

No. 16321

**UNITED STATES OF AMERICA
and
UNIVERSAL POSTAL UNION**

**Exchange of letters constituting an agreement relating to the
reimbursement of income taxes. Geneva, 25 May 1976,
and Bern, 26 May 1976**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
UNION POSTALE UNIVERSELLE**

**Échange de lettres constituant un accord relatif au rembour-
sement de l'impôt sur le revenu. Genève, 25 mai 1976, et
Berne, 26 mai 1976**

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
UNIVERSAL POSTAL UNION RELATING TO THE REIM-
BURSEMENT OF INCOME TAXES

I

*The American Chargé d'Affaires ad interim, United States Mission
to International Organizations, to the Director General, Universal Postal Union*

May 25, 1976

Dear Mr. Director General:

I have been authorized to inform you that the United States Government can reimburse the Universal Postal Union 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 UPU not subject to national taxes. To do this, I propose below a formal agreement establishing the procedure:

“The United States Government understands the Universal Postal Union (UPU) will reimburse UPU staff members who are U.S. citizens or otherwise liable to pay U.S. income taxes levied on their UPU income, through a special suspense account. The U.S. Government will be obligated to pay a tax equalization charge as part of its annual payment to the UPU to compensate this special suspense account. This charge will cover actual reimbursements made by the UPU to employees subject to U.S. income taxes. This agreement does not cover UPU employees paid from voluntary funds.”

Your concurrence in the above paragraph by letter will constitute the agreement between the United States Government and the Universal Postal Union, formalizing the tax reimbursement procedure which will enter into force retroactively to January 1, 1975.

Sincerely,

[Signed]

MANUEL ABRAMS
Chargé d'Affaires a.i.

The Honorable M. I. Sobhi
Director General
Universal Postal Union
Bern, Switzerland

¹ Came into force on 26 May 1976 by the exchange of the said letters, with retroactive effect from 1 January 1975, in accordance with their provisions.

II

*The Director General, Universal Postal Union, to the American Chargé d'Affaires
ad interim, United States Mission to International Organizations*

UNION POSTALE UNIVERSELLE
LE DIRECTEUR GÉNÉRAL DU BUREAU INTERNATIONAL
BERNE¹

26 May 1976

Dear Mr. Abrams,

I wish to acknowledge your letter of 25 May 1976, in which you set forth the text proposed by the Department of State to establish a procedure for the refund to the Universal Postal Union (UPU) of the sums reimbursed by the Union to its staff members in respect of United States income tax.

This letter will serve to indicate my concurrence with the text proposed by the Department of State and the exchange of letters will serve to regulate the tax reimbursement procedure between the Government of the United States and the Universal Postal Union with effect from 1 January 1975.

Yours sincerely,

[Signed]
M. I. SOBHI

The Honorable Manuel Abrams
Chargé d'Affaires
United States Mission
Geneva

¹ Universal Postal Union
The Director General of the International Office
Bern.