

No. 24683

FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY

Agreement for the avoidance of double taxation in respect of income from the operation of international air services. Signed at Asunción on 27 January 1983

Authentic texts: German and Spanish.

Registered by the Federal Republic of Germany on 14 April 1987.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY

Accord tendant à éviter la double imposition en matière de revenus provenant de l'exploitation de lignes aériennes internationales. Signé à Asunción le 27 janvier 1983

Textes authentiques : allemand et espagnol.

Enregistré par la République fédérale d'Allemagne le 14 avril 1987.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE FEDERAL REPUBLIC OF GERMANY
AND THE REPUBLIC OF PARAGUAY FOR THE AVOIDANCE
OF DOUBLE TAXATION IN RESPECT OF INCOME FROM THE
OPERATION OF INTERNATIONAL AIR SERVICES

The Federal Republic of Germany and the Republic of Paraguay,
Desiring to avoid double taxation in respect of income from the operation of international air services,

Have agreed as follows:

Article 1. For the purposes of this Agreement,

1. The term "Contracting State" means the Federal Republic of Germany or the Republic of Paraguay;

2. The term "operation of international air services" means the commercial transport by air of persons, animals, goods and mail, including the sale of flight tickets and similar documents, by an enterprise which has its place of effective management in one of the Contracting States, except when such services are operated solely between places in the other Contracting State;

3. The term "airline" means those bodies corporate recognized by the private or public law of the Contracting States which operate international air services with their own or chartered aircraft;

4. The term "competent authority" means:

- In the case of the Federal Republic of Germany, the Federal Minister of Finance;
- In the case of the Republic of Paraguay, the Ministry of Finance.

Article 2. This Agreement shall apply to the following airlines:

- In the case of the Federal Republic of Germany, the German airline which has its effective place of management in the Federal Republic of Germany and is authorized in accordance with the Air Transport Agreement concluded between the two Contracting States on 26 November 1974;²
- In the case of the Republic of Paraguay, the Líneas Aéreas Paraguayas (LAP) or any Paraguayan airline designated by the competent authorities in accordance with the Air Transport Agreement concluded between the two Contracting States on 26 November 1974.

Article 3. Each Contracting State shall exempt the airline of the other Contracting State, as designated in article 2, from the following taxes and other charges:

In the case of the Federal Republic of Germany:

- Corporation tax;

¹ Came into force on 13 April 1985, i.e., 30 days after the exchange of the instruments of ratification, which took place at Bonn on 14 March 1985, with retroactive effect from 1 January 1979, in accordance with article 7 (2).

² United Nations, *Treaty Series*, vol. 1139, p. 211.

— Property tax;

— Trade tax;

In the case of the Republic of Paraguay:

— Income tax, including the tax levied on the income of non-residents;

— Corporation tax (*impuesto a determinadas entidades económicas*);

— Trade tax (*impuesto de patentes fiscales*); and

— Stamped-paper and stamp duty (Act 1003/64).

Article 4. 1. This Agreement shall also apply to such future taxes of an identical or similar nature as may subsequently supplement or replace those mentioned in article 3.

2. The competent authorities of the Contracting States shall, where necessary, notify each other of any amendments to their respective tax laws upon the promulgation of such amendments.

Article 5. The competent authorities of the Contracting States shall, where necessary, enter into an understanding to ensure that this Agreement is properly applied in a manner acceptable to both of them or to consider an amendment deemed to be necessary by one of the Parties.

Article 6. This Agreement shall apply also to *Land Berlin* provided that the Government of the Federal Republic of Germany does not make a declaration to the contrary to the Government of the Republic of Paraguay within the three months following the date of entry into force of this Agreement.

Article 7. 1. This Agreement is subject to ratification. The instruments of ratification shall be exchanged at Bonn as soon as possible.

2. This Agreement shall enter into force 30 days after the exchange of the instruments of ratification, with retroactive effect from 1 January 1979.

Article 8. This Agreement shall remain in force indefinitely, but either Contracting State may terminate it by giving six months' notice of its intention to do so through the diplomatic channel. In such event, it shall cease to have effect as regards taxes and other charges due in respect of the period beginning on 1 January of the following calendar year.

DONE at Asunción on 27 January 1983, in the German and Spanish languages, both texts being equally authentic.

For the Federal Republic of Germany:

WALTER L. GROENER

For the Republic of Paraguay:

ALBERTO NOGUES