

DOUBLE TAXATION: SHIPPING PROFITS

Exchange of notes at Washington September 13, October 19, and November 27, 1926

Entered into force November 27, 1926; operative from January 1, 1921

Made applicable to the Netherlands Indies by exchange of notes

*March 8, May 23, and November 8, 1939*¹

*Suspended January 1, 1947*²

47 Stat. 2601; Executive Agreement Series 11

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

DEPARTMENT OF STATE

WASHINGTON, *September 13, 1926*

SIR:

The Department informs you of the receipt of a communication from the Treasury Department regarding the draft of a Royal Decree, with English translation, to be issued by Her Majesty the Queen of the Netherlands, relative to the prevention of double taxation on income derived exclusively from the operation of ships, which was left at the Treasury Department on July 29, 1926. The English translation of the proposed decree reads as follows:

"We, Wilhelmina, by the Grace of God, Queen of The Netherlands, Princess of Orange-Nassau etc. etc.

"Whereas it is provided in the Unique Section of the Law of June 26, 1926, (Statute book No. 209), that we reserve Ourselves under No. 2 to make provisions, on a basis of reciprocity, preventing double taxation on earnings derived from the operation of ships, corresponding with equivalent provisions existing in the laws of foreign nations; and

"Whereas under Section 213, litt. b, No. 8 of the Revenue Act of the United States no tax is imposed on the income of an alien individual non-resident in the United States or of a foreign corporation which consists exclusively of earnings derived from the operation of a ship or ships documented

¹ Not printed.

² For duration of convention of Apr. 29, 1948 (TIAS 1855, *post*, p. 225).