

No. 6785

**UNITED STATES OF AMERICA
and
ICELAND**

Exchange of notes constituting an agreement relating to relief from double taxation on earnings from operation of ships and aircraft. Washington, 21 and 27 December 1962

Official text: English.

Registered by the United States of America on 24 June 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

Échange de notes constituant une convention tendant à éviter la double imposition des gains provenant de l'exploitation de navires et d'aéronefs. Washington, 21 et 27 décembre 1962

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 24 juin 1963.

No. 6785. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ICELAND RELATING TO RELIEF FROM DOUBLE TAXATION ON EARNINGS FROM OPERATION OF SHIPS AND AIRCRAFT. WASHINGTON, 21 AND 27 DECEMBER 1962

I

The Secretary of State to the Ambassador of Iceland

DEPARTMENT OF STATE
WASHINGTON

December 21, 1962

Excellency :

I have the honor to refer to recent conversations between representatives of the Government of the United States of America and representatives of the Government of Iceland relating to the possibility of concluding an agreement between the two Governments with a view to granting, on a reciprocal basis, relief from double taxation on earnings derived from the operation of ships and aircraft. The Government of the United States of America agrees as follows :

1. The Government of the United States of America, in accordance with sections 872 (b) and 883 of its Internal Revenue Code of 1954, shall, on the basis of an equivalent exemption granted by the Government of Iceland to citizens of the United States of America and to corporations organized in the United States of America, exclude from gross income and exempt from income tax all earnings derived

(a) by a corporation organized in Iceland, or

(b) by an individual who is

(i) a citizen of Iceland and

(ii) a nonresident alien as to the United States of America, from the operation of a ship or ships documented, and from the operation of aircraft registered, under the laws of Iceland.

2. For the purposes of this agreement :

(a) The expressions "operation of a ship or ships" and "operation of aircraft" mean the business or enterprise, carried on by owners or charterers of a ships or ships, or of aircraft, as the case may be, of

¹ Came into force on 27 December 1962 by the exchange of the said notes.