

UK/LEBANON SHIPPING AND AIR TRANSPORT AGREEMENT
SIGNED 24 OCTOBER 1963

Entered into force 2 September 1964

Effective in United Kingdom from 6 April 1967

Effective in Lebanon from 10 April 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 THE REPUBLIC OF THE LEBANON CONSTITUTING AN
AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION ON PROFITS
DERIVED FROM SEA AND AIR TRANSPORT**

I.

THE PRIME MINISTER AND ACTING MINISTER FOR FOREIGN AFFAIRS OF THE
LEBANON TO HER MAJESTY'S AMBASSADOR AT BEIRUT

Beirut, October 24, 1963

Your Excellency,

I have the honour to inform Your Excellency that, in order to avoid 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 the Republic of the Lebanon, the Government of the Lebanon are prepared to conclude with the Government of the United Kingdom an agreement in the following terms:--

- (1) The Government of the Lebanon shall exempt all income derived from the business of shipping and air transport between the Republic of the Lebanon and other countries by United Kingdom undertakings engaged in such business from income tax and all other taxes on income or profits which are or may become chargeable in the Republic of the Lebanon.
- (2) The Government of the United Kingdom shall exempt all income derived from the business of shipping and air transport between the United Kingdom and other countries by Lebanese undertakings engaged in such business from income tax and profits tax and all other taxes on income or profits which are, or may become, chargeable in the United Kingdom and shall take the necessary action under Section 347 of the Act of Parliament of the United Kingdom known as the Income Tax Act, 1952, with a view to giving the force of law to the exemption aforesaid. They shall notify the Government of the Lebanon in writing when such action has been taken.
- (3) The expression "the business of shipping and air transport" means the business of transporting persons, goods or mail carried on by the owner or charterer of ships or aircraft.
- (4) The expression "United Kingdom undertakings" means the Government of the United Kingdom, physical persons resident in the United Kingdom and not resident in the Republic of the Lebanon, and corporations and partnerships constituted under the laws in force in the United Kingdom and managed and controlled in the United Kingdom.
- (5) The expression "Lebanese undertakings" means the Government of the Lebanon, physical persons resident in the Republic of the Lebanon and not resident in the United Kingdom, and corporations and partnerships constituted under the laws in force in the Republic of the Lebanon and managed and controlled in the Lebanon.

(6) The exemption provided for in sub-paragraph (1) above shall apply to all income earned as from the 10th of April, 1957; the exemption provided for in sub-paragraph (2) shall apply to all income earned from the 6th of April, 1957.

(7) The provisions of this Agreement may be extended, by a further Exchange of Notes between the Government of the United Kingdom and the Government of the Lebanon, to any territory for whose international relations the Government of the United Kingdom are responsible.

(8) This Agreement may be terminated by either Party by giving six months' notice in writing to the other Party. The termination of the Agreement by either Party shall, unless otherwise expressly agreed by both Parties, terminate the application of the Agreement to any territory to which it has been extended in accordance with sub-paragraph (7) above.

If the Government of the United Kingdom are prepared to accept the foregoing provisions, 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 in this matter, which shall take effect upon the date of receipt by the Government of the Lebanon of the notification referred to in sub-paragraph (2) of the first paragraph of this Note.

Please accept, etc.

Rachid Karamah

II.

HER MAJESTY'S AMBASSADOR AT BEIRUT TO THE PRIME MINISTER AND
ACTING MINISTER FOR FOREIGN AFFAIRS OF THE LEBANON

British Embassy, Beirut,
October 24, 1963

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of to-day's date which reads in translation as follows:

"I have the honour to inform Your Excellency that, in order to avoid 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 the Republic of the Lebanon, the Government of the Lebanon are prepared to conclude with the Government of the United Kingdom an agreement in the following terms:--

(1) The Government of the Lebanon shall exempt all income derived from the business of shipping and air transport between the Republic of the Lebanon and other countries by United Kingdom undertakings engaged in such business from income tax and all other taxes on income or profits which are or may become chargeable in the Republic of the Lebanon.

(2) The Government of the United Kingdom shall exempt all income derived from the business of shipping and air transport between the United Kingdom and other countries by Lebanese undertakings engaged in such business from income tax and profits tax and all other taxes on income or profits which are, or may become, chargeable in the United Kingdom and shall take the necessary action under Section 347 of the Act of Parliament of the United Kingdom known as the Income Tax Act, 1952, with a view to giving the force of law to the exemption aforesaid. They shall notify the Government of the Lebanon in writing when such action has been taken.

(3) The expression "the business of shipping and air transport" means the business of transporting persons, goods or mail carried on by the owner or charterer of ships or aircraft.

(4) The expression "United Kingdom undertakings" means the Government of the United Kingdom, physical persons resident in the United Kingdom and not resident in the Republic of the Lebanon, and corporations and partnerships constituted under the laws in force in the United Kingdom and managed and controlled in the United Kingdom.

(5) The expression "Lebanese undertakings" means the Government of the Lebanon, physical persons resident in the Republic of the Lebanon and not resident in the United Kingdom, and corporations and partnerships constituted under the laws in force in the Republic of the Lebanon and managed and controlled in the Lebanon.

(6) The exemption provided for in sub-paragraph (1) above shall apply to all income earned as from the 10th of April, 1957; the exemption provided for in sub-paragraph (2) shall apply to all income earned from the 6th of April, 1957.

(7) The provisions of this Agreement may be extended, by a further Exchange of Notes between the Government of the United Kingdom and the Government of the Lebanon, to any territory for whose international relations the Government of the United Kingdom are responsible.

(8) This Agreement may be terminated by either Party by giving six months' notice in writing to the other Party. The termination of the Agreement by either Party shall, unless otherwise expressly agreed by both Parties, terminate the application of the Agreement to any territory to which it has been extended in accordance with sub-paragraph (7) above.

If the Government of the United Kingdom are prepared to accept the foregoing provisions, 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 in this matter, which shall take effect upon the date of receipt by the Government of the Lebanon of the notification referred to in sub-paragraph (2) of the first paragraph of this Note."

In reply, I have the honour to inform Your Excellency that the foregoing proposals are acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland, who therefore agree that your Note together with this reply should be regarded as constituting an Agreement between the two Governments in this matter, which shall take effect on the date of receipt by the Lebanese Government of the notification referred to in sub-paragraph (2) of the first paragraph of Your Excellency's Note.

I avail, etc.

D. M. H. Riches