

UK/BRAZIL SHIPPING AND AIR TRANSPORT AGREEMENT
SIGNED 29 DECEMBER 1967

Entered into force 29 December 1967

Effective from 1 January 1967

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**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF BRAZIL FOR THE AVOIDANCE OF DOUBLE
TAXATION ON PROFITS DERIVED FROM SHIPPING AND AIR
TRANSPORT**

I.

Her Majesty's Charge d'Affaires at Rio de Janeiro to the Brazilian Minister for
Foreign Affairs

British Embassy,
Rio de Janeiro, 29 December, 1967

Your Excellency,

I have the honour to inform Your Excellency that, in order to avoid the double taxation of profits derived from shipping and air transport and to encourage maritime transport and commercial aviation between the United Kingdom of Great Britain and Northern Ireland and Brazil, the Government of the United Kingdom of Great Britain and Northern Ireland propose that: --

(1) The Government of Brazil shall in accordance with Article 22 of the Income Tax Regulations (Decree 58.400 of 10th May, 1965) exempt all income derived from the business of shipping and air transport in international traffic by United Kingdom undertakings engaged in such business from all taxes which are covered by the Federal income tax law and all similar Federal taxes on income or profits which are, or may become, chargeable in Brazil.

(2) The Government of the United Kingdom shall exempt all income derived from the business of shipping and air transport in international traffic by Brazilian undertakings engaged in such business from income tax and corporation tax and all other taxes on income or profits which are, or may become, chargeable in the United Kingdom.

(3)

(a) The expression "United Kingdom undertakings" means the Government of the United Kingdom and companies managed and controlled in the United Kingdom, provided that they have their Head Offices in the United Kingdom.

(b) The expression "Brazilian undertakings" means the Government of Brazil and companies managed and controlled in Brazil provided that they are established in accordance with Brazilian law and have their Head Offices in Brazil.

(4) The exemptions provided for in sub-paragraphs (1) and (2) above shall apply to all income earned from 1 January 1967.

(5) The exemptions from tax provided for in sub-paragraphs (1) and (2) above shall continue until either

(a) Brazilian law ceases to provide for the exemption from referred to in sub-paragraph (1) above, or

(b) the Government of the United Kingdom terminates the exemption from tax referred to in sub-paragraph (2) above by giving six months' notice in writing to the Government of Brazil.

If the foregoing proposals are acceptable to the Government of Brazil, I have the honour to suggest that the present Note and Your Excellency's reply in similar terms should be regarded as constituting an Agreement between the two Governments, which may be extended by a further Exchange of Notes to any territory for the international relations of which the Government of the United Kingdom are responsible.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Christopher Gandy

II.

The Brazilian Minister for Foreign Affairs to Her Majesty's Charge d'Affaires at
Rio de Janeiro

Ministry of Foreign Affairs
29 December, 1967

Sir,

I have the honour to acknowledge receipt of your Note of today's date which in translation reads as follows:

"I have the honour to inform Your Excellency that, in order to avoid the double taxation of profits derived from shipping and air transport and to encourage maritime transport and commercial aviation between the United Kingdom of Great Britain and Northern Ireland and Brazil, the Government of the United Kingdom of Great Britain and Northern Ireland propose that: --

"(1) The Government of Brazil shall in accordance with Article 22 of the Income Tax Regulations (Decree 58.400 of 10th May, 1965) exempt all income derived from the business of shipping and air transport in international traffic by United Kingdom undertakings engaged in such business from all taxes which are covered by the Federal income tax law and all similar Federal taxes on income or profits which are, or may become, chargeable in Brazil.

"(2) The Government of the United Kingdom shall exempt all income derived from the business of shipping and air transport in international traffic by Brazilian undertakings engaged in such business from income tax and corporation tax and all other taxes on income or profits which are, or may become, chargeable in the United Kingdom.

"(3)

(a) The expression "United Kingdom undertakings" means the Government of the United Kingdom and companies managed and controlled in the United Kingdom, provided that they have their Head Offices in the United Kingdom.

"(b) The expression "Brazilian undertakings" means the Government of Brazil and companies managed and controlled in Brazil provided that they are established in accordance with Brazilian law and have their Head Offices in Brazil.

"(4) The exemptions provided for in sub-paragraphs (1) and (2) above shall apply to all income earned from 1 January 1967.

"(5) The exemptions from tax provided for in sub-paragraphs (1) and (2) above shall continue until either

"(a) Brazilian law ceases to provide for the exemption from referred to in sub-paragraph (1) above, or

"(b) the Government of the United Kingdom terminates the exemption from tax referred to in sub-paragraph (2) above by giving six months' notice in writing to the Government of Brazil.

"If the foregoing proposals are acceptable to the Government of Brazil, I have the honour to suggest that the present Note and Your Excellency's reply in similar terms should be regarded as constituting an Agreement between the two Governments, which may be extended by a further Exchange of Notes to any territory for the international relations of which the Government of the United Kingdom are responsible.

"I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration."

In reply, I have the honour to inform you that the foregoing proposals are acceptable to the Government of Brazil, who therefore agree that your Note together with this reply should be regarded as constituting an Agreement between the two Governments in this matter.

I avail myself of this opportunity to renew to you the assurance of my highest consideration.

(For the Minister of State)
S. C. Da Costa.