

DOUBLE TAXATION: SHIPPING PROFITS

Exchange of notes at Brussels January 28, 1936

Entered into force January 28, 1936; operative from January 1, 1931

49 Stat. 3871; Executive Agreement Series 87

*The American Ambassador to the Prime Minister and Minister of Foreign
Affairs and Foreign Commerce*

EMBASSY OF THE
UNITED STATES OF AMERICA

BRUSSELS, *January 28, 1936*

EXCELLENCY:

I have the honor to inform you that, on condition of reciprocity, corporations, including maritime shipping companies, organized in Belgium, the vessels of which, documented under the laws of Belgium, call at American ports, either to load or to unload cargo, or to embark or to land passengers, shall be exempted by the Government of the United States from the payment of taxes on income or profits derived exclusively from the operation of such vessels.

This exemption shall apply even though a Belgian corporation or company has an agency or a branch office in the United States, provided that the activities of the agency or branch office be limited to the direct operation of vessels.

By "maritime shipping companies," shall be understood companies which are managed by an "owner" of vessels, the term "owner" including charterers.

The Government of the United States, on condition of reciprocity, shall likewise exempt from taxation the incomes of Belgian citizens, not residents in the United States, which consist exclusively of earnings derived from the operation of a vessel or vessels documented under the laws of Belgium.

Income or profits derived from the operation of vessels shall also include income or profits derived from the sale in the United States of steamship tickets issued by a Belgian corporation or company.

The exemption provided for above shall apply to profits or income received on or after January 1, 1931. The Government of the United States will, however, refund to a claimant taxes collected by it since January 1, 1931, subject to the statutory period of limitation against refunds.