

N° 2166.

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**GRANDE-BRETAGNE  
ET IRLANDE DU NORD  
ET JAPON**

Echange de notes relatif à l'exemption réciproque de l'impôt sur le revenu en ce qui concerne les bénéfices réalisés dans les affaires d'armement maritime. Londres, le 10 août 1929.

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**GREAT BRITAIN  
AND NORTHERN IRELAND  
AND JAPAN**

Exchange of Notes in regard to the Exemption from Income Tax of Shipping Profits. London, August 10, 1929.

No. 2166. — EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE JAPANESE GOVERNMENT IN REGARD TO THE EXEMPTION FROM INCOME-TAX OF SHIPPING PROFITS. LONDON, AUGUST 10, 1929.

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*Texte officiel anglais communiqué par le secrétaire d'Etat aux Affaires étrangères de Sa Majesté en Grande-Bretagne. L'enregistrement de cet échange de notes a eu lieu le 4 octobre 1929.*

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I.

MR. HENDERSON TO MR. MATSUDAIRA.

FOREIGN OFFICE.

LONDON, August 10, 1929.

YOUR EXCELLENCY,

I have the honour to confirm, on behalf of His Britannic Majesty's Government in the United Kingdom of Great Britain and Northern Ireland, the following points of agreement which have been reached as the result of the negotiations carried on between His Britannic Majesty's Government in the United Kingdom and the Imperial Japanese Government in regard to the reciprocal exemption from income-tax of the profits accruing from the business of shipping :

1. His Britannic Majesty's Government in the United Kingdom agree to take the necessary steps under Section 18 of the Act of Parliament of the United Kingdom known as the Finance Act, 1923, for exempting from income-tax (including super-tax) chargeable in the United Kingdom for the year of assessment 1928-29, commencing on the 6th day of April, 1928, and for every subsequent year of assessment, any profits which accrue from the business of shipping carried on with ships whose port of registry is in Japan by an individual of Japanese nationality resident in Japan and not in the United Kingdom or by a corporate body, incorporated under Japanese law and managing and controlling such business in Japan.

2. The Japanese Government declare that on completion of the steps under Section 18 of the Finance Act, 1923, which, under article 1 of this Agreement, His Britannic Majesty's Government in the United Kingdom have agreed to take, Law No. 6, 1924, promulgated in Japan on the 18th July, 1924, as amended by Law No. 6, 1928, will operate to exempt from income tax, as also from the business profit tax, chargeable in Japan on and after the 12th day of May, 1928, any profits which

accrue from the business of shipping carried on with ships whose port of registry is in the United Kingdom by an individual of British nationality resident in the United Kingdom and not in Japan or by a corporate body, incorporated under the laws of the United Kingdom and managing and controlling such business in the United Kingdom.

3. For the purpose of this Agreement the term " Japan " includes all regions under Japanese rule excluding the islands under Japanese Mandate situated in the Pacific Ocean and lying north of the Equator.

The expression " the business of shipping " means the business carried on by an owner of a ship or ships and for the purpose of this definition the expression " owner " includes any charterer.

4. This Agreement shall cease to have effect if and so soon as either the relief to be granted under article 1 hereof in respect of income-tax (including super-tax) in the United Kingdom, or the relief referred to in article 2 hereof in respect of income-tax and business profit tax in Japan ceases to have legal operation.

I have, etc.

*For the Secretary of State :*

George MOUNSEY.

2.

MR. MATSUDAIRA TO MR. HENDERSON.

JAPANESE EMBASSY.

LONDON, *August 10, 1929.*

SIR,

I have the honour to confirm, under instructions from the Imperial Japanese Government, the following points of agreement which have been reached as a result of the negotiations carried on between the Imperial Japanese Government and His Britannic Majesty's Government in the United Kingdom of Great Britain and Northern Ireland in regard to the reciprocal exemption from income-tax of the profits accruing from the business of shipping :

1. His Britannic Majesty's Government in the United Kingdom agree to take the necessary steps under Section 18 of the Act of Parliament of the United Kingdom known as the Finance Act, 1923, for exempting from income-tax (including super-tax) chargeable in the United Kingdom for the year of assessment 1928-29, commencing on the 6th day of April, 1928, and for every subsequent year of assessment, any profits which accrue from the business of shipping carried on with ships whose port of registry is in Japan by an individual of Japanese nationality resident in Japan and not in the United Kingdom or by a corporate body, incorporated under Japanese law and managing and controlling such business in Japan.

2. The Japanese Government declare that on completion of the steps under Section 18 of the Finance Act, 1923, which, under article 1 of this Agreement, His Britannic Majesty's Government in the United Kingdom have agreed to take, Law No. 6, 1924, promulgated in Japan on the 18th July, 1924, as amended by Law No. 6, 1928, will operate to exempt from income tax, as also from the business profit tax, chargeable in Japan on and after the 12th day of May, 1928, any profits which accrue from the business of shipping carried on with ships whose port of registry is in the United Kingdom by an individual of British nationality resident in the United Kingdom and not in Japan or by a corporate body, incorporated under the laws of the United Kingdom and managing and controlling such business in the United Kingdom.

3. For the purpose of this Agreement the term " Japan " includes all regions under Japanese rule excluding the islands under Japanese Mandate situated in the Pacific Ocean and lying north of the Equator.

The expression " the business of shipping " means the business carried on by an owner of a ship or ships and for the purpose of this definition the expression " owner " includes any charterer.

4. This Agreement shall cease to have effect if and so soon as either the relief to be granted under article 1 hereof in respect of income-tax (including super-tax) in the United Kingdom or the relief referred to in article 2 hereof in respect of income-tax and business profit tax in Japan ceases to have legal operation.

I have, etc.

T. MATSUDAIRA.