DOUBLE TAXATION RELIEF

1960 No. 2419

The Double Taxation Relief (Air Transport Profits) (Iran) Order, 1960

Laid before the House of Commons in draft
Made - - - - 21st December, 1960

At the Court at Buckingham Palace, the 21st day of December, 1960

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order was laid before the Commons House of Parliament in accordance with the provisions of subsection (6) of section three hundred and forty-seven of the Income Tax Act, 1952(a), and an Address has been presented to Her Majesty by that House praying that an Order may be made in the terms of this Order:

Now, therefore, Her Majesty, in exercise of the powers conferred upon Her by subsection (1) of the said section three hundred and forty-seven 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) (Iran) Order, 1960.

2. It is hereby declared—

(*a*) that the arrangements specified in the Schedule to this Order have been made with the Government of Iran with a view to affording relief from double taxation in relation to income tax or profits tax and taxes of a similar character imposed by the laws of Iran; and

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

W. G. Agnew.

SCHEDULE

(1) The Government of Iran, in exercise of the powers conferred on them by Note 10 to Article 8 of the Income Tax Law approved on 5th April, 1956, shall exempt all income derived from the business of air transport between Iran and other countries by United Kingdom undertakings engaged in such business from income tax and all other taxes on income or profits which are or may become chargeable in Iran.

(2) The Government of the United Kingdom shall exempt all income derived from the business of air transport between the United Kingdom and other countries by Iranian undertakings engaged in such business from income tax and profits tax and all other taxes on income or profits which are or may become chargeable in the United Kingdom and shall take the necessary action under Section 347 of the Act of Parliament of the United Kingdom known as the Income Tax Act, 1952, with a view to giving the force of law to the exemption aforesaid.

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10.

(3) The expression "the business of air transport" means the business of transporting passengers, cargo or mail carried on by the owner or charterer of aircraft.

(4) The expression "United Kingdom undertakings" means the Government of the United Kingdom, or physical persons resident in the United Kingdom and not resident in the Kingdom of Iran, and corporations and companies constituted under the laws of the United Kingdom and managed and controlled in the United Kingdom.

(5) The expression "Iranian undertakings" means the Government of Iran, or physical persons resident in Iran and not resident in the United Kingdom, and corporations and companies constituted under the laws of Iran and managed and controlled in Iran.

(6) The exemption provided for in paragraphs (1) and (2) above shall also apply to all income earned as from 1st January, 1957.

(7) This Agreement may be terminated by either Government giving six months' notice in writing to the other.

EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport.)

The arrangements with Iran which are scheduled to this Order provide that air transport profits derived from one country by a resident of the other country are (subject to certain conditions) to be exempt from tax in the former country.

The arrangements apply to profits earned on or after 1st January, 1957.