

DOMINION OF CANADA

TREATY SERIES, 1930

No. 2

EXCHANGE OF NOTES

(April 17, 1930)

recording an Agreement

BETWEEN

CANADA AND GERMANY

providing for the

RECIPROCAL EXEMPTION FROM INCOME TAX

OF EARNINGS

DERIVED FROM THE OPERATION OF SHIPS



OTTAWA  
F. A. ACLAND  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1931

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*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to be effective in respect of the income of fiscal periods ending in the year 1928 and each year thereafter until rescinded by either party giving to the other notice one year in advance of the fiscal periods affected, or until otherwise rescinded by the repeal of the income tax, or other applicable taxation laws, of either country.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.

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

Deutsches Generalkonsulat  
für Kanada.

z.Z. OTTAWA, den 17. April 1930.

HERR STAATSSSEKRETAER,—Da unsere beiderseitigen Regierungen den Wunsch hegen, die Doppelbesteuerung fuer Einkuenfte aus dem Schiff-fahrtsbetriebe zu vermeiden, habe ich die Ehre, Sie zu benachrichtigen, dass die Deutsche Regierung den folgenden Vereinbarungen zustimmt:

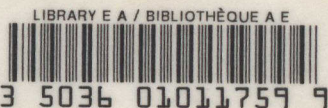
- 1) Hinsichtlich des Deutschen Reiches verpflichtet sich die Deutsche Regierung gemaess Paragraph 7 der Reichsabgabenordnung das, Einkommen aus dem betriebe von Schiffen, die in Kanada ansaessigen Personen oder Gesellschaften mit dem Ort der Leitung in Kanada gehoeren oder von ihnen betrieben werden, von der Einkommen- und Koerperschaftssteuer zu befreien.
  - 2) Hinsichtlich des Dominion Kanada verpflichtet sich die Kanadische Regierung gemaess den Bestimmungen des Income War Tax Act, das Einkommen aus dem Betriebe von Schiffen, die in Deutschland ansaessigen Personen oder Gesellschaften mit dem Ort der Leitung in Deutschland gehoeren oder von Ihnen betrieben werden, nicht der Besteuerung zu unterwerfen.
  - 3) Es besteht Uebereinstimmung darueber, dass unter "Betrieb von Schiffen" das Geschaefit zu verstehen ist, das von einem Schiffseigentuermer als solchem betrieben wird und dass der Ausdruck "Eigentuermer" auch den Charterer umfasst.
  - 4) Befreiung von der Steuer hinsichtlich des aus dem Schiffahrtsbetrieb herruehrenden Einkommens soll erstmalig fuer Steuerabschnitte gelten, die im Jahre 1928 und den folgenden Jahren enden. Sie soll solange in Geltung bleiben, bis sie von einem Teil aufgehoben wird, sei es, dass sie ein Jahr vor Beginn des betreffenden Steuerabschnittes dem anderen Teil gekuendigt wird, oder sei es, dass sie sonst durch Aenderung der in Betracht kommenden Steuergesetze eines der beiden Laender aufgehoben wird.
  - 5) Steuern, die vom heutigen Tage gerechnet vor mehr als einem Jahre bezahlt worden sind, werden nicht erstattet.
- Genehmigen Sie, Herr Staatssekretaer, die Versicherung meiner ausgezeichnetsten Hochachtung.

L. KEMPF,

*Deutscher Generalkonsul fuer Kanada.*

An  
den Sehr Ehrenwerten  
Herrn Staatssekretaer fuer  
Aeussere Angelegenheiten,  
Ottawa.





(Translation)

GERMAN CONSULATE GENERAL FOR CANADA.

OTTAWA, 17 April, 1930.

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

- (1) In respect of the German Reich, the German Government undertakes that, in accordance with paragraph 7 of the Reich Fiscal Code (Reichsabgabebestimmungen), 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 be exempt from taxation.
- (2) In respect of the Dominion of Canada, the Canadian Government undertakes that, in accordance with the provisions of the Income War Tax Act, 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.
- (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) Exemption from taxation on the income derived from the operation of ships shall begin to be effective in respect of fiscal periods ending in the year 1928 and each year thereafter. It shall remain in force until rescinded by either party giving to the other notice one year in advance of the fiscal periods affected, or until otherwise rescinded by alteration of the fiscal laws of either country.
- (5) Taxes which have been paid more than a year from the date hereof shall not be refunded.

I have the honour to be, etc.,

LUDWIG KEMPF

*German Consul-General for Canada.*

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

