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*The Canadian Chargé d'Affaires a.i. in the Argentine  
to the Minister of Foreign and Ecclesiastical Affairs*

CANADIAN EMBASSY

BUENOS AIRES, August 6, 1949.

No. 140

MR. MINISTER,

I have the honour to acknowledge receipt of Your Excellency's kind Note D.E.S. No. 1746, dated the 6th August, whose text is as follows:—

(See Note No. 1)

“Señor Encargado de negocios... distinguida”.

In communicating to Your Excellency the concurrence of the Canadian Government in the conditions set out in the transcribed note, I wish to call to Your Excellency's attention that:

1. The Canadian Government, by virtue of the authority granted by Section 4, paragraph (m) of the Income War Tax Act, being Chapter 97 of the Revised Statutes of Canada 1927, as amended, and by Section 10, sub-section (1), paragraph (c) of the Income Tax Act, being Chapter 52 of the Statutes of Canada for 1948, undertakes, on the condition of reciprocity, to exempt from income tax and from any other taxation on profits the revenue obtained by enterprises established in the Argentine Republic, from the operation of maritime and air navigation between Canada and any other country.

2. The term “operation of maritime and air navigation” means the business of transporting persons or things, carried on by owners or charterers of ships or aircraft.

3. By “enterprises established in the Argentine Republic” is meant individual physical persons, resident in the said country without domicile in Canada, who are engaged in the business of maritime and air transport, and stock companies or persons which have been formed in accordance with the laws of the Argentine Republic and which have their head office and central administration within its territory. Also included under that expression is the operation of maritime and air transport effected by the Argentine Government or by companies in which the Government may have an interest.

4. The exemption provided in paragraph 1. will be effective from the 1st day of January, 1946, and will continue indefinitely after that date, but may be terminated by either of the contracting States provided that at least six months' advance notice has been given, in which event the termination will become effective on the last day of January following the expiration of the six months' period.

It is understood that Your Excellency's Note D.E.S. No. 1746 of the 6th August, together with the present Note, shall constitute an Agreement between the two Governments for the avoidance of double taxation on shipping profits.

Accept, Excellency, the renewed assurances of my highest consideration.

LIONEL ROY.