

AGREEMENT

Agreement between His Majesty's Government in Canada and His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland providing for the Reciprocal Exemption from Income Tax of Earnings derived from the Operation of Ships.

His Majesty's Government in Canada and His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland being desirous of concluding an agreement for the reciprocal exemption from income tax in certain cases of profits accruing from the business of shipping, have agreed as follows:

ARTICLE 1.

His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland agree to take the necessary steps under Section 18 of the Act of Parliament of the United Kingdom known as the Finance Act, 1923, and Section 31 of the Act of Parliament of the United Kingdom known as the Finance Act, 1924, for exempting from Income Tax chargeable in the United Kingdom for the year of assessment 1929/30, commencing on the 6th day of April, 1929, and for every subsequent year of assessment, any profits which accrue from the business of shipping carried on by an individual resident in Canada and not resident in the United Kingdom or by a company managing and controlling such business in Canada.

ARTICLE 2.

His Majesty's Government in Canada agree to take the necessary steps under paragraph (m) of Section 4 of the Income War Tax Act, (Revised Statutes, 1927, Chapter 97), of the Parliament of Canada for exempting from income tax chargeable in the Dominion in respect of the income of the year 1929, or of fiscal periods ending in that year, and of each year thereafter, any profits which accrue from the business of shipping carried on by an individual resident in the United Kingdom and not resident in Canada, or by a company managing and controlling such business in the United Kingdom.

ARTICLE 3.

The expression "the business of shipping" means the business carried on by an owner of ships, and for the purpose of this definition the expression "owner" includes any charterer.