



(Translation)

OTTAWA, 23rd September, 1929.

No. 3206.

Mr. SECRETARY OF STATE:

Inasmuch as it is the desire of our Governments to conclude an agreement for the mutual exemption of taxes on the revenue in some cases where profits accrue from the shipping business, I have the honour to inform you that the Government of Her Majesty, the Queen of the Netherlands, concurs in the following agreement:—

1. With respect to the Netherlands the Netherlands Government declares: that in accordance with the provisions of the Acts of the Netherlands governing the income (Act governing the income tax of the 19th of December, 1914, *Official Gazette*, No. 563, Act governing the defence tax II of the 28th of December, 1926, *Official Gazette* No. 430), the revenue accruing from the exploitation of vessels the property of, or used by persons or bodies, residing, or domiciled in Canada, shall be exempt from taxes, and that in accordance with the Netherlands Act governing the tax on dividends and percentages (Act governing the tax on dividends and percentages of the 11th of January, 1918, *Official Gazette* No. 4) the profits accruing from the exploitation of vessels, the property of or used by bodies domiciled in Canada, likewise shall be exempt from duty.
2. With respect to the Dominion of Canada, the Dominion Government declares that in accordance with the provisions of the Act governing the income tax of the year 1917 (war tax) Chapter 97 of the Canadian Acts of the year 1927 as amended, the revenue accruing from the exploitation of vessels, the property of, or used by persons or bodies residing, or domiciled in the Netherlands, shall be exempt from taxes.
3. It must be understood that by the expression "exploitation of vessels" is meant the business carried on by an owner of vessels and that in the application of this interpretation, the expression "owner" includes every freighter.
4. It has been agreed that the exemption from the tax on revenue accruing from the exploitation of the aforementioned vessels shall be considered to apply to the revenues of fiscal years ending with the year 1929, and of every subsequent year unless it is revoked by one of the parties who is required to give notice thereof to the other one year prior to the commencement of the respective fiscal year, or unless it is revoked in another manner by the repeal of the Acts governing the taxes on the revenues in either of the two countries.
5. It has further been agreed that taxes, paid by persons, or bodies residing or domiciled in the territory of the other party, more than a year prior to the date of the present agreement, will not be repaid.

Your obedient servant,

J. A. SCHURMAN,  
*Consul General for the Netherlands.*

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