

Exchange of Notes

between the Government of Hong Kong and
the Government of New Zealand amending
the Air Services Agreement
of 22 February 1991

**Exchange of Notes between
the Government of Hong Kong and the Government of New Zealand
amending the Air Services Agreement of 22 February 1991**

No. 1

Secretary for Economic Services to New Zealand Consul
General at Hong Kong

Economic Services Branch
Hong Kong

20 July 1996

Dear Consul General,

I have the honour to refer to the Agreement between the Government of Hong Kong and the Government of New Zealand concerning Air Services, done in Hong Kong on 22 February 1991, and to propose on behalf of the Government of Hong Kong that the following shall be included as Article 8A in the said Agreement:

“ARTICLE 8A

Avoidance of Double Taxation

(1) Revenues, gross receipts, income or profits derived from the operation of aircraft in international traffic by an airline of one Contracting Party, including participation in a pool service, a joint air transport operation or an international operating agency, which are subject to tax in the area of that Contracting Party shall be exempt from income tax, profits tax and all other taxes on revenues, receipts, income or profits imposed in the area of the other Contracting Party.

(2) For the purpose of this Article:

- (a) the term “revenues, gross receipts, income or profits derived from the operation of aircraft in international traffic” shall include revenues, gross receipts, income or profits from the operation of aircraft for the carriage of persons, livestock, goods, mail or merchandise including:
 - (i) the lease of aircraft on a charter basis;
 - (ii) the sale of tickets for and the provision of services connected with such carriage, either for the airline itself or for any other airline;
 - (iii) interest on funds directly connected with the operation of aircraft in international traffic;
- (b) the term “international traffic” means any carriage by an aircraft except when

such carriage is solely between places in the area of the other Contracting Party;

- (c) the term “airline of one Contracting Party” means an airline incorporated and having its principal place of business in the area of that Contracting Party.

(3) This Article shall not have effect as long as an Agreement for the avoidance of double taxation with respect to taxes on income providing for similar exemptions shall be in force between the Contracting Parties.”

If the Government of New Zealand agrees with the foregoing proposal, I have the honour to propose that the present Note and your Note in reply to that effect shall constitute an Agreement between our two Governments. Each Government shall notify the other in writing when any relevant internal procedures have been completed and this Agreement shall enter into force on the date of receipt of the later notification.

I further propose that for the ease of accounting, the Article shall have effect for the income year or year of assessment beginning on or after 1 January 1996.

I avail myself of this opportunity to renew to you the assurance of my highest consideration.

Stephen IP
Secretary for Economic Services

**Exchange of Notes
between the Government of New Zealand and the Government of Hong Kong
amending the Air Services Agreement of 22 February 1991**

No. 2

New Zealand Consul-General, Hong Kong to the Hong Kong
Secretary for Economic Services

24 July 1996

Dear Secretary,

I have the honour to acknowledge the receipt of your Note, dated 20 July 1996, which reads as follows:

Dear Consul General,

I have the honour to refer to the Agreement between the Government of Hong Kong and the Government of New Zealand concerning Air Services, done in Hong Kong on 22 February 1991, and to propose on behalf of the Government of Hong Kong that the following shall be included as Article 8A in the said Agreement:

“ARTICLE 8A

Avoidance of Double Taxation

(1) Revenues, gross receipts, income or profits derived from the operation of aircraft in international traffic by an airline of one Contracting Party, including participation in a pool service, a joint air transport operation or an international operating agency, which are subject to tax in the area of that Contracting Party shall be exempt from income tax, profits tax and all other taxes on revenues, receipts, income or profits imposed in the area of the other Contracting Party.

(2) For the purpose of this Article:

- (a) the term “revenues, gross receipts, income or profits derived from the operation of aircraft in international traffic” shall include revenues, gross receipts, income or profits from the operation of aircraft for the carriage of persons, livestock, goods, mail or merchandise including:
 - (i) the lease of aircraft on a charter basis;
 - (ii) the sale of tickets for and the provision of services connected with such carriage, either for the airline itself or for any other airline;
 - (iii) interest on funds directly connected with the operation of aircraft in international traffic;

- (b) the term “international traffic” means any carriage by an aircraft except when such carriage is solely between places in the area of the other Contracting Party;
- (c) the term “airline of one Contracting Party” means an airline incorporated and having its principal place of business in the area of that Contracting Party.

(3) This Article shall not have effect as long as an Agreement for the avoidance of double taxation with respect to taxes on income providing for similar exemptions shall be in force between the Contracting Parties.”

If the Government of New Zealand agrees with the foregoing proposal, I have the honour to propose that the present Note and your Note in reply to that effect shall constitute an Agreement between our two Governments. Each Government shall notify the other in writing when any relevant internal procedures have been completed and this Agreement shall enter into force on the date of receipt of the later notification.

I further propose that for the ease of accounting, the Article shall have effect for the income year or year of assessment beginning on or after 1 January 1996.

I avail myself of this opportunity to renew to you the assurance of my highest consideration.

Stephen IP
Secretary for Economic Services

In reply, I have the honour to inform you that the Government of New Zealand agrees with the above proposal and that, therefore, your Note, together with this reply, shall constitute an Agreement between the two Governments which will enter into force on the date when it has been confirmed in writing by both Governments.

I avail myself of this opportunity to renew to you the assurance of my highest consideration.

Carl WORKER
Consul-General