



# Income Tax Department

Government of India

## LEBANON

### Agreement for avoidance of double taxation of income of enterprises operating aircraft with Lebanon

Whereas the annexed Agreement between the Government of India and the Government of the Republic of Lebanon for the avoidance of double taxation of income of enterprises operating aircraft has been ratified and the instruments of ratification exchanged, as required by article V of the said Agreement;

Now, therefore, in exercise of the powers conferred by section 90 of Income-tax Act, 1961 (43 of 1961), and section 24A of the Companies (Profits) Surtax Act, 1964 (7 of 1964), the Central Government hereby directs that all the provisions of the said Agreement shall be given effect to in the Union of India.

**Notification :** Nos. GSR 1552 and 1553, dated 28-6-1969.

### TEXT OF ANNEXED AGREEMENT, DATED 22-2-1968<sup>1</sup>

Whereas the Government of India and the Government of the Republic of Lebanon desire to conclude an Agreement for the avoidance of double taxation of income of enterprises operating aircraft chargeable to tax in the said countries in accordance with their respective laws.

Now, therefore, the said two Governments do hereby agree as follows :

#### 1. Protocol, dated 22-2-1968, reads as under :

"Having entered into an Agreement for the avoidance of double taxation of income of enterprises operating aircraft which is effective in respect of income assessable for any year of assessment commencing on or after the 1st day of April, 1962.

Recognising that Air India which is an enterprise of India and the Middle East Airlines which is an enterprise of the Republic of Lebanon have been deriving income, respectively, in the Republic of Lebanon and India from the operation of aircraft in international traffic which is assessable for one or more years of assessment prior to the year of assessment commencing on the 1st day of April, 1962.

Considering that the Indian Income-tax Act, 1922 (11 of 1922), has been repealed with effect from the 1st day of April, 1962."

Have, accordingly agreed at the time of signing of the said Agreement as follows :

"The Government of India has not levied any Indian tax on the income of Middle East Airlines for any of the years of assessment aforementioned and hereby agrees not to levy such tax hereafter, and

The Government of the Republic of Lebanon has not levied any Lebanese tax on the income of Air India for any of the years of assessment aforementioned and hereby agrees not to levy such tax hereafter."

And have further agreed that this Protocol shall constitute an integral part of the said Agreement.

### ARTICLE 1

#### 1. The taxes to which this Agreement shall apply are :

- |     |   |                        |
|-----|---|------------------------|
| (a) | the income-tax including any surcharge on income-tax imposed under the Income-tax Act, 1961 (43 of 1961), as amended; and   | in the case of India,— |
| (i) | the surtax imposed under the Companies (Profits) Surtax Act, 1964 (7 of 1964), as amended   |                        |
|     | (hereinafter referred to as "Indian tax");  |                        |
| (b) | in the case of the Republic of Lebanon,—the income-tax including any additional tax on income-tax prescribed under the income-tax law issued by the Legislative Decree No. 144, dated June 12, 1959, as amended |                        |
|     | (hereinafter referred to as "Lebanese tax").  |                        |

2. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of taxes the existing taxes.

## ARTICLE 2

1. In this Agreement, unless the context otherwise requires :

- (a) the term "India" shall have the meaning assigned to it in Article 1 of the Constitution of India;
- (b) the term "the Republic of Lebanon" shall have the meaning assigned to it in the Lebanese Constitution;
- (c) the terms "a Contracting State" and "the other Contracting State" mean India or the Republic of Lebanon, as the context requires;
- (d) the term "tax" means "Indian tax" or "Lebanese tax" as the context requires;
- (e) the term "enterprise of a Contracting State" means—
  - (i) an airline designated by the Government of that State in pursuance of the Agreement dated September 19, 1964, as may be amended or revised from time to time, between the Government of India and the Government of the Republic of Lebanon relating to air services, or
  - (ii) an airline which is authorised by the Government of that State by a general or special arrangement between the two Contracting States to operate charter flights between or beyond their territories.

2. In the application of the provisions of this Agreement by one of the Contracting States, any term used but not defined herein shall, unless the context otherwise requires have the meaning which it has under the laws in force in that State relating to the taxes to which this Agreement applies.

## ARTICLE 3

- 1. Income derived from the operation of aircraft in international traffic by an enterprise of one of the Contracting States shall be exempt from tax in the other Contracting State.
- 2. Paragraph (1) shall likewise apply in respect of participations in pools of any kind by enterprises engaged in air transport.

## ARTICLE 4

The laws in force in either of the Contracting States will continue to govern the assessment and taxation of income in the Contracting States except where express provision to the contrary is made in this Agreement.

## ARTICLE 5

- 1. This Agreement shall be ratified and the instruments of ratification shall be exchanged at Beirut as soon as possible.
- 2. This Agreement shall enter into force on the date of the exchange of the instruments of ratification and its provisions shall have effect :
  - (a) in India, in respect of income assessable for any year of assessment commencing on or after the 1st day of April, 1962;
  - (b) in Lebanon, in respect of income assessable for any year of assessment commencing on or after the 1st day of April, 1962.

## ARTICLE 6

This Agreement shall continue in effect indefinitely but either of the Contracting States may, on or before the 30th day of June in any calendar year after the year 1970, give notice of termination to the other Contracting State and in such event this Agreement shall cease to be effective :

- (a) in India, in respect of income assessable for any year of assessment commencing on or after the 1st day of April in the calendar year next following that year in which the notice is given;
- (b) in Lebanon, in respect of income assessable for any year of assessment commencing on or after the 1st day of April in the calendar year next following that year in which the notice is given.

*IN WITNESS whereof, the undersigned, duly authorised thereto, have signed the present Agreement.*

*DONE in duplicate at Beirut, this 22nd day of February, one thousand nine hundred and sixty-eight, in the Hindi, Arabic and English languages, all the three texts being equally authentic, except in the case of doubt when the English text shall prevail.*

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