STATUTORY INSTRUMENTS

1964 No. 278

INCOME TAX

The Double Taxation Relief (Shipping and Air Transport Profits) (Lebanon) Order 1964

Laid before the House of Commons in draft
Made - - - - 26th February 1964

At the Court at Buckingham Palace, the 26th day of February 1964

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 347 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 347 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 (Shipping and Air Transport Profits) (Lebanon) Order 1964.

2. It is hereby declared—

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

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

W. G. Agnew.

SCHEDULE

(1) The Government of the Lebanon shall exempt all income derived from the business of shipping and air transport between the Republic of the Lebanon 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 the Republic of the Lebanon.

(2) The Government of the United Kingdom shall exempt all income derived from the business of shipping and air transport between the United Kingdom and other countries by Lebanese undertakings engaged in such business from income tax and profits tax and all other taxes on income or profits which are,

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

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. They shall notify the Government of the Lebanon in writing when such action has been taken.

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

(4) The expression "United Kingdom undertakings" means the Government of the United Kingdom, physical persons resident in the United Kingdom and not resident in the Republic of the Lebanon, 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 "Lebanese undertakings" means the Government of the Lebanon, physical persons resident in the Republic of the Lebanon and not resident in the United Kingdom, and corporations and partnerships constituted under the laws in force in the Republic of the Lebanon and managed and controlled in the Lebanon.

(6) The exemption provided for in sub-paragraph (1) above shall apply to all income earned as from the 10th of April 1957; the exemption provided for in sub-paragraph (2) shall apply to all income earned from the 6th of April 1957.

(7) The provisions of this Agreement may be extended, by a further Exchange of Notes between the Government of the United Kingdom and the Government of the Lebanon, to any territory for whose international relations the Government of the United Kingdom are responsible.

(8) This Agreement may be terminated by either Party by giving six months' notice in writing to the other Party. The termination of the Agreement by either Party shall, unless otherwise expressly agreed by both Parties, terminate the application of the Agreement to any territory to which it has been extended in accordance with sub-paragraph (7) above.

EXPLANATORY NOTE

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

The arrangements with the Lebanon which are scheduled to this Order provide that shipping and 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 in the case of United Kingdom undertakings to income earned on or after 10th April 1957, and in the case of Lebanese undertakings to income earned on or after 6th April 1957.