

**EXCHANGE OF LETTERS BETWEEN THE GOVERNMENT OF THE  
PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE  
REPUBLIC OF FINLAND CONCERNING RECIPROCAL EXEMPTION  
FROM TAXATION ON REVENUE ARISING FROM INTERNATIONAL  
TRANSPORTATION BY AIR TRANSPORT ENTERPRISES**

**Letter of the Republic of Finland**

Mr. Xie Xuren  
Commissioner  
State Administration of Taxation  
People's Republic of China

Beijing, 21 September, 2006

Your Excellency,

I have the honour to propose that the Government of the Republic of Finland and the Government of the People's Republic of China conclude an Agreement on the reciprocal exemption from certain taxes concerning international air transport business as follows:

“Revenue derived from one State by an air transport enterprise of the other State from international traffic shall be exempt from any tax in the first-mentioned State.

The Agreement shall enter into force on the date on which both States have notified each other that the procedures required by its law for the bringing into force of this Agreement have been complied with. The exemption from taxes shall thereupon have effect in respect of revenue derived on the 1<sup>st</sup> day of the next month after this Agreement enters into force. However, the exemption applies also to taxes owed but not collected on the date of entry into force of this Agreement. Either State may terminate this Agreement at any time through diplomatic channel. This Agreement will be terminated six months after the receipt of such note.”

I have the honour to propose that this letter and your reply shall constitute an Agreement between our two Governments.

Sincerely Yours,

Antti Kuosmanen  
Ambassador of Finland to China

**Letter of the People's Republic of China**

H.E. Mr. Antti Kuosmanen  
Ambassador  
Embassy of Finland

Beijing

September 26 , 2006

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's letter of September 21, 2006 (PEK5032-84) which reads as follows:

"I have the honour to propose that the Government of the Republic of Finland and the Government of the People's Republic of China conclude an Agreement on the reciprocal exemption from certain taxes concerning international air transport business as follows:

'Revenue derived from one State by an air transport enterprise of the other State from international traffic shall be exempt from any tax in the first-mentioned State.

The Agreement shall enter into force on the date on which both States have notified each other that the procedures required by its law for the bringing into force of this Agreement have been complied with. The exemption from taxes shall thereupon have effect in respect of revenue derived on the 1st day of the next month after this Agreement enters into force. However, the exemption applies also to taxes owed but not collected on the date of entry into force of this Agreement. Either State may terminate this Agreement at any time through diplomatic channel. This Agreement will be terminated six months after the receipt of such note.'

I have the honour to propose that this letter and your reply shall constitute an Agreement between our two Governments."

I have the honour to confirm that the proposals the People's Republic of China and that Your are acceptable for the Government of Excellency's letter and this letter in reply shall constitute an Agreement between our two Governments.

Sincerely yours,

Xie Xuren  
Commissioner  
the State Administration of Taxation  
the People's Republic of China

