

AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF
THE REPUBLIC OF CHILE FOR THE AVOIDANCE OF DOUBLE TAXATION OF
INCOME FROM THE OPERATION OF SHIPS AND AIRCRAFT

ARTICLE 1. The Government of Canada shall exempt a Chilean transportation enterprise from all taxes on capital relating to, and on income derived from the operation of ships or aircraft in international traffic.

ARTICLE 2. The Government of Chile shall exempt a Canadian transportation enterprise from all taxes on capital relating to, and on income derived from the operation of ships or aircraft in international traffic.

ARTICLE 3. The exemption provided in paragraphs 1 and 2 above shall also apply to income derived from, or capital relating to, the participation of a Canadian or Chilean transportation enterprise in a pool, a joint business or an international operating agency.

ARTICLE 4. For the purposes of this Agreement:

- a) The expression "Canadian Transportation enterprise" means an enterprise carried on by:
 - i) the Government of Canada,
 - ii) a physical person (other than a national of Chile) resident in Canada for the purposes of income taxes imposed by the Government of Canada, and not ordinarily resident in Chile, or,
 - iii) a corporation or other entity or group of persons deriving its status as such from the laws of Canada, and resident in Canada for the purposes of Canadian tax.