

TREATY PARTNERS

Jordan; Pakistan

SIGNED: December 18, 1989

IN FORCE: December 27, 1989

EFFECTIVE: January 1, 1990. See Article 5.

STATUS: In Force

AGREEMENT BETWEEN THE ISLAMIC REPUBLIC OF PAKISTAN AND THE HASHEMITE KINGDOM OF JORDAN FOR THE AVOIDANCE OF DOUBLE TAXATION ON INCOME OF AIR ENTERPRISES

The Government of the Republic of Pakistan and the Government of the Hashemite Kingdom of Jordan, desiring to conclude an agreement for the Avoidance of Double Taxation by mutual exemption from income tax levied on the income of air transport enterprises in international traffic have agreed as follows:--

Article 1 Taxes Covered

1. This Agreement shall apply to taxes on income imposed on behalf of each Contracting State irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable property.
3. The existing taxes to which the Agreement shall apply are in particular:
 - (a) In the case of The Islamic Republic of Pakistan; the income tax, super tax and the surcharge (hereinafter referred to as "Pakistan tax").
 - (b) In the case of The Hashemite Kingdom of Jordan; the income tax (hereinafter referred to as "Jordan tax").
4. This Agreement shall also apply to any identical or substantially similar taxes as are subsequently imposed in addition to, or in place of the existing taxes.

Article 2 Definitions

In this Agreement, unless the context otherwise requires:--

- (a) The terms "a Contracting State" and "the other Contracting State" mean, Pakistan or Jordan, as the context requires;

- (b) the terms "air transport enterprise of a Contracting State" and the "air transport enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- (c) the term "exercise of air transport" means the operational activity of transportation by air of persons, animals, goods and mail conducted by an enterprise of a Contracting State including sale of tickets and similar documents used for the purposes of transport;
- (d) the terms "international traffic", means any transport by aircraft operated by an enterprise of a Contracting State, except when such transport is made solely between places in the other Contracting State;
- (e) the term "competent authority" means:--
- (i) In the case of the Islamic Republic of Pakistan--the Central Board of Revenue;
 - (ii) in the case of The Hashemite Kingdom of Jordan--the Income Tax Department.
- (f) the term "resident of a Contracting State" means any person, who under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature;
- (g) the term "person" includes an individual, a corporation, a company or any other body of persons.

Article 3 **Air Transport**

1. Income and profits derived by an enterprise of a Contracting State from the exercise of air transport in international traffic shall be exempt from tax in the other Contracting State.
2. The provisions of paragraph 1 shall also apply to income and profits derived by an enterprise of a Contracting State from its participation in a pool or a joint business.
3. For the purpose of this Article profits derived by an enterprise of a Contracting State from the exercise of air transport in international traffic, also include income derived from:
 - (a) the rental, lease or maintenance of aircraft;
 - (b) training schemes, management and other services rendered by an air transport enterprise or one Contracting State to the air transport enterprise of the other Contracting State.

Article 4
Mutual Agreement Procedure

The competent authorities of the Contracting States shall endeavour to resolve mutually any difficulties or doubts arising as to the interpretation or application of the Agreement.

Article 5
Entry Into Force

Each of the Contracting States shall notify to the other the completion of the procedures required by its law for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications, and shall thereupon have effect in both Contracting States from the first day of January following the later notification.

Article 6
Termination

This Agreement shall remain in force indefinitely but terminated by either Contracting State by giving notice of termination at least six months before the end of any calendar year, in which case, this Agreement shall cease to have effect from the end of the calendar year in which the notice of termination is given.

In witness whereof the undersigned duly authorized thereto, have signed this Agreement and have affixed thereto their seal.

Done at Islamabad, this 18th day of December, 1989 in the English language and in the Arabic language, both versions being equally authentic. In case of disagreement between the two versions, the English text shall prevail.

FOR THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN:

G. Yazdani Khan,
Chairman,
Central Board of Revenue.

FOR THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN:

Dr. Safwan Toqan,
Secretary General,
Ministry of Planning.
Muhammad Taraq,
Additional Secretary.