

DOUBLE TAXATION: SHIPPING PROFITS

*Exchange of notes at Washington January 15, February 8, and
March 28, 1941*

Entered into force March 28, 1941; operative from January 1, 1936

55 Stat. 1363; Executive Agreement Series 221

The Panamanian Chargé d'Affaires ad interim to the Secretary of State

[TRANSLATION]

EMBASSY OF PANAMA
WASHINGTON

Number D-14

JANUARY 15, 1941

MR. SECRETARY:

I have the honor to inform Your Excellency that my Government, upon the basis of the principle of reciprocity, is very much interested in having the Treasury Department of the United States of America declare formally and officially that the revenues of shipping companies incorporated under Panamanian laws are exempt from income taxes.

I take pleasure in forwarding herewith to Your Excellency the documents, duly authenticated, which contain the legal provisions of the Republic of Panama by which shipping companies incorporated under the laws of the United States are exempted from any tax. I should be very grateful if Your Excellency—provided you deem fit—would transmit the above-mentioned provisions to the Treasury Department in order to obtain the declaration desired by my Government. The documents which are being forwarded are the following:

- a) officially issued booklet containing all the laws and decrees which show that the Republic of Panama does not impose taxes upon the shipping industry of the United States;
- b) copy of Executive Resolution No. 33-bis, of 1936, and
- c) certificate of the Secretary of State in the Office of Hacienda and Treasury, in which it is expressly stated that "the merchant ships of the United States of America or of citizens of that country" are exempt from the income tax.