

No. 50588

**Brazil
and
United Arab Emirates**

Exchange of notes constituting an agreement between the Government of the Federative Republic of Brazil and the Government of the United Arab Emirates regarding tax exemption for air carriers. Brasília, 8 and 14 July 2009

Entry into force: *14 July 2009 by the exchange of the said notes, in accordance with their provisions*

Authentic texts: *English and Portuguese*

Registration with the Secretariat of the United Nations: *Brazil, 15 April 2013*

**Brésil
et
Émirats arabes unis**

Échange de notes constituant un accord entre le Gouvernement de la République fédérative du Brésil et le Gouvernement des Émirats arabes unis concernant l'exemption d'impôt pour les compagnies aériennes. Brasília, 8 et 14 juillet 2009

Entrée en vigueur : *14 juillet 2009 par l'échange desdites notes, conformément à leurs dispositions*

Textes authentiques : *anglais et portugais*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *Brésil, 15 avril 2013*

[ENGLISH TEXT – TEXTE ANGLAIS]

I

Note N° 3/1/5- 391

Brasilia, 08 July 2009.

Excellency,

I have the honour to propose the following understanding between the Government of the United Arab Emirates and the Government of the Federative Republic of Brazil, aimed at promoting tourism and trade between both countries through the reciprocal exemption on income taxes for air transportation companies:

1. The Government of the United Arab Emirates shall exempt, on the basis of reciprocity, from the income tax, the corporation tax and all other taxes on income chargeable in the United Arab Emirates (hereinafter referred to as "United Arab Emirates tax"), including provincial taxes on income chargeable in each Emirate, an enterprise carried on by a resident of the Federative Republic of Brazil in respect of profits from the operation of aircraft in international traffic. This provision shall also apply to profits from the participation in a pool or in a joint business.
2. The Government of the Federative Republic of Brazil shall exempt, on the basis of reciprocity, from the corporate income tax ("imposto sobre a renda das pessoas jurídicas/IRPJ" in Portuguese, hereinafter referred to as "Brazilian tax"), an enterprise carried on by a resident of the United Arab Emirates in respect of profits from the operation of aircraft in international traffic. This provision shall also apply to profits from the participation in a pool or in a joint business.
3. The term "resident of the Federative Republic of Brazil" referred to in the preceding article means any individual who is a resident of the Federative Republic of Brazil for the purpose of the Brazilian income tax and not a resident of the United Arab Emirates for the purpose of the United Arab Emirates tax or any corporation (including any entity treated as a corporation for the purpose of the Brazilian income tax) which has its head office or main office in the Federative Republic of Brazil or is incorporated under the Brazilian law. Likewise, for the purpose of these arrangements, the term "resident of the United Arab Emirates" means any individual who is a resident of the United Arab Emirates for the purpose of the Brazilian income tax or any corporation (including any entity treated as a corporation for the purpose of the United Arab Emirates tax) which has its head office or main office in the United Arab Emirates or is incorporated under the law of the United Arab Emirates.

**To His Excellency Mr.
Celso Amorim
Minister of External Relations
Federative Republic of Brazil**

4. The present arrangements shall be implemented in accordance with the laws and regulations in force in the United Arab Emirates and in the Federative Republic of Brazil.

5. The tax authorities of the United Arab Emirates and of the Federative Republic of Brazil shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the provisions of these arrangements.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming the foregoing understanding on behalf of the Government of the Federative Republic of Brazil shall be regarded as constituting an agreement between the two Governments, which shall become effective on the date of Your Excellency's Note of reply.

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



Yousuf Ali Abdulrahman Al-Usaimi

Ambassador of the United Arab Emirates

II

Brasília, 14 July 2009

DAI/DOM II/DCF 01/PAIN BRAS EAU

Excellency,

I have the honour to acknowledge receipt of your Note No. 3/1/5-391, dated 8 July 2009, which reads as follows:

[See note I]

In response, I am pleased to inform Your Excellency that article 30 of Decree Law No. 5.844 of 23 September 1943, as regulated by article 176 of Decree No. 3.000 of 26 March 1999, authorizes specific exemption from corporate income tax (IRPJ) for foreign air carriers in respect of the income obtained from international traffic, conditional on reciprocal treatment being accorded to the equivalent Brazilian companies.

The aforementioned Note constitutes proof of reciprocal treatment and is, therefore, a sufficient condition for the legal entities represented by the air carriers of the United Arab Emirates to benefit from the exemption established in article 176 of the Income Tax Regulation, as mentioned above, without this benefit extending to private individuals.

In view of the above, the Government of the Federative Republic of Brazil agrees with the terms of Your Excellency's Note, which, in conjunction with this Note, shall be considered as constituting a formal agreement on the subject between our two countries, and shall enter into force as from this date, with immediate effect.

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

CELSO AMORIM
Minister of External Relations

H. E. Mr. Yousuf Ali Abdulrahman Al-Usaimi
Plenipotentiary Ambassador of the United Arab Emirates

[PORTUGUESE TEXT – TEXTE PORTUGAIS]

I

Brasília, 08 de julho de 2009.

Nota Nº 3/1/5- 391

Excelência,

Tenho a honra de propor o seguinte entendimento entre o Governo dos Emirados Árabes Unidos e o Governo da República Federativa do Brasil, com o objetivo de promover o comércio e o turismo entre os dois países por meio da isenção recíproca de imposto de renda de empresas de transporte aéreo:

1. O Governo dos Emirados Árabes Unidos isentará, com base na reciprocidade, do imposto de renda, do imposto de renda de sociedades e de todos os outros tributos sobre a renda passíveis de cobrança nos Emirados Árabes Unidos (de agora em diante referidos como “Imposto dos Emirados Árabes Unidos”), incluindo tributos provinciais passíveis de cobrança em cada Emirado, um empreendimento controlado por residente da República Federativa do Brasil, no que diz respeito aos lucros da operação de aeronaves no tráfego internacional. Este dispositivo se aplicará também aos lucros da participação em um “pool” ou em um empreendimento conjunto.
2. O Governo da República Federativa do Brasil isentará, com base na reciprocidade, do imposto de renda das sociedades (“imposto sobre a renda das pessoas jurídicas”, de agora em diante referido como “Imposto Brasileiro”), um empreendimento controlado por residente dos Emirados Árabes Unidos, com respeito aos lucros da operação de aeronaves no tráfego internacional. Este dispositivo se aplicará também aos lucros da participação em um “pool” ou em um empreendimento conjunto.
3. O termo “residente da República Federativa do Brasil” a que se refere o artigo anterior significa qualquer indivíduo que é residente na República Federativa do Brasil para fins do imposto de renda brasileiro e não-residente nos Emirados Árabes Unidos para fins do Imposto dos Emirados Árabes Unidos, ou qualquer empresa (incluindo qualquer entidade tratada como empresa para fins do imposto de renda brasileiro) que tenha a sede ou a principal unidade administrativa na República Federativa do Brasil ou que seja constituída segundo a legislação brasileira. Da mesma forma, para fins destas disposições, o termo “residente dos Emirados Árabes Unidos” significa qualquer indivíduo residente nos Emirados Árabes Unidos para fins do imposto de renda brasileiro ou qualquer empresa (incluindo qualquer entidade tratada como empresa para fins do Imposto dos Emirados Árabes Unidos) que tenha a sede ou a principal unidade administrativa nos Emirados Árabes Unidos ou que seja constituída segundo a legislação dos Emirados Árabes Unidos.

**A Sua Excelência o Senhor
Celso Amorim
Ministro das Relações Exteriores
República Federativa do Brasil**