

No. 25935

**BELGIUM
and
PARAGUAY**

**Agreement for the avoidance of double taxation of income
derived from the operation of international air services.
Signed at Brussels on 3 July 1986**

Authentic texts: French, Dutch and Spanish.

Registered by Belgium on 12 May 1988.

**BELGIQUE
et
PARAGUAY**

**Accord tendant à éviter la double imposition des revenus
provenant de l'exploitation de services aériens interna-
tionaux. Signé à Bruxelles le 3 juillet 1986**

Textes authentiques : français, néerlandais et espagnol.

Enregistré par la Belgique le 12 mai 1988.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE REPUBLIC OF PARAGUAY FOR THE AVOIDANCE OF DOUBLE TAXATION ON INCOME DERIVED FROM THE OPERATION OF INTERNATIONAL AIR SERVICES

The Government of the Kingdom of Belgium and

The Government of the Republic of Paraguay,

Desiring to conclude an Agreement for the avoidance of double taxation of income derived 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 Kingdom of Belgium or the Republic of Paraguay as the case may be.

2. The term “operation of aircraft in international traffic” means any transport by air of persons, animals, goods or mail, including the sale of air tickets and other similar documents, by an air transport enterprise of a Contracting State, except when such transport is effected solely between places in the other Contracting State.

3. The term “air transport enterprises” means the private or public bodies corporate of a Contracting State which have their place of effective management in that State, which operate in international traffic aircraft belonging to, or chartered by, them and which are or will be designated under Article 3 of the Agreement between the Kingdom of Belgium and the Republic of Paraguay concerning scheduled air transport, signed at Asunción on 1 September 1972.²

4. The term “competent authority” means:

— In the case of the Kingdom of Belgium, the Minister of Finance or his authorized representative;

— In the case of the Republic of Paraguay, the Minister of Finance.

Article 2

1. This Agreement shall apply to the following taxes, duties and levies:

(a) In the case of the Kingdom of Belgium: the non-residents' tax;

(b) In the case of the Republic of Paraguay:

— Income tax, including the tax levied on the income of non-residents (*el impuesto a la renta, inclusive el impuesto a beneficiarios de rentas sin domicilio en el País*);

¹ Came into force on 1 July 1987, the date of the last of the notifications (effected on 25 February and 1 July 1987) by which the Parties informed each other of the completion of the required legal procedures, in accordance with article 5 (1).

² United Nations, *Treaty Series*, vol. 1428, p. 3.

- Corporation tax (*el impuesto a determinadas entidades económicas*);
- Trade tax (*el impuesto de patentes fiscales*);
- Stamp duties (*el impuesto en papel sellado y estampillas — Ley 1.003*).

2. The Agreement shall also apply to any identical or similar taxes, duties and levies which may be imposed after the date of signature of the Agreement in addition to, or in place of, the taxes, duties and levies referred to in paragraph 1.

The competent authorities of the Contracting States shall notify each other of any significant changes in their respective tax laws.

Article 3

Each Contracting State shall, on a basis of reciprocity and with respect to income or other taxable assets derived from the operation of aircraft in international traffic, exempt the air transport enterprises of the other Contracting State, specified in article 1.3, from the taxes, duties and levies covered by article 2.

Article 4

The competent authorities of the Contracting States shall, where necessary, confer in order to determine by mutual agreement the procedures for implementing the provisions of the foregoing articles and to agree on any amendment of this Agreement that might be deemed necessary by the Contracting States.

Article 5

1. This Agreement shall enter into force as soon as the Contracting States have notified each other, through the diplomatic channel, of the completion of the procedures required by their respective laws.

2. It shall apply to all taxes, duties and levies on income or other taxable assets derived from the operation of aircraft in international traffic accruing as from 1 January 1983.

Article 6

This Agreement shall remain in force for an indefinite period, but either Contracting State may denounce it provided that six months' notice is given through the diplomatic channel. In that event, the Agreement shall cease to apply to all taxes, duties and levies on income or other taxable assets derived from the operation of aircraft in international traffic accruing as from 1 January of the year following the expiry of such notice.

IN WITNESS WHEREOF the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement in duplicate, in the French, Dutch and Spanish languages, all texts being equally authentic.

DONE at Brussels on 3 July 1986.

For the Government
of the Kingdom of Belgium:
L. TINDEMANS

For the Government
of the Republic of Paraguay:
D. FLORENTIN