

EXCHANGE OF NOTES (March 29, 1932) recording an agreement between Canada and Italy providing for the reciprocal exemption from income tax of earnings derived from the operation of ships.

From the Secretary of State for External Affairs, Ottawa, to the Consul General of Italy, Ottawa.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OTTAWA, 29th March, 1932.

SIR,—It being the desire of the Canadian Government, as of the Government of His Majesty the King of Italy, to effect an arrangement for the reciprocal exemption of shipping profits from income tax, I have the honour to inform you that the Canadian Government agrees to the following undertaking:—

“Article 1.—In respect of Canada the Canadian Government undertakes that in accordance with the provisions of the laws of Canada relating to Income Tax, the income from the operation of ships, flying the Italian flag, and whose port of registry is in Italy, owned or operated by persons or corporations resident or domiciled in Italy and not resident or domiciled in Canada, shall not be liable to taxation, even if such persons or corporations keep representatives, agencies, branch or similar offices in the Dominion of Canada.

In respect of Italy, the Italian Government undertakes that in accordance with the existing laws of Italy, relating to Income Tax (*imposta sui redditi di Richezza Mobile*) the income from the operation of ships whose port of registry is in Canada, owned or operated by persons or corporations resident or domiciled in Canada, and not resident or domiciled in Italy, shall not be liable to taxation, even if such persons or corporations keep representatives, agencies, branch or similar offices in the Kingdom of Italy.

Article 2.—It is understood that the expression ‘operation of ships’ means the business carried on by an owner of ships and for the purpose of this definition the expression ‘owner’ includes any charterer.

Article 3.—It is also agreed that taxes on shipping profits which have been paid or are due as from January 1st, 1928, to one of the High Contracting Parties by any such person or corporation resident or domiciled in the country of the other, shall be refunded if a request for exemption is presented by the interested party directly or through a diplomatic or consular officer, within one year of the date hereof, or remitted as from the date on which the present agreement goes into effect.

Article 4.—The present agreement shall be effective for one year from the date hereof and thereafter indefinitely, subject to termination by twelve months’ notice by either party to the other of its intention to terminate the same.”

I have the honour to be, sir,

Your obedient servant,

O. D. SKELTON,

for Secretary of State for External Affairs.

Count D. ROGERI di VILLANOVA,
Consul General for Italy,
Ottawa.