

**No. 25660**

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**FRANCE  
and  
VENEZUELA**

**Agreement for the avoidance of double taxation in respect  
of shipping and air transport. Signed at Caracas on  
4 October 1978**

*Authentic texts: French and Spanish.*

*Registered by France on 23 February 1988.*

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**FRANCE  
et  
VENEZUELA**

**Convention afin d'éviter la double imposition en matière  
de transport maritime et aérien. Signée à Caracas le  
4 octobre 1978**

*Textes authentiques : français et espagnol.*

*Enregistrée par la France le 23 février 1988.*

## [TRANSLATION — TRADUCTION]

**AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FRENCH  
REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF  
VENEZUELA FOR THE AVOIDANCE OF DOUBLE TAXATION  
IN RESPECT OF SHIPPING AND AIR TRANSPORT**

The Government of the French Republic and the Government of the Republic of Venezuela,

Desiring to conclude an Agreement for the avoidance of double taxation in respect of the profits of shipping and air transport enterprises,

Having reviewed and verified the reciprocity of treatment accorded under the taxation system applicable to such enterprises,

Have agreed as follows:

*Article 1*

1. Subject to article 3 of this Agreement, all profits, income and capital gains derived by an enterprise of one of the States from the business of shipping and air transport in international traffic shall be exempt in the other State from all the taxes of that other State (except local taxes) which are, or may become, chargeable on profits, income and capital gains.

2. The provisions of this article shall also apply to profits from participation in a pool, a joint business or an international operating agency.

*Article 2*

This Agreement shall apply:

- (a) In the case of the French Republic, to its European and Overseas Departments;
- (b) In the case of Venezuela, to the continental and island territory of the Republic of Venezuela.

*Article 3*

1. The exemption provided for in article 1 shall apply to any enterprise of one of the States which on the date of signature of this Agreement operates scheduled service to a port or airport situated in the territory of the other State.

2. This exemption shall also apply, subject to agreement between the competent authorities of the two States and in accordance with the principle of real and effective reciprocity, to any shipping enterprise of either State which may, subsequent to the entry into force of this Agreement, operate a regular service to a port situated in the territory of the other State.

<sup>1</sup> Came into force on 30 June 1987, the date of the last of the notifications (effected on 30 July 1980 and 30 June 1987) by which the Parties informed each other of the completion of the required procedures, in accordance with article 6.

This exemption shall also apply to any air transport enterprise designated under the terms of the Air Transport Agreement between the French Republic and the Republic of Venezuela, signed at Caracas on 13 May 1954, or any bilateral instrument which may supersede it.

3. Any enterprise of one of the States which is exempt from tax under the provisions of this Agreement shall present to the competent authority of the other State, for statistical purposes only, an annual statement of its profits and losses from the business of shipping and air transport and any related operations in which it engaged in the other State.

#### *Article 4*

1. The two States shall endeavour to resolve by mutual agreement, through consultations, any difficulty or doubt arising out of the application of this Agreement.

2. Where direct consultations between the competent authorities prove necessary, they shall be held within a reasonable time after one State has requested them of the other State.

#### *Article 5*

For the purposes of this Agreement:

(a) The terms "one of the States" and "the other State" mean the French Republic or the Republic of Venezuela as the context requires.

(b) The term "enterprise of one of the States" means the Government of that State, an individual resident in that State and not resident in the other State, or a company or firm established under the law in force and having its place of effective management in that State.

(c) The term "business of shipping and air transport" means the business of transporting persons, livestock, goods or mail by the owner or charterer of ships or aircraft.

(d) The term "competent authority" means, in the case of Venezuela, the Revenue Department of the Ministry of Finance or its authorized representative, and, in the case of France, the Minister for the Budget or his authorized representative.

#### *Article 6*

Each State shall notify the other in writing through the diplomatic channel of the completion of the procedures required by its law to bring this Agreement into force. The Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect as regards profits, income or capital gains arising on or after 1 January 1977.

#### *Article 7*

This Agreement shall remain in force indefinitely, but either State may terminate it by giving six months' notice in writing to the other State through the diplomatic channel. In such event it shall cease to have effect as regards profits, income and capital gains arising after 31 December of the calendar year in which the notice of termination is given.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement. Done at Caracas on 4 October 1978 in duplicate in the French and Spanish languages, both texts being equally authentic.

For the Government  
of the French Republic:

[Signed]

CHRISTIAN CALVY  
Chargé d'affaires a.i.  
of France in Venezuela

For the Government  
of the Republic of Venezuela

[Signed]

GERMÁN NAVA CARRILLO  
Chargé d'affaires  
Ministry of Foreign Affairs