

法規名稱：MEMORANDUM OF UNDERSTANDING CONCERNING RECIPROCAL EXEMPTION WITH RESPECT TO INCOME TAX ON SHIPPING ENTERPRISES BETWEEN THE TAIPEI ECONOMIC AND CULTURAL OFFICE IN TEL-AVIV AND THE ISRAEL ECONOMIC AND CULTURAL OFFICE IN TAIPEI (AD.1998.06.30)

簽訂日期：民國 87 年 06 月 30 日

生效日期：民國 87 年 06 月 30 日

The Taipei Economic and Cultural Office in Tel-Aviv and the Israel Economic and Cultural Office in Taipei,

Noting that the responsible authorities of their respective countries intend to provide reciprocal relief from taxation to shipping enterprises resident on Taiwan and in Israel,

Confirm the understanding on this matter as follows:

I. COVERAGE

1. The existing taxes to which the Memorandum of Understanding shall apply include:

- (a) on Taiwan, the profit seeking enterprise income tax; and
- (b) in Israel, the corporate income tax.

2. This Memorandum of Understanding shall also apply to any identical or substantially similar taxes to be imposed in addition to, or in place of, the existing taxes, after the date of signature of this Memorandum of Understanding.

3. On Taiwan, shipping enterprises resident in Israel shall be exempt from tax on the income, profits or revenue derived from international traffic earned on Taiwan.

4. In Israel, shipping enterprises resident on Taiwan shall be exempt from tax on the income, profits or revenue derived from international traffic earned in Israel.

5. The provisions of the preceding paragraphs shall also apply to income, profits or revenue derived from the participation in a pool, a joint business or an international operating agency.

II. DEFINITIONS

For the purposes of this Memorandum of Understanding, unless the

context otherwise requires:

- (a) the term "international traffic" means any transport by ships operated by a shipping enterprise, provided, however, that in respect of a shipping enterprise resident on Taiwan, any voyage for which the principle purpose is to transport passengers or goods between places within Israel shall be exclusive and in respect of a shipping enterprise resident in Israel, any voyage for which the principle purpose is to transport passengers or goods between places on Taiwan shall be exclusive;
- (b) the term "shipping enterprise" means an enterprise carrying on the business of transporting passengers or goods by ships ; and
- (c) the term "income, profits or revenue derived from international traffic" means all income, profits or revenue from the operation of ships in international traffic, including income, profits or revenue from the lease of ships on a full time, voyage or bareboat charter basis, and of containers and related equipment, which is merely incidental to the operation of ships by the lessor, provided that the leased ships or the containers and related equipment, are used in operations by lessee.
- (d) the term "resident" means any legal entity which, under the laws of Israel and/or Taiwan, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature.

III. NOTIFICATION AND CONSULTATIONS

1. At the end of each calendar year, the Taipei Economic and Cultural Office in Tel-Aviv and the Israel Economic and Cultural Office in Taipei shall notify each other of any significant changes in the relevant tax laws and regulations which might affect reciprocal exemptions and the principle of reciprocal benefits.
2. Consultation may be requested at any time by the Taipei Econo-



mic and Cultural Office in Tel-Aviv or the Israel Economic and Cultural Office in Taipei for any amendment to the present Memorandum of Understanding, and for any question relating to the application or interpretation thereof. Such a consultation will begin within 60 days from the date of receipt of any such request, and decisions shall be by mutual consent.

IV. ENTRY INTO EFFECT

This Memorandum of Understanding shall enter into effect upon the latter signature and shall have effect with respect to taxable years beginning after December 31, 1997.

V. TERMINATION

The Taipei Economic and Cultural Office in Tel-Aviv and the Israel Economic and Cultural Office in Taipei may terminate this Memorandum of Understanding by giving written notice of termination to the other on or before 30 June in any year; in such case, this Memorandum of Understanding shall cease to be effective 1 January of the following calendar year.

IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Memorandum of Understanding in duplicate in the English language.

FOR THE TAIPEI ECONOMIC AND
CULTURAL OFFICE IN TEL-AVIV

FOR THE ISRAEL ECONOMIC AND
CULTURAL OFFICE IN TAIPEI

[Signed]

C.H. Chung

Date: June 30, 1998

Place: Israel

[Signed]

Akiva Tor

Date: June 19, 1998

Place: Taipei