



EXCHANGE OF LETTERS

The Hon. Commissioner for Finance  
Federal Ministry of Finance,  
Lagos.

Your Excellency,

I have the honour to refer to the agreement between Italy and Nigeria against double taxation on income derived from air and sea navigation signed in Lagos today and I thank you for the information you gave me today regarding the decision taken by the Federal Government of Nigeria to accept the extension of the retroactivity of the agreement to 1st January, 1968.

Consequently, I have the honour to propose that the following paragraph be regarded as a condition of the agreement. In the Italian text :

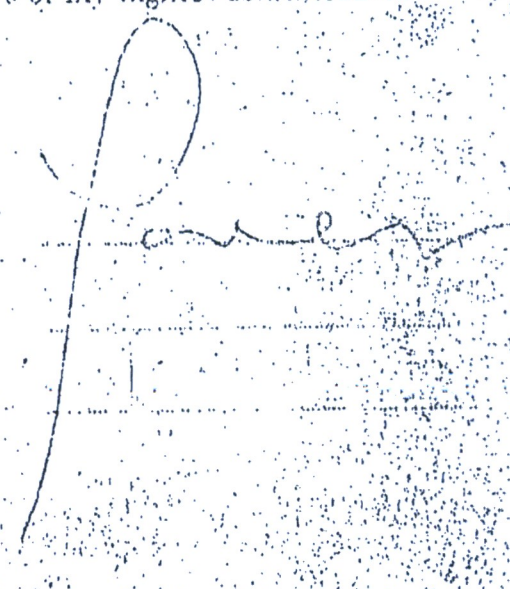
"I due Governi convengono tuttavia che nessuna pretesa sarà reciprocamente avanzata per il pagamento di tributi relativi ai redditi derivanti dalla navigazione marittima ed aerea nel periodo compreso fra il 1° gennaio 1968, ed il 1° gennaio dell'anno nel corso del quale avrà luogo lo scambio degli strumenti di ratifica predetti."

In the English text :

\* "Nevertheless the two Governments agree that they shall not claim any rights over all outstanding taxes based on revenues derived from maritime and air navigation as from the 1st of January, 1968 to the 1st of January of the year in which the said instruments of ratification are exchanged."

Should the Government of Nigeria accept the above, I have the honour to propose that this letter and the letter you will send me in reply should form an exchange of letters which will enter into force together with the above-mentioned agreement, thus completing the article.

Please accept, Your Excellency, the assurances of my highest consideration.



AGREEMENT BETWEEN  
THE FEDERAL MILITARY GOVERNMENT OF  
THE FEDERAL REPUBLIC OF NIGERIA

AND

THE GOVERNMENT OF THE REPUBLIC OF ITALY  
FOR THE AVOIDANCE OF DOUBLE TAXATION ON  
THE INCOME ARISING FROM THE BUSINESS OF  
OPERATING AIRCRAFT OR SHIPS

The Federal Military Government of the Federal Republic of Nigeria (hereinafter referred to as the Government of Nigeria) and the Government of the Republic of Italy (hereinafter referred to as the Government of Italy).

Desiring to conclude an Agreement on fiscal exemption and avoidance of double taxation on the income, gains or profits derived from the business of operating aircraft or ships in their respective territories have agreed as follows :

ARTICLE 1

The taxes which are the subject of the present Agreement are :—

(a) *In the Federal Republic of Nigeria :*

Income tax or any other taxes of a substantially similar character imposed by the Government of Nigeria (hereinafter referred to as Nigerian taxes) ;

(b) *In the Republic of Italy :*

Income taxes and any other imposition levied on behalf of the Italian State or of a local authority thereof on taxable income in Italy or of any other authority thereof (hereinafter referred to as Italian taxes).

ARTICLE 2

In this Agreement, unless the context otherwise requires :—

(a) "business of operating aircraft or ships" means as respects air service, any scheduled or chartered air service performed by aircraft for the public transport of passengers, mail or cargo, including the sale of travel tickets and other documents relating to the transport of passengers, mail or cargo ; and as respects maritime service any carriage by sea, including charter-parties, against payment of freight, of passengers, mail or cargo from one port to another where the passengers are to alight or the mail or cargo are to be delivered.

(b) "Nigerian enterprise" means an industrial or commercial enterprise or any company or corporation established by or under any law in force in the Federal Republic of Nigeria and which is resident in the Federal Republic of Nigeria for the purposes of Nigerian tax and not resident in the Republic of Italy for the purpose of Italian tax. A company is to be regarded as resident in the Federal Republic of Nigeria if the control and management of its activities are exercised in the Federal Republic of Nigeria.

(c) "Italian enterprise" means an industrial or commercial enterprise or any company or corporation established by or under any law in force in the Republic of Italy and which is resident in the Republic of Italy for the purpose of Italian tax and not resident in the Federal Republic of Nigeria for the purposes of Nigerian tax. A company is to be regarded as resident in the Republic of Italy if the control and management of its activities are exercised in the Republic of Italy.

ARTICLE 3

1. The Government of Nigeria agrees to exempt from Nigerian taxes all incomes or profits derived from the business of operating aircraft or ships, carried on under the national flag of the Republic of Nigeria by Nigerian enterprises engaged in such activities.

2. The Government of Italy agrees to exempt from Italian taxes all incomes or profits derived from the business of operating aircraft or ships, carried on under the national flag of the Federal Republic of Nigeria by Nigerian enterprises engaged in such activities.

3. The fiscal exemption agreed to in paragraphs 1 and 2 of this Article shall be extended to the Nigerian and Italian enterprises participating in a "Pool", or operating jointly with other concerns not covered by this Agreement, or operating in an international air or maritime transport organisation, provided that such exemption shall be limited to the incomes or profits derived by the said enterprises.

ARTICLE 4

The present Agreement shall be subject to ratification or approval in accordance with the constitutional procedures of each Contracting Party and shall come into force 30 (thirty) days after the exchange of the instruments of ratification or approval.

and subsequent taxable periods.

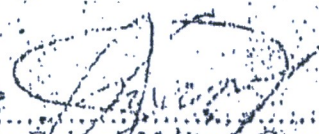
ARTICLE 5


The present Agreement shall continue in force indefinitely but either of the Contracting Parties may, on or before the 30th of September of each year give six months notice of termination in writing to the other Contracting Party and in such event, the present Agreement shall cease to be effective.

IN WITNESS WHEREOF the undersigned, being duly authorised by their respective Government have signed this Agreement.

DONE at Lagos on 27th day of

October 1978, in two originals in the English and Italian Languages both texts being equally authentic.

  
For the Federal Military Government  
of the Federal Republic of Nigeria

  
For the Government of the

To :  
The Italian Ambassador in Nigeria,  
Lagos.

Your Excellency,

I have the honour to acknowledge receipt of your letter dated today the contents of which are as follows :—

“Your Excellency,

I have the honour to refer to the agreement between Italy and Nigeria against double taxation on income deriving from air and sea navigation, signed in Nigeria today and I thank you for the information you gave me today, regarding the decision taken by the Government of the Republic of Nigeria to accept the extension of the retroactivity of the agreement to 1st January, 1968.

Consequently, I have the honour to propose that the following paragraph be regarded as a condition of the agreement.

In the Italian text :

‘I due Governi convengono tuttavia che nessuna pretesa sarà reciprocamente avanzata per il pagamento dei tributi relativi ai redditi derivanti dalla navigazione marittima ed aerea nel periodo compreso fra il 1° gennaio 1968, ed il 1° gennaio dell’anno nel corso del quale avrà luogo lo scambio degli strumenti di ratifica predetti’.

In the English text :

‘Nevertheless the two Governments agree they shall not claim any rights over the all outstanding taxes based on revenues derived from maritime and air navigation as from the 1st of January, 1968 to the 1st of January of the year in which the said instruments of ratification are exchanged’.

Should the Government of Nigeria accept the above, I have the honour to propose that this letter and the letter you will send me in reply should form an exchange of letters which will enter into force together with the above-mentioned agreement, thus completing the article.

Please accept, Your Excellency, the assurances of my highest consideration”.

I have the honour to inform Your Excellency that the Government of Nigeria agrees to the above.

Please accept, Your Excellency, the assurances of my highest consideration.



.....  
For Italian Delegation  
(Sgd.) DR ERNESTO DEL GIZZO

.....  
For Nigerian Delegation  
(Sgd.) VINCENT OBAJIMI ADEBISI OGUNBA

**ARTICLE 3**

1. The Government of Nigeria agrees to exempt from Nigerian taxes all incomes or profits derived from the business of operating aircraft or ships carried on under the national flag of the Republic of Italy by Italian enterprises engaged in such activities.

2. The Government of Italy agrees to exempt from Italian taxes all incomes or profits derived from the business of operating aircraft or ships carried on under the national flag of the Federal Republic of Nigeria by Nigerian enterprises engaged in such activities.

3. The fiscal exemption agreed to in paragraphs 1 and 2 of this Article shall be extended to the Nigerian and Italian enterprises participating in a "Pool", or operating jointly with other concerns not covered by this Agreement, or operating in an international air or maritime transport organization provided that such exemption shall be limited to the incomes or profits derived by the said enterprises.

**ARTICLE 4**

The present agreement shall be subject to ratification or approval in accordance with the constitutional procedures of each Contracting Party and shall come into force 30(thirty) days after the exchange of the instruments of ratification or approval.

**ARTICLE 5**

The present agreement shall continue in force indefinitely but either of the Contracting Party may on or before the 30<sup>th</sup> of September of each year, give six months notice of termination in writing to the other Contracting Party and in such event, the present Agreement shall cease to be effective

IN WITNESS WHEREOF the undersigned being duly authorized by their respective Government have signed this Agreement.

Done at Lagos on 22nd day of .....

February 1978 in two originals in the English and Italian Languages both texts being equally authentic.

.....  
*For the Federal Military Government  
of the Federal Republic of Nigeria*

.....  
*For the Government of the  
Republic of Italy*