

UK/CHINA AIR TRANSPORT AGREEMENT
SIGNED 10 MARCH 1981

Entered into force 4 September 1981

Effective in United Kingdom from 4 September 1981

Effective in China from 4 September 1981

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AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR THE RECIPROCAL AVOIDANCE OF DOUBLE TAXATION ON REVENUES ARISING FROM THE BUSINESS OF AIR TRANSPORT

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China;

Desiring to conclude an Agreement for the reciprocal avoidance of double taxation on revenues arising from the business of air transport;

Have agreed as follows:

Article 1

(1) The expression "Contracting Party" means the Government of the People's Republic of China, hereinafter referred to as China, or the Government of the United Kingdom of Great Britain and Northern Ireland, hereinafter referred to as the United Kingdom, as the context requires.

(2) The expression "the business of air transport" means the business of transporting persons, goods or mail, including the sale of travel tickets and documents relating to such transport, carried on by the owner or charterer of aircraft.

(3) The expression "Chinese undertakings" means enterprises managed and controlled in China designated to operate authorized scheduled air services between China and the United Kingdom.

(4) The expression "United Kingdom undertakings" means enterprises managed and controlled in the United Kingdom designated to operate authorized scheduled air services between the United Kingdom and China.

Article 2

(1) The Government of China shall exempt from any tax on revenues, income or capital gains which is, or may become, chargeable in China all revenues, income and capital gains derived by United Kingdom undertakings from the business of air transport.

(2) The Government of the United Kingdom shall exempt from any tax on profits, income or capital gains which is, or may become, chargeable in the United Kingdom all profits, income and capital gains derived by Chinese undertakings from the business of air transport.

Article 3

(1) Salaries, wages and other remuneration earned by a national of China in respect of services rendered to a Chinese undertaking as an officer or employee posted to the United Kingdom shall be exempt in the United Kingdom from income tax and from any tax which is or may become chargeable on income.

(2) Salaries, wages and other remuneration earned by a United Kingdom national in respect of services rendered to a United Kingdom undertaking as an officer or employee posted to China shall be exempt in China from income tax and from any other tax which is or may become chargeable on income.

Article 4

Each of the Contracting Parties shall notify the other in writing through the diplomatic channel of the completion of the procedures required by its law to bring this Agreement into force. The Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect as regards revenues, profits, income, capital gains and income to which Article 3 applies arising on or after the earliest date on which a Chinese undertaking or a United Kingdom undertaking commences operations in relation to authorized scheduled air services between China and the United Kingdom.

Article 5

This Agreement shall continue in force indefinitely but may be terminated by either Contracting Party by giving six months' notice in writing to the other Contracting Party.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Beijing this 10th day of March 1981, in the Chinese and English languages, both texts being equally authoritative.

**FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND**

P. Cradock

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

Lu Peijiang