

UK/ETHIOPIA AIR TRANSPORT PROFITS AGREEMENT

SIGNED 1 FEBRUARY 1977

Entered into force 12 July 1978

Effective from 1 April 1973

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

No. 1

HER MAJESTY'S AMBASSADOR AT ADDIS ABABA TO THE ACTING MINISTER OF FINANCE OF ETHIOPIA

British Embassy,  
Addis Ababa  
1 February 1977

Your Excellency,

I have the honour to inform Your Excellency that, in order to avoid double taxation of profits derived from air transport, the Government of the United Kingdom of Great Britain and Northern Ireland propose an Agreement in the following terms:

(1) The Provisional Military Government of Socialist Ethiopia shall exempt from income tax and from any other tax on profits or income which is, or may become, chargeable in Ethiopia all profits and income derived from all air transport operations by a United Kingdom undertaking operating authorised scheduled air services between the United Kingdom and Ethiopia.

(2) The Government of the United Kingdom shall exempt from income tax, corporation tax, capital gains tax and from any other tax on profits or income which is, or may become, chargeable in the United Kingdom all profits and income derived from all air transport operations by an Ethiopian undertaking operating authorised scheduled air services between Ethiopia and the United Kingdom.

(3) The expression "air transport operations" means the transport of persons, animals, goods or mail by the owner or charterer of an aircraft including the sale of travel tickets and documents relating to such transport.

(4) The expression "authorised scheduled air services" means scheduled services authorised by the aeronautical authorities of Ethiopia and the United Kingdom.

(5) The expression "a United Kingdom undertaking" means Government of the United Kingdom, physical persons resident in the United Kingdom and not resident in Ethiopia and corporations and partnerships constituted under the laws in force in the United Kingdom whose place of effective management is in the United Kingdom.

(6) The expression "an Ethiopian undertaking" means the Provisional Military Government of Socialist Ethiopia, physical persons resident in Ethiopia and not resident in the United Kingdom, and corporations and partnerships constituted under the laws in force in Ethiopia whose place of effective management is in Ethiopia.

(7) Each Government 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 regard profits, income or capital gains arising on or after 1 April 1973.

(8) This Agreement may be terminated by either Government by giving six months' notice in writing to the other Government.

If the foregoing proposals are acceptable to the Provisional Military Government of Socialist Ethiopia I have the honour to suggest that the present Note and Your Excellency's reply to that effect shall be regarded as constituting an Agreement between the two Governments in this matter.

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

D. M. Day

No. 2

THE ACTING MINISTER OF FINANCE OF ETHIOPIA TO HER MAJESTY'S AMBASSADOR  
AT ADDIS ABABA

Ministry of Finance,  
Addis Ababa  
1 February 1977

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to inform Your Excellency that, in order to avoid double taxation of profits derived from air transport, the Government of the United Kingdom of Great Britain and Northern Ireland propose an Agreement in the following terms:

(1) The Provisional Military Government of Socialist Ethiopia shall exempt from income tax and from any other tax on profits or income which is, or may become, chargeable in Ethiopia all profits and income derived from all air transport operations by a United Kingdom undertaking operating authorised scheduled air services between the United Kingdom and Ethiopia.

(2) The Government of the United Kingdom shall exempt from income tax, corporation tax, capital gains tax and from any other tax on profits or income which is, or may become, chargeable in the United Kingdom all profits and income derived from all air transport operations by an Ethiopian undertaking operating authorised scheduled air services between Ethiopia and the United Kingdom.

(3) The expression "air transport operations" means the transport of persons, animals, goods or mail by the owner or charterer of an aircraft including the sale of travel tickets and documents relating to such transport.

(4) The expression "authorised scheduled air services" means scheduled services authorised by the aeronautical authorities of Ethiopia and the United Kingdom.

(5) The expression "a United Kingdom undertaking" means Government of the United Kingdom, physical persons resident in the United Kingdom and not resident in Ethiopia and corporations and partnerships constituted under the laws in force in the United Kingdom whose place of effective management is in the United Kingdom.

(6) The expression "an Ethiopian undertaking" means the Provisional Military Government of Socialist Ethiopia, physical persons resident in Ethiopia and not resident in the United Kingdom, and corporations and partnerships constituted under the laws in force in Ethiopia whose place of effective management is in Ethiopia.

(7) Each Government 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 regard profits, income or capital gains arising on or after 1 April 1973.

(8) This Agreement may be terminated by either Government by giving six months' notice in writing to the other Government.

If the foregoing proposals are acceptable to the Provisional Military Government of Socialist Ethiopia I have the honour to suggest that the present Note and Your Excellency's reply to that effect shall be regarded as constituting an Agreement between the two Governments in this matter."

In reply, I have the honour to inform Your Excellency that the foregoing proposals are acceptable to the Provisional Military Government of Socialist Ethiopia who agree that your Note together with this reply shall be regarded as constituting an Agreement between the two Governments in this matter.

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

Teferra Wolde Semait

