STATUTORY INSTRUMENTS

1969 No. 378

INCOME TAX

The Double Taxation Relief (Air Transport Profits) (Spain) Order 1969

Laid before the House of Commons in draft

Made - - - 18*th March* 1969

At the Court at Buckingham Palace, the 18th day of March 1969

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 section 347(6) 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 section 347(1) of the said Income Tax Act 1952, as amended by section 39 and section 64 of the Finance Act 1965(**b**), 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) (Spain) Order 1969.

2. It is hereby declared—

(*a*) that the arrangements specified in the Schedule to this Order have been made with the Government of Spain 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 Spain; and

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

W. G. Agnew.

(**a**) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (**b**) 1965 c. 25.

SCHEDULE

(1) The Government of Spain shall exempt United Kingdom undertakings devoted to the business of air transport from the corporation tax, and shall exempt members of the boards of administration of the said undertakings from the taxes on the earnings of personal work, and the dividends and interest which according to Spanish law are considered to be earned in Spain, from the taxes on income from capital.

(2) The Government of the United Kingdom shall exempt from income tax, corporation tax, and capital gains tax all profits derived by Spanish undertakings from the business of air transport.

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

(4) The expression "United Kingdom undertakings" means the Government of the United Kingdom, and corporations and partnerships constituted under the laws in force in the United Kingdom and managed and controlled in the United Kingdom.

(5) The expression "Spanish undertakings" means the Government of Spain, and corporations and partnerships constituted under the laws in force in Spain and managed and controlled in Spain.

(6) By mutual consent this Agreement shall also apply to any identical or substantially similar taxes which are imposed by either Contracting State after 21st December 1968 in addition to or in place of the existing taxes referred to above.

(7) The exemption provided for in paragraphs (1) and (2) above shall apply to all profits earned as from 1st January 1968.

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

EXPLANATORY NOTE

(This Note is not part of the Order.)

The Schedule to this Order sets out the arrangements made with Spain, in Notes exchanged between the Contracting Governments on 21st December 1968, under which air transport undertakings of one country are to be exempt from tax in the other country.

The arrangements apply to profits earned from 1st January 1968.