

**No. 24078**

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**MEXICO  
and  
NETHERLANDS**

**Exchange of letters constituting an agreement for the avoidance of double taxation on income derived from the operation of ships in international traffic. The Hague, 18 October 1984**

*Authentic text: English.*

*Registered by Mexico on 30 April 1986.*

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**MEXIQUE  
et  
PAYS-BAS**

**Échange de lettres constituant un accord tendant à éviter la double imposition sur le revenu provenant de l'exploitation de navires affectés au transport international. La Haye, 18 octobre 1984**

*Texte authentique : anglais.*

*Enregistré par le Mexique le 30 avril 1986.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS FOR THE AVOIDANCE OF DOUBLE TAXATION ON INCOME DERIVED FROM THE OPERATION OF SHIPS IN INTERNATIONAL TRAFFIC

I

The Hague, October 18th, 1984

Mr. Minister,

Following instructions from my Government, I have the honour to express to Your Excellency its acceptance to enter into an Agreement with the Kingdom of the Netherlands for the avoidance of double taxation on income derived from the operation of ships in international traffic, in the following terms:

1. The earnings derived by a Mexican enterprise from the operation of a ship in international traffic, shall be exempt from income tax and any other taxes on profits within the territory of the Kingdom of the Netherlands.

2. The earnings derived by a Netherlands enterprise from the operation of a ship in international traffic, shall be exempt from income tax and any other taxes on profits within the territory of the United Mexican States.

3. The tax exemption provided in paragraphs 1 and 2 above shall also apply to the earnings referred to in those paragraphs derived by an enterprise from its participation in a pool, a joint business or an international operating agency.

4. For the purposes of this Agreement:

(a) The expression "Netherlands enterprise" means an enterprise carried on by the Government of the Kingdom of the Netherlands, or by a physical person or a corporation or other entity or body of persons deriving its status as such from the laws of the Kingdom of the Netherlands and resident in the Netherlands and not ordinarily resident in Mexico, whose principal business is the transportation of passengers, cargo and mail.

(b) The expression "Mexican enterprise" means an enterprise carried on by the Government of Mexico, or by a physical person or a corporation or other entity or body of persons deriving its status as such from the laws of Mexico and resident in Mexico and not ordinarily resident in the Netherlands, whose principal business is the transportation of passengers, cargo and mail.

(c) In relation to a Netherlands enterprise, the expression "international traffic" means any transport of passengers, cargo and mail by a ship in the course of a voyage that extends over more than one country except to the extent that the ship is

<sup>1</sup> Came into force on 1 August 1985, i.e., the first day of the second month following the date on which the Contracting Parties had notified each other (on 24 May and 10 June 1985) of the completion of the required constitutional procedures, in accordance with paragraph 7 of the said letters.

used principally to transport passengers, cargo and mail exclusively between places in Mexico.

(d) In relation to a Mexican enterprise, the expression “international traffic” means any transport of passengers, cargo and mail by a ship in the course of a voyage that extends over more than one country except to the extent that the ship is used principally to transport passengers, cargo and mail exclusively between places in the Netherlands.

5. As regards the application of this Agreement by one of the Contracting Parties, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting Party relating to the taxes which are subject to this Agreement.

6. (a) As regards the Kingdom of the Netherlands, the present Agreement shall apply to the part of the Kingdom which is situated in Europe only.

(b) The Agreement may be extended, either in its entirety or with the necessary modifications, to the Netherlands Antilles, if that country imposes taxes substantially similar in character to these to which this Agreement applies. Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed in notes to be exchanged through diplomatic channels.

7. This Agreement shall enter into force on the first day of the second month following the date on which the Contracting Parties have informed each other in writing that the procedures constitutionally required therefore in their respective countries have been fulfilled, and shall remain in force for an indefinite period.

8. This Agreement shall become effective with respect to taxable years and periods commencing on or after the date of entry into force.

9. Either Contracting Party may denounce this Agreement, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the third year following that of the entry into force. In such event, the Agreement shall cease to be effective for taxable years and periods commencing on or after the first of January in the calendar year next following that in which the notice is given.

Awaiting your advises in this regard, I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

[Signed]

Dr. ROBERTO CASELLAS  
Ambassador of Mexico

His Excellency Mr. H. van den Broek  
Minister of Foreign Affairs  
The Hague

## II

MINISTRY OF FOREIGN AFFAIRS  
THE HAGUE

## TREATIES DEPARTMENT

DVE/VV-284611

Mr. Ambassador,

I have the honour to refer to your letter of 18 October 1984, which reads as follows:

*[See letter I]*

I have the honour to inform you that the Government of the Kingdom of the Netherlands accepts the foregoing proposal for an agreement which will enter into force under the terms mentioned in paragraph 7 of your letter.

The Hague, 18 October 1984

*[Signed]*

H. VAN DEN BROEK  
The Minister for Foreign Affairs

His Excellency Dr. R. Casellas  
Ambassador of Mexico at The Hague

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