

No. 24670

AUSTRALIA
and
CHINA

Agreement for the avoidance of double taxation of income and revenues derived by air transport enterprises from international air transport. Signed at Beijing on 22 November 1985

Authentic texts: English and Chinese.

Registered by Australia on 10 April 1987.

AUSTRALIE
et
CHINE

Convention tendant à éviter la double imposition en matière de revenus provenant de l'exploitation de services de transports aériens internationaux. Signée à Beijing le 22 novembre 1985

Textes authentiques : anglais et chinois.

Enregistrée par l'Australie le 10 avril 1987.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF AUSTRALIA
AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF
CHINA FOR THE AVOIDANCE OF DOUBLE TAXATION OF
INCOME AND REVENUES DERIVED BY AIR TRANSPORT
ENTERPRISES FROM INTERNATIONAL AIR TRANSPORT

The Government of Australia and the Government of the People's Republic of China,

Desiring to conclude an Agreement for the avoidance of double taxation of income and revenues derived by air transport enterprises from international air transport,

Have agreed as follows:

Article 1. TAXES COVERED

The taxes to which this Agreement shall apply are:

- a) In the case of Australia: the income tax imposed under the federal law of the Commonwealth of Australia, including the additional tax upon the undistributed amount of the distributable income of a private company;
- (b) In the case of the People's Republic of China:
 - (i) The income tax concerning foreign enterprises; and
 - (ii) The consolidated industrial and commercial tax including any additional tax on that tax,

and 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 taxes referred to in sub-paragraph (a) or (b).

Article 2. GENERAL DEFINITIONS

(1) In this Agreement:

(a) The terms "Contracting State", "one of the Contracting States" and "other Contracting State" mean Australia or the People's Republic of China, the Governments of which have concluded this Agreement;

(b) The term "enterprise of one of the Contracting States" means an enterprise that is designated, under an Agreement made between the Governments of the Contracting States, to operate authorised scheduled air services between those States and that has its place of effective management in Australia or in the People's Republic of China; and

(c) The term "tax" means the taxes to which this Agreement applies by virtue of Article 1 and which are imposed by Australia or by the People's Republic of China,

as the context requires.

¹ Came into force on 14 November 1986, the date of the last of the notifications by which the Parties informed each other of the completion of the required procedures, in accordance with article 4.

(2) In the application of this Agreement by a Contracting State, any term not defined in this Agreement shall, unless the context otherwise requires, have the meaning which it has under the laws of that State relating to the taxes to which this Agreement applies.

Article 3. AIR TRANSPORT PROFITS AND REVENUES

(1) Profits and revenues from the operation of aircraft, including sales of tickets and documents relating to such operations, derived by an enterprise of one of the Contracting States shall be exempt from tax in the other Contracting State.

(2) Notwithstanding the provisions of paragraph (1), such profits and revenues may be taxed in the other Contracting State where they are profits and revenues derived from the carriage by aircraft of passengers, livestock, mail, goods or merchandise solely from one place in that other Contracting State to another place in that State.

(3) The provisions of paragraphs (1) and (2) shall apply in relation to the share of the profits and revenues from the operation of aircraft derived by an enterprise of one of the Contracting States through participation in a pool service, in a joint transport operating organisation or in an international operating agency.

Article 4. ENTRY INTO FORCE

The Government of each of the Contracting States shall give to the Government of the other Contracting State through the diplomatic channel written notice of the completion of the procedures required by its law to give this Agreement the force of law in Australia or in the People's Republic of China as the case may be. This Agreement shall enter into force on the date of the later of those notifications and thereupon shall have effect in respect of profits and revenues derived on or after 1 July 1984.

Article 5. TERMINATION

This Agreement shall continue in effect indefinitely but the Government of either of the Contracting States may give to the Government of the other Contracting State through the diplomatic channel six months prior written notice of termination and, in that event, this Agreement shall cease to be effective in relation to profits and revenues derived on or after 1 January in the calendar year next following that in which that period of six months expires.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Beijing this twenty-second day of November one thousand nine hundred and eighty-five in the English and Chinese languages, both texts being equally authentic.

For the Government
of Australia:

[Signed — Signé]

DAVID T. IRVINE

For the Government
of the People's Republic of China:

[Signed — Signé]

LIN RONGSHEN