

1968 No. 572

INCOME TAX

**The Double Taxation Relief (Shipping and Air
Transport Profits) (Brazil) Order 1968**

Laid before the House of Commons in draft
Made - - - - - 8th April 1968

At the Court at Windsor Castle, the 8th day of April 1968

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the Commons House of Parliament in accordance with the provisions of section 347(6) of the Income Tax Act 1952(a), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of this Order :

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 347(1) of the said Income Tax Act 1952, as amended by section 64 of the Finance Act 1965(b), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows :—

1. This Order may be cited as the Double Taxation Relief (Shipping and Air Transport Profits) (Brazil) Order 1968.

2. It is hereby declared—

- (a) that the arrangements specified in the Schedule to this Order have been made with the Government of Brazil with a view to affording relief from double taxation in relation to income tax or corporation tax and taxes of a similar character imposed by the laws of Brazil ; and
- (b) that it is expedient that those arrangements should have effect.

W. G. Agnew

SCHEDULE

(1) The Government of Brazil shall in accordance with Article 22 of the Income Tax Regulations (Decree 58.400 of 10th May, 1965) exempt all income derived from the business of shipping and air transport in international traffic by United Kingdom undertakings engaged in such business from all taxes which are covered by the Federal income tax law and all similar Federal taxes on income or profits which are, or may become, chargeable in Brazil.

(2) The Government of the United Kingdom shall exempt all income derived from the business of shipping and air transport in international traffic by Brazilian undertakings engaged in such business from income tax and corporation tax and all other taxes on income or profits which are, or may become, chargeable in the United Kingdom.

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10.

(b) 1965 c. 25.

(3) (a) The expression "United Kingdom undertakings" means the Government of the United Kingdom and companies managed and controlled in the United Kingdom, provided that they have their Head Offices in the United Kingdom.

(b) The expression "Brazilian undertakings" means the Government of Brazil and companies managed and controlled in Brazil, provided that they are established in accordance with Brazilian law and have their Head Offices in Brazil.

(4) The exemptions provided for in paragraphs (1) and (2) above shall apply to all income earned from 1st January 1967.

(5) The exemptions from tax provided for in paragraphs (1) and (2) above shall continue until either

(a) Brazilian law ceases to provide for the exemption from tax referred to in paragraph (1) above, or

(b) the Government of the United Kingdom terminates the exemption from tax referred to in paragraph (2) above by giving six months' notice in writing to the Government of Brazil.

(6) This Agreement between the two Governments may be extended by a further Exchange of Notes to any territory for the international relations of which the Government of the United Kingdom are responsible.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under the arrangements with Brazil scheduled to this Order shipping and air transport profits derived from one country by an undertaking of the other country are (subject to certain conditions) to be exempt from tax in the former country.

The arrangements apply to income earned from 1st January 1967.

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