No. 7677

UNITED STATES OF AMERICA
and
MEXICO

Exchange of notes constituting an agreement relating to relief from double taxation on earnings from operation of ships and aircraft. Washington, 7 August 1964

Official texts: English and Spanish.

Registered by the United States of America on 7 April 1965.

ÉTATS-UNIS D'AMÉRIQUE
et
MEXIQUE

Échange de notes constituant une convention tendant à éviter la double imposition des gains provenant de l'exploitation de navires ou d'aéronefs. Washington, 7 août 1964

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 7 avril 1965.

No. 7677. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND MEXICO RELATING TO RELIEF FROM DOUBLE TAXATION ON EARNINGS FROM OPERATION OF SHIPS AND AIRCRAFT. WASHINGTON, 7 AUGUST 1964

I

The Secretary of State to the Mexican Ambassador

DEPARTMENT OF STATE
WASHINGTON

August 7, 1964

Excellency :

I have the honor to refer to conversations between representatives of the Government of the United States of America and representatives of the Government of Mexico 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 the 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 Mexico 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 Mexico, or

(*b*) by an individual who is a citizen of Mexico nonresident in 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 Mexico.

2. For the purpose 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 ship or ships, or of aircraft, as the case may be, of

(i) transporting persons, including the embarking and debarking of passengers, or
(ii) transporting articles, mails, and other cargo, including the loading and unloading thereof, or
(iii) both (i) and (ii)

[1] Came into force on 7 August 1964 by the exchange of the said notes.