

X

DOMINION OF CANADA

TREATY SERIES, 1932

No. 1

EXCHANGE OF NOTES

(March 29, 1932)

recording an Agreement

BETWEEN

CANADA AND ITALY

providing for the

RECIPROCAL EXEMPTION FROM INCOME TAX
OF EARNINGS DERIVED FROM
THE OPERATION OF SHIPS



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EXCHANGE OF NOTES (March 29, 1932) recording an agreement between Canada and Italy providing for the reciprocal exemption from income tax of earnings derived from the operation of ships.

From the Secretary of State for External Affairs, Ottawa, to the Consul General of Italy, Ottawa.

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA

OTTAWA, 29th March, 1932.

SIR,—It being the desire of the Canadian Government, as of the Government of His Majesty the King of Italy, to effect an arrangement for the reciprocal exemption of shipping profits from income tax, I have the honour to inform you that the Canadian Government agrees to the following undertaking:—

“Article 1.—In respect of Canada the Canadian Government undertakes that in accordance with the provisions of the laws of Canada relating to Income Tax, the income from the operation of ships, flying the Italian flag, and whose port of registry is in Italy, owned or operated by persons or corporations resident or domiciled in Italy and not resident or domiciled in Canada, shall not be liable to taxation, even if such persons or corporations keep representatives, agencies, branch or similar offices in the Dominion of Canada.

In respect of Italy, the Italian Government undertakes that in accordance with the existing laws of Italy, relating to Income Tax (*imposta sui redditi di Ricchezza Mobile*) the income from the operation of ships whose port of registry is in Canada, owned or operated by persons or corporations resident or domiciled in Canada, and not resident or domiciled in Italy, shall not be liable to taxation, even if such persons or corporations keep representatives, agencies, branch or similar offices in the Kingdom of Italy.

Article 2.—It is understood that the expression ‘operation of ships’ means the business carried on by an owner of ships and for the purpose of this definition the expression ‘owner’ includes any charterer.

Article 3.—It is also agreed that taxes on shipping profits which have been paid or are due as from January 1st, 1928, to one of the High Contracting Parties by any such person or corporation resident or domiciled in the country of the other, shall be refunded if a request for exemption is presented by the interested party directly or through a diplomatic or consular officer, within one year of the date hereof, or remitted as from the date on which the present agreement goes into effect.

Article 4.—The present agreement shall be effective for one year from the date hereof and thereafter indefinitely, subject to termination by twelve months’ notice by either party to the other of its intention to terminate the same.”

I have the honour to be, sir,

Your obedient servant,

O. D. SKELTON,

for Secretary of State for External Affairs.

Count D. ROGERI di VILLANOVA,
Consul General for Italy,
Ottawa.

From the Consul General of Italy, Ottawa, to the Secretary of State for External Affairs, Ottawa.

Consolato Generale d'Italia

Ottawa, Canada.

Ottawa, 29 Marzo 1932 (X).

Signor Segretario di Stato,

Essendo desiderio del Governo di S.M. il Re d'Italia nonchè del Governo Canadese di concludere un'accordo per la reciproca esenzione dei profitti marittimi dall'imposta sui redditi di Ricchezza Mobile, ho l'onore di informare la Signoria Vostra Onorevolissima che il Governo di Sua Maestà acconsente ad assumere i seguenti impegni:

Article I.—Nei riguardi dell'Italia il Governo Italiano si impegna conformemente alle disposizioni di legge vigenti in Italia circa l'imposta sui redditi di Ricchezza Mobile (Income Tax) a non assoggettare a tale imposta i redditi provenienti dall'esercizio di navi iscritte in un porto del Canada, armate o esercitate da persone o società residenti o domiciliate nel Canada, e non residenti o domiciliate in Italia, quand'anche dette persone o società mantengano nel Regno d'Italia rappresentanze, agenzie, succursali o uffici analoghi.

Nei riguardi del Canada il Governo Canadese si impegna in conformità alla disposizione di legge vigenti nel Canada in materia di Income Tax (imposta sui redditi Ricchezza Mobile), a non assoggettare a detta imposta i redditi provenienti dall'esercizio di navi, battenti la bandiera italiana ed iscritte in un porto del Regno d'Italia, armate o esercitate da persone o società residenti o domiciliate in Italia e non residenti e domiciliate nel Canada, quand'anche dette persone o società mantengano nel Dominio Canadese rappresentanze, agenzie, succursali od uffici analoghi.

Article II.—È inteso che la locuzione "esercizio di navi" si riferisce agli affari conclusi da un armatore di navi e che agli effetti di detta definizione la parola "armatore" comprende ogni e qualsiasi noleggiatore.

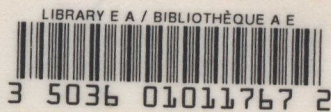
Article III.—Resta altresì convenuto che le imposte sui profitti marittimi pagate o altrimenti dovute dal 1° gennaio 1928 ad una delle Alte Parti Contraenti da persone o società residenti o domiciliate nel territorio dell'altra Parte Contraente verranno rimborsate, purchè l'interessato ne faccia domanda direttamente o a mezzo di un rappresentante diplomatico o consolare entro un anno dalla data del presente accordo, o condonate coll'entrata in vigore del presente accordo.

Article IV.—Il presente accordo avrà effetto per un anno dalla sua data e successivamente per un tempo indefinito, salvo a cessare di aver effetto dodici mesi dopo la sua denuncia per parte di una delle due Alte Parti Contraenti.

Voglia gradire, Signor Segretario di Stato, gli atti della mia più alta considerazione.

D. ROGERI
R. Console Generale d'Italia.

All'Onorevolissimo
Sig. Segretario di Stato
per gli Affari Esterni,
Ottawa, Canada.



(Translation)

CONSULATE GENERAL OF ITALY

OTTAWA, CANADA, 29 March, 1932.

Mr. SECRETARY OF STATE:

It being the desire of the Government of His Majesty, the King of Italy, to arrive at an agreement for the mutual exemption of the maritime profits from income tax, I have the honour to inform Your Excellency that His Majesty's Government assents to the following obligations:

Article I.—With regard to Italy the Italian Government engages, in accordance with the laws in force in Italy governing the income tax, to exempt from such tax the profits derived from the operation of vessels registered in a Canadian port, owned, or operated by persons, or companies, residing or domiciled in Canada, and not residing or domiciled in Italy, even if the said persons, or companies, should have representatives, agencies, branches, or similar offices in the Kingdom of Italy.

With regard to Canada the Canadian Government engages, in accordance with the laws in force in Canada governing the income tax, to exempt from such tax the profits derived from the operation of vessels flying the Italian flag and registered in a port of the Kingdom of Italy, owned or operated by persons, or companies residing or domiciled in Italy, and not residing or domiciled in Canada, even if the said persons or companies should have representatives, agencies, branches, or similar offices in the Dominion of Canada.

Article II.—It is agreed that the phrase "operation of vessels" shall refer to the business carried on by a ship-owner, and that, in accordance with this definition the word "ship-owner" shall include any and every kind of charterer.

Article III.—It is further agreed that the taxes on maritime profits which, since the 1st of January 1928, have been paid, or are owing to one of the High Contracting Parties by persons, or companies, residing or domiciled in the territory of the other Contracting Party, shall be reimbursed, provided the party interested apply directly therefor, or through the intermediary of a diplomatic or consular agent within one year from the date of the present agreement, or be remitted with the coming into force of the present agreement.

Article IV.—The present agreement shall be valid for the time of one year reckoned from its date, and thereafter, for an indefinite period, with the reservation that it shall become null and void twelve months after its denunciation by either one of the Contracting Parties.

Pray accept Mr. Secretary of State the expression of my highest consideration.

D. ROGERI,
Royal Italian Consul General.

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

