

*From the Secretary of State for External Affairs of Canada, to the Consul General  
of Germany in Canada.*

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OTTAWA, 17th April, 1930.

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

1. In respect of Canada the Canadian Government undertakes that in accordance with the provisions of the Income War Tax Act 1917, Revised Statutes of Canada 1927, Chapter 97, as amended, 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.

2. In respect of Germany the German Government undertakes that in accordance with paragraph 7 of the Reich Taxation Act 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 in like manner be exempt from 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. It is agreed that the exemption from income tax on the income derived from the operation of the aforementioned ships shall be deemed to be effective in respect of the income of fiscal periods ending in the year 1928 and each year thereafter until rescinded by either party giving to the other notice one year in advance of the fiscal periods affected, or until otherwise rescinded by the repeal of the income tax, or other applicable taxation laws, of either country.

5. It is further agreed that taxes which have been paid by persons resident, or corporations having their headquarters or seat of operations in the country of the other, and which have been paid more than a year from the date hereof, shall not be refunded.

I have the honour to be, etc.

For the Secretary of State for External Affairs,

O. D. SKELTON.

The German Consul-General,  
p.t. Ottawa.