
STATUTORY INSTRUMENTS

1979 No. 301**INCOME TAX****The Double Taxation Relief (Shipping and Air Transport Profits) (Venezuela) Order 1979***Laid before the House of Commons in draft**Made - - - - - 14th March 1979*

At the Court at Buckingham Palace, the 14th day of March 1979

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 497(8) of the Income and Corporation Taxes Act 1970(a) and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of that draft:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 497 of the said Income and Corporation Taxes Act 1970 and section 39 of the Finance Act 1965(b), as amended, 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) (Venezuela) Order 1979.

2. It is hereby declared—

(a) that the arrangements specified in the Schedule to this Order have been made with the Government of the Republic of Venezuela with a view to affording relief from double taxation in relation to income tax, corporation tax or capital gains tax and taxes of a similar character imposed by the laws of Venezuela; and

(b) it is expedient that those arrangements should have effect.

N. E. Leigh,
Clerk of the Privy Council.

SCHEDULE

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF VENEZUELA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FOR THE AVOIDANCE OF DOUBLE TAXATION IN RESPECT OF SHIPPING AND AIR TRANSPORT.

The Government of the Republic of Venezuela and the Government of the United Kingdom of Great Britain and Northern Ireland;

Desiring to conclude an Agreement for the avoidance of double taxation in respect of the profits of undertakings engaged in the business of shipping and air transport;

Having examined and verified the reciprocity of treatment concerning the taxation of such undertakings;

Have agreed as follows:

ARTICLE 1

(1) Subject to Article 2 of this Agreement all profits, income and capital gains derived by an undertaking of one of the Contracting States from the business of shipping and air transport shall be exempt in the other Contracting State from all the taxes of that other Contracting State (other than municipal 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 the participation in a pool, a joint business or an international operating agency.

ARTICLE 2

(1) The exemption provided under Article 1 shall apply to an undertaking of one of the Contracting States which, at the date of signature of this Agreement, regularly serves a port or airport situated in the territory of the other Contracting State.

(2) This exemption shall also apply, subject to mutual agreement between the competent authorities of the Contracting States, to an undertaking of either Contracting State which may subsequently operate a regular service to a port or airport situated in the territory of the other Contracting State, or which may be designated under agreements between the Contracting States.

(3) All undertakings of each of the Contracting States which are exempt from tax in accordance with the provisions of this Agreement shall present to the competent authority of the other Contracting State, for statistical purposes only, an annual statement of the financial results of those enterprises from the business of shipping or air transport (and of any connected operations) carried out by them in the other Contracting State.

ARTICLE 3

The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulty or doubt arising out of the application of this Agreement. The competent authorities may communicate with each other for this purpose. Where it seems advisable for this purpose to have direct consultations, these shall take place within a reasonable time of a request for such consultations being made by the competent authority of either Contracting State to the competent authority of the other Contracting State.

ARTICLE 4

For the purposes of this Agreement:

- (a) The expressions "one of the Contracting States" and "the other Contracting State" mean the Republic of Venezuela or the United Kingdom of Great Britain and Northern Ireland as the context requires.
- (b) The expression "undertaking of one of the Contracting States" means the Government of that Contracting State, a physical person resident in that Contracting State and not resident in the other Contracting State and a company or partnership constituted under the laws in force and managed and controlled in that Contracting State.
- (c) The expression "the business of shipping and air transport" means the business of transporting persons, animals, goods and mail carried on by the owner or charterer of ships or aircraft.
- (d) The expression "competent authority" means, in the case of Venezuela, the Dirección General de Rentas or its authorised representative, and in the case of the United Kingdom, the Commissioners of Inland Revenue or their authorised representative.

ARTICLE 5

Each of the Contracting States 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 arising on or after 1 January 1977.

ARTICLE 6

This Agreement shall remain in force indefinitely, but it may be terminated by either Contracting Party by giving six months notice in writing to the other Contracting Party, and in such event shall cease to have effect as regards income, profits or capital gains arising after 31 December of the calendar year in which the notice is given.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Caracas, this eighth day of March 1978, in the Spanish and English languages, both texts being equally authoritative.

For the Government of the
Republic of Venezuela:

For the Government of the
United Kingdom of Great Britain
and Northern Ireland:

SIMÓN ALBERTO CONSALVI
Ministro de Relaciones
Exteriores

JOHN LANG TAYLOR
Ambassador

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under the arrangements with Venezuela scheduled to this Order shipping and air transport profits derived by an undertaking of one of the countries from the other country are to be exempt from tax in that other country provided that at the date of signature of the Agreement the undertaking regularly serves a port or airport in the territory of that other country. By mutual agreement between the competent authorities of the two countries, the exemption can be extended to an undertaking of either of the countries which commences regular services to the other country after the date of signature of the Agreement or which is designated by agreement by the two countries.

The arrangements apply to profits, income or capital gains arising on or after 1 January 1977.

SI 1979/301
ISBN 0-11-093301-X



780110933016