

EXCHANGE OF NOTES (NOVEMBER 26, 1951) BETWEEN CANADA AND THE UNION OF SOUTH AFRICA CONSTITUTING AN AGREEMENT CONCERNING THE AVOIDANCE OF DOUBLE TAXATION ON INCOME DERIVED FROM THE OPERATION OF SHIPS AND AIRCRAFT.

I

*The Minister of Finance of the Union of South Africa  
to the High Commissioner for Canada*

PRETORIA, November 26, 1951.

YOUR EXCELLENCY,

As the Government of the Union of South Africa and the Government of Canada desire to conclude an agreement for the avoidance of double taxation on the income derived from shipping and aircraft, I have the honour to inform you that the Government of the Union of South Africa are prepared to conclude an agreement with the Government of Canada in the following terms:

ARTICLE I

For the purpose of this agreement the expression:

"the business of sea or air transport" means the business of transporting by sea or by air persons, livestock, goods or mail carried on by the owner or charterer of ships or aircraft.

"Union Enterprises" means the Government of the Union of South Africa, physical persons ordinarily resident in the Union of South Africa and not ordinarily resident in Canada, and corporations and partnerships constituted under the laws of the Union of South Africa and managed and controlled in the Union of South Africa.

"Canadian Enterprises" means the Government of Canada, physical persons ordinarily resident in Canada and not ordinarily resident in the Union of South Africa, and corporations and partnerships constituted under the laws of Canada and managed and controlled in Canada.

ARTICLE II

- (1) The Government of the Union of South Africa shall exempt all income derived from the business of sea or air transport between the Union of South Africa and other countries by Canadian enterprises engaged in such business from income tax and all other taxes on income which are chargeable in the Union of South Africa.
- (2) The Government of Canada shall exempt all income derived from the business of sea or air transport between Canada and other countries by Union enterprises engaged in such business from income tax and all other taxes on income which are chargeable in Canada.

ARTICLE III

This agreement shall come into force upon notification of its terms by proclamation in the Government Gazette in terms of sub-section (2) of section ninety-four of Act No. 31 of 1941 of the Union of South Africa and shall thereupon have effect as respects all income derived on or after the 1st July, 1948.