STATUTORY INSTRUMENTS

1984 No. 362

INCOME TAX

The Double Taxation Relief (Air Transport Profits) (Algeria) Order 1984

Laid before the House of Commons in draft

Made - - - - 14*th March* 1984

At the Court at Buckingham Palace, the 14th day of March 1984

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the House of Commons in accordance with the provisions of section 497(8) of the Income and Corporation Taxes Act 1970**(a)**, and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of that draft:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by section 497 of the Income and Corporation Taxes Act 1970, and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1. This Order may be cited as the Double Taxation Relief (Air Transport Profits) (Algeria) Order 1984.

2. It is hereby declared—

(*a*) that the arrangements specified in the Agreement set out in the Schedule to this Order have been made with the Government of the Democratic and Popular Republic of Algeria with a view to affording relief from double taxation in relation to income tax, corporation tax or capital gains tax and taxes of a similar character imposed by the laws of Algeria; and

(*b*) that it is expedient that those arrangements should have effect.

N. E. Leigh,
Clerk of the Privy Council.

(a) 1970 c. 10; section 497 was amended and extended by sections 98(2) and 100(1) of the Finance Act 1972 (c. 41) and section 10 of the Capital Gains Tax Act 1979 (c. 14).

SCHEDULE

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM THE OPERATION OF INTERNATIONAL AIR SERVICES

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Democratic and Popular Republic of Algeria;

Desiring to avoid double taxation of income derived from the operation of international air services;

Have agreed as follows:

ARTICLE 1

For the purposes of this Agreement:

(*a*) The term "Contracting State" means the United Kingdom of Great Britain and Northern Ireland or the Democratic and Popular Republic of Algeria.

(*b*) The term "operation of a business in international traffic" means the business activity of transporting by air persons, animals, goods and mail, including the sale of travel tickets and similar documents carried on between airports situated in the United Kingdom of Great Britain and Northern Ireland and airports situated in the Democratic and Popular Republic of Algeria in accordance with the Air Services Agreement**(a)** in force.

(*c*) The term "air transport enterprise" means bodies corporate under the private or public law of the Contracting States carrying on the operation of a business in international traffic by means of aircraft owned or chartered by them.

(*d*) The term "competent authorities" means in the case of the United Kingdom of Great Britain and Northern Ireland the Commissioners of Inland Revenue or their authorised representative, and in the case of the Democratic and Popular Republic of Algeria the Director of Taxes of the Ministry of Finance or his authorised representative.

ARTICLE 2

This Agreement shall apply to the following air transport enterprises:

(*a*) in the case of the United Kingdom of Great Britain and Northern Ireland, the air transport enterprise managed and controlled in the United Kingdom operating regular air services between the United Kingdom of Great Britain and Northern Ireland and the Democratic and Popular Republic of Algeria and authorised in accordance with the Air Services Agreement concluded by the two Contracting States;

(*b*) in the case of the Democratic and Popular Republic of Algeria the national air transport company "*Air Algérie*" or any other company authorised in its stead or acting in the same capacity as the said company.

ARTICLE 3

Each Contracting State shall exempt the air transport enterprise of the other Contracting State referred to in the preceding Article in respect of income derived from the operation of a business in international traffic from the following taxes:

(a) Treaty Series No. 43 (1971), Cmnd. 4693.

(*a*) in the case of the United Kingdom of Great Britain and Northern Ireland:

(i) income tax;

(ii) corporation tax;

(iii) capital gains tax;

(*b*) in the case of the Democratic and Popular Republic of Algeria:

(i) the schedular taxes on income, namely the tax levied on industrial and commercial profits (B.I.C.);

(ii) the tax on capital gains;

(iii) the taxes assimilated in practice to the schedular tax on income, namely the tax on industrial and commercial activity (T.A.I.C.).

ARTICLE 4

This Agreement shall also apply to any identical or substantially similar taxes which may subsequently be added to or replace the taxes referred to above.

The competent authorities of the Contracting States shall notify each other of changes which have been made in their respective taxation laws, where necessary, at the time of enactment.

ARTICLE 5

The competent authorities of the two Contracting States shall consult together where necessary in order to determine, by mutual agreement and as far as is appropriate, the rules for the application of the preceding provisions and also to discuss any amendment to this Agreement which may be deemed necessary by either of them.

ARTICLE 6

This Agreement shall enter into force after the expiration of thirty days following the date on which the instruments of ratification are exchanged**(a)** and shall apply to income derived from the operation of aircraft in international traffic arising on or after 1 January 1976. Instruments of ratification shall be exchanged at London as soon as possible.

ARTICLE 7

The Agreement shall remain in force indefinitely, but either Contracting State may terminate it by giving six months' notice, such notice being communicated through the diplomatic channel in order that the termination shall have effect from 1 January of the following calendar year for taxes relating to that period.

In witness whereof the undersigned, being duly authorised thereto, have signed this Agreement in duplicate in the English and Arabic languages, each of the texts being equally authoritative.

Done at ALGIERS on 27 May 1981.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

BENJAMIN STRACHAN

For the Government of the Democratic and Popular Republic of Algeria:

SAADEDDINE BENOUNICHE

(a) Instruments of ratification were exchanged on 31 January 1984.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

Under the Agreement with Algeria scheduled to this Order income derived from the operation of a business in international traffic between the United Kingdom and Algeria by an air transport enterprise of the United Kingdom or Algeria is exempt from tax in the other country.

The Agreement applies to income arising on or after 1 January 1976.

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