



(Translation)

GERMAN CONSULATE GENERAL FOR CANADA.

OTTAWA, 17 April, 1930.

SIR,—It being the desire of our respective Governments to avoid double taxation of income from the operation of ships, I have the honour to inform you that the German Government agrees to the following stipulations:

- (1) In respect of the German Reich, the German Government undertakes that, in accordance with paragraph 7 of the Reich Fiscal Code (Reichsabgabeneordnung), the income from the operation of ships owned or operated by persons resident, or corporations having their headquarters or seat of operations in Canada, shall be exempt from taxation.
- (2) In respect of the Dominion of Canada, the Canadian Government undertakes that, in accordance with the provisions of the Income War Tax Act, the income from the operation of ships owned or operated by persons resident, or corporations having their headquarters or seat of operations, in Germany, shall not be liable to taxation.
- (3) It is understood that the expression "operation of ships" means the business carried on by an owner of ships and that for the purpose of this definition the expression "owner" includes any charterer.
- (4) Exemption from taxation on the income derived from the operation of ships shall begin to be effective in respect of fiscal periods ending in the year 1928 and each year thereafter. It shall remain in force until rescinded by either party giving to the other notice one year in advance of the fiscal periods affected, or until otherwise rescinded by alteration of the fiscal laws of either country.
- (5) Taxes which have been paid more than a year from the date hereof shall not be refunded.

I have the honour to be, etc.,

LUDWIG KEMPF

German Consul-General for Canada.

The Right Honourable
the Secretary of State
for External Affairs,
Ottawa.