

N° 2777.

ÉTATS-UNIS D'AMÉRIQUE
ET ESPAGNE

Echange de notes relatif à l'exemption de l'impôt sur le revenu en ce qui concerne les bénéfices réalisés dans les affaires d'armement maritime. Washington, les 16 avril et 10 juin 1930.

UNITED STATES OF AMERICA
AND SPAIN

Exchange of Notes relating to the Exemption from Income Tax in Certain Cases of Profits accruing from the Business of Shipping. Washington, April 16 and June 10, 1930.

TEXTE ESPAGNOL. — SPANISH TEXT.

N^o 2777. — CANJE DE NOTAS ENTRE LOS GOBIERNOS DE ESPAÑA Y DE LOS ESTADOS UNIDOS DE AMERICA RELATIVO A LA EXENCIÓN DE IMPUESTOS SOBRE LA RENTA, EN LO REFERENTE A LOS BENEFICIOS REALIZADOS EN ASUNTOS DE ARMAMENTO MARITIMO. WASHINGTON, 16 DE ABRIL Y 10 DE JUNIO DE 1930.

No. 2777. — EXCHANGE OF NOTES BETWEEN THE SPANISH GOVERNMENT AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA RELATING TO THE EXEMPTION FROM INCOME TAX IN CERTAIN CASES OF PROFITS ACCRUING FROM THE BUSINESS OF SHIPPING. WASHINGTON, APRIL 16 AND JUNE 10, 1930.

Textes officiels espagnol et anglais communiqués par le ministre des Affaires étrangères d'Espagne. L'enregistrement de cet échange de notes a eu lieu le 8 août 1931.

Cet échange de notes a été transmis au Secrétariat par le "Department of State" du Gouvernement des États-Unis d'Amérique, le 16 octobre 1930.

Spanish and English official texts communicated by the Spanish Minister for Foreign Affairs. The registration of this Exchange of Notes took place August 8, 1931.

This Exchange of Notes was transmitted to the Secretariat by the Department of State of the Government of the United States of America, October 16, 1930.

¹ TRADUCTION. — TRANSLATION.

I.

THE SPANISH AMBASSADOR
TO THE ACTING SECRETARY OF STATE.

ROYAL SPANISH EMBASSY.

No. 84-15.

WASHINGTON, 16 de abril de 1930.

SEÑOR SECRETARIO,

Tengo la honra de referirme a la atenta nota de V. E. de 5 del corriente relativa a la exención de impuesto en los Estados Unidos sobre

¹ Traduction extraite du «Executive Agreement Series» du Gouvernement des États-Unis d'Amérique, N^o 6, 1930.

I.

THE SPANISH AMBASSADOR
TO THE ACTING SECRETARY OF STATE.

ROYAL SPANISH EMBASSY.

No. 84-15

WASHINGTON, April 16, 1930.

MR. SECRETARY,

I have the honour to refer to Your Excellency's kind note of the 5th instant relative to the exemption from taxation in the United States

¹ Translation extracted from the Executive Agreement Series of the Government of the United States of America, No. 6, 1930.

ingresos derivados de las operaciones de buques españoles, dándome traslado de la comunicación que sobre el asunto había sido recibida del Departamento del Tesoro cuyos extremos eran copiados a continuación.

Es para mí una satisfacción poder expresar a V. E. el agrado con que he visto que las últimas declaraciones del Ministro de Hacienda español, expuestas en mi Nota de 11 de febrero de 1930, concuerdan con las proposiciones que el Señor Secretario del Tesoro Norteamericano se servía hacer en la carta de 2 de agosto de 1929 que por mi conducto dirigió a la Compañía Transatlántica.

En vista de lo expuesto, ruego a V. E. se sirva dar las instrucciones oportunas a las autoridades correspondientes para que tengan en cuenta este acuerdo respecto a las Compañías Navieras españolas en el sentido de que los beneficios de los ciudadanos españoles que consisten exclusivamente en ganancias derivadas de operaciones de buques abanderados en España, serán exentos de tributos en los Estados Unidos por las leyes de este país, y especialmente en relación con lo expuesto por V. E. en su Nota de 26 de septiembre de 1929, respecto al caso de la Compañía Transatlántica.

Tan pronto recibí la mencionada atenta Nota de V. E. de 5 del corriente mes de abril, me apresuré a remitir la correspondiente copia al Ministerio de Estado de Madrid, y mientras recibo respuesta, cumplo el grato deber de expresar a V. E. mi agradecimiento por la buena voluntad que desde un principio he podido apreciar, tanto en el Departamento del Tesoro como en ese Departamento del muy digno cargo de V. E. para llegar a una solución favorable en este asunto, que no puede menos de estrechar las buenas relaciones existentes entre nuestros dos países.

Aprovecho esta oportunidad, Señor Secretario, para reiterar a V. E. las seguridades de mi más alta consideración.

(Firmado) Alejandro PADILLA.

Honorable J. P. Cotton,
Subsecretario de Estado,
Departamento de Estado,
Washington D. C.

on revenue derived from operations of Spanish vessels, giving me a transcript of the communication which had been received in the matter from the Treasury Department, points of which were quoted thereunder.

It is a satisfaction for me to be able to express to Your Excellency the pleasure with which I have seen that the recent statements of the Spanish Minister of Finance, expressed in my note of February 11, 1930, accord with the proposals which the American Secretary of the Treasury was good enough to make in the letter of August 2, 1929 which he addressed to the Compañía Transatlántica, through my intermediary.

In view of the foregoing, I request Your Excellency to be so good as to give the appropriate instructions to the corresponding authorities in order that they may take into account this decision with respect to the Spanish Shipping Companies in the sense that the profits of Spanish citizens which consist exclusively in earnings derived from vessels documented in Spain shall be exempt from taxation in the United States by the laws of this country, and particularly with respect to that set forth by Your Excellency in your note of September 26, 1929, regarding the case of the Compañía Transatlántica.

As soon as I received the above-mentioned note of the 5th of the current month of April from Your Excellency, I hastened to transmit the correspondence in copy to the Ministry of State at Madrid, and while I await a reply, it is my pleasing duty to express to Your Excellency my gratitude for the good will which from the beginning I have been able to value, both in the Treasury Department and in the Department under Your Excellency's worthy direction, to arrive at a favorable solution of this matter, which cannot do less than strengthen the good relations existing between our two countries.

I avail myself, etc.

(Signed) Alejandro PADILLA.

Honorable J. P. Cotton,
Under-Secretary of State,
Department of State,
Washington D. C.

II.

THE SECRETARY OF STATE TO THE SPANISH AMBASSADOR.

DEPARTMENT OF STATE.

WASHINGTON, June 10, 1930.

EXCELLENCY,

I have the honor to refer to previous correspondence concerning the desire of Spanish Nationals to be exempted from income taxation in this country on revenue derived from the operation of Spanish ships and to inform you that a communication in the matter has been received from the Treasury Department, the pertinent portions of which are quoted hereunder :

" Under date of March 31, 1930, this office expressed the opinion that Spain meets the reciprocal exemption provisions of the Revenue Acts of 1921, 1924, and 1926, and stated that accordingly the income of Spanish nationals which consists exclusively of earnings derived from operation of ships documented under the laws of Spain would be exempted from taxation by the United States under those Acts. It was further stated that inasmuch as sections 212 (b) and 231 (b) of the Revenue Act of 1928, relating to exemption of the income of nonresident aliens and foreign corporations, are substantially the same as section 213 (b) (8) of the Revenue Acts of 1921, 1924, and 1926, the exemption would be extended to the taxable years governed by the Revenue Act of 1928.

" In order to put the arrangement into effect this Department, under date of April 25 1930, issued Treasury Decision 4289 which amended article 89 of Regulations 62, 65, and 69, and article 1042 of Regulations 74, pertaining to the reciprocal exemption from income tax of earnings derived by nonresident aliens and foreign corporations from the operation of ships documented under the laws of foreign countries. The effect of that Treasury decision is to include Spain in the list of countries which exempt from tax so much of the income of citizens of the United States nonresident in such foreign countries and of corporations organized in the United States as consists of earnings derived from the operation of a ship or ships documented under the laws of the United States, and to exclude Spain from the list of countries which do not grant such exemption.

" In addition to the formal Treasury decision issued by this Department the Collector of International Revenue, Customhouse, New-York, New-York, was specifically advised under date of April 23, 1930, as to the ruling contained in the letter from this Department addressed to your Department under date of March 31, 1930, and was informed that the *Compañía Transatlántica* (Spanish Royal Mail Line) would not be held liable for income tax on income which consists exclusively of earnings derived from the operation of ships documented under the laws of Spain for the taxable years arising under the Revenue Acts of 1921, 1924, 1926, and 1928."

Accept, Excellency, the renewed assurance of my highest consideration.

For the Secretary of State :

Francis WHITE.

His Excellency

Señor Don Alejandro Padilla y Bell,
Ambassador of Spain.

Madrid, 1º de agosto 1931.

Es copia conforme :

El Subsecretario,
F. Agramonte.

¹ TRADUCTION. — TRANSLATION.

N^o 2777. — ÉCHANGE DE NOTES ENTRE LE GOUVERNEMENT ESPAGNOL ET LE GOUVERNEMENT DES ÉTATS-UNIS D'AMÉRIQUE, RELATIF A L'EXEMPTION DE L'IMPOT SUR LE REVENU EN CE QUI CONCERNE LES BÉNÉFICES RÉALISÉS DANS LES AFFAIRES D'ARMEMENT MARITIME. WASHINGTON, LES 16 AVRIL ET 10 JUIN 1930.

I.

L'AMBASSADEUR D'ESPAGNE AU SECRÉTAIRE D'ÉTAT PAR INTÉRIM.

AMBASSADE ROYALE D'ESPAGNE.

N^o 84-15.

WASHINGTON, le 16 avril 1930.

MONSIEUR LE SECRÉTAIRE,

J'ai l'honneur de me référer à la note de Votre Excellence en date du 5 courant, relative à l'exemption, aux Etats-Unis, de l'impôt sur les revenus provenant de l'exploitation de navires espagnols et m'avisant de la communication que vous aviez reçue à ce sujet du Département du Trésor, communication dont les parties essentielles étaient reproduites à la suite de notre note.

Je suis heureux de pouvoir exprimer à Votre Excellence la satisfaction avec laquelle j'ai constaté que les dernières déclarations du ministre espagnol des Finances, exposées dans ma note du 11 février 1930, concordent avec les propositions que le Secrétaire du Trésor des Etats-Unis a bien voulu formuler dans la lettre du 2 août 1929 qu'il a adressée, par mon entremise, à la *Compañía Transatlántica*.

En conséquence, je prie Votre Excellence de bien vouloir donner aux autorités compétentes les instructions nécessaires pour qu'elles tiennent compte de cet accord en ce qui concerne les compagnies espagnoles de navigation, c'est-à-dire pour que les bénéfices réalisés par des ressortissants espagnols et consistant exclusivement en profits tirés de l'exploitation de navires battant pavillon espagnol, soient exemptés d'impôts aux Etats-Unis par la législation de ce pays, notamment dans le cas exposé dans la note de Votre Excellence, en date du 26 septembre 1929, au sujet de *Compañía Transatlántica*.

Sitôt que j'ai reçu la note de Votre Excellence en date du 5 courant, je me suis empressé d'en transmettre copie au Ministère des Affaires étrangères à Madrid et, en attendant une réponse, je suis heureux de pouvoir exprimer à Votre Excellence ma gratitude pour la bonne volonté que j'ai pu constater dès le début, tant de la part du Département du Trésor que de la part du Département dont Votre Excellence a la charge, en vue d'arriver, en cette matière, à une solution favorable qui ne pourra que resserrer les bonnes relations existant entre nos deux pays.

Je saisis cette occasion, etc.

(Signé) Alejandro PADILLA.

L'Honorable J. P. Cotton,
Sous-Secrétaire d'Etat,
Département d'Etat,
Washington D. C.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nation, for information.