No. 27086

FRANCE
and
CHILE

Exchange of letters constituting an agreement on tax exemptions for air transport companies. Santiago, 2 December 1977

Authentic texts: French and Spanish.

Registered by France on 29 January 1990.

FRANCE
et
CHILI

Échange de lettres constituant un accord relatif à l'exonération fiscale des revenus des compagnies aériennes. Santiago, 2 décembre 1977

Textes authentiques : français et espagnol.

Enregistré par la France le 29 janvier 1990.

[TRANSLATION — TRADUCTION]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF CHILE ON TAX EXEMPTIONS FOR AIR TRANSPORT COMPANIES

I

FRENCH EMBASSY

CHILE

Santiago, 21 July 1977

Sir,

I have the honour to propose that the present letter and your response shall constitute an Agreement between our two Governments on the following provisions:

1. French enterprises shall be exempt in Chile from all taxes collected by the Chilean State on capital gains, income and profits derived by those enterprises from the operation of aircraft in international traffic, including capital gains, income and profits which are incidental to such operation, and from all taxes (with the exception of municipal or local taxes) on land, buildings and places of business used for that operation, including complementary or additional taxes.

2. Chilean enterprises shall be exempt in France from all taxes collected by the French State on capital gains, income and profits derived by those enterprises from the operation of aircraft in international traffic, including capital gains, income and profits which are incidental to such operation, and from all taxes (with the exception of municipal or local taxes) on land, buildings and places of business used for that operation, including complementary or additional taxes.

3. These exemptions shall also apply to income derived from participation in a group, a joint business or an international business organization. The exemptions shall also apply to any taxes of an identical or similar nature which may be assessed in addition to, or in lieu of, the existing taxes, after the date on which this exchange of letters is signed.

4. The Chilean enterprises which are tax-exempt in France shall not be required to file tax returns or to complete other tax formalities relating to that tax exemption.

The French enterprises which are tax-exempt in Chile shall not be required to file tax returns or to complete other tax formalities relating to that tax exemption.

[1] Came into force on 1 September 1989, i.e., the first day of the first month following that of the last of the notifications (of 23 March and 10 August 1989) by which the Parties had informed each other of the completion of the required legislative procedures, in accordance with paragraph 8.