can reimburse the World Tourism Organization (WTO) 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 WTO not subject to national taxes. To do this, I propose below a formal agreement establishing the procedure:

“The United States Government understands that the World Tourism Organization (WTO) will reimburse WTO 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 WTO, through a special suspense account. The U.S. Government will be obligated to pay a tax equalization charge to the WTO to compensate this special suspense account. This charge will cover actual reimbursements made by WTO to employees subject to U.S. income taxes. This agreement does not cover WTO employees paid from voluntary funds.”

Your concurrence in the above paragraph by letter will constitute the agreement between the United States Government and the World Tourism Organization formalizing the tax reimbursement procedure which will cover reimbursements beginning with taxes paid for Calendar Year 1977. This agreement shall enter into force upon receipt of your letter in reply.

Sincerely yours,

[Signed]

WALKER A. DIAMANTI

Agency Director

Office of Transportation and Communications

Bureau of International Organization Affairs

Department of State

Washington, D.C.

The Honorable Robert C. Lonati
Secretary-General
World Tourism Organization
Madrid

¹ Came into force on 25 February 1977, the date of the letter in reply, with retroactive effect from 1 January 1977, in accordance with the provisions of the said letters.

II

ORGANISATION MONDIALE DU TOURISME
WORLD TOURISM ORGANIZATION
ORGANIZACIÓN MUNDIAL DEL TURISMO

THE SECRETARY-GENERAL

Madrid, 25 February 1977

Dear Mr. Diamanti,

Thank you for your letter of 24 February 1977 proposing a formal agreement by which the United States Government will compensate the World Tourism Organization (WTO) 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 World Tourism Organization in the above text, on the understanding that it concerns all U.S. income taxes levied on WTO income, and to acknowledge that this exchange of letters constitutes the agreement between the United States Government and the World Tourism Organization formalizing the tax reimbursements procedure which will enter into force upon receipt of this letter and will cover reimbursements beginning with taxes paid for Calendar Year 1977.

Yours sincerely,

[Signed]

ROBERT C. LONATI
Secretary-General

Mr. Walker A. Diamanti
Agency Director
Office of Transportation and Communications
Bureau of International Organization Affairs
Department of State
Washington, D.C.
