

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

**Letter of the Kingdom of the Netherlands:**

Excellency.

I have the honour to refer to the reciprocal exemption from taxation on revenue arising from international transportation by air transport enterprises of our two States and to propose on behalf of the Government of the Kingdom of the Netherlands the following agreement:

Revenue, profits and gains derived from a State by an air transport enterprise of the other State from international transportation, shall be exempt from any tax in the first-mentioned State.

I have the honour to propose that this letter and Your Excellency's letter in reply confirming the acceptance of the above proposal by the Government of the People's Republic of China shall together constitute an Agreement between the Governments of the Kingdom of the Netherlands and the People's Republic of China, which shall enter into force on the date of Your Excellency's letter in reply.

Furthermore I have the honour to propose that the Government of the Kingdom of the Netherlands and the Government of the People's Republic of China may at any time give notice to each other through diplomatic channels of its decision to terminate this Agreement. This Agreement shall then terminate six months after the date of receipt of the notice by the other Government unless such notice is withdrawn by arrangement between the Governments before the expiry of the period.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

On behalf of the Government of the Kingdom of the Netherlands

Mr. Karel J.G. Van Oosterom  
Charge d' Affaires a.i.

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

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's letter of December 14, 2004 (ref. EA/OS-457/04) which reads as follows:

"I have the honour to refer to the reciprocal exemption from taxation on revenue arising from international transportation by air transport enterprises of our two States and to propose on behalf of the Government of the Kingdom of the Netherlands the following agreement:

Revenue, profits and gains derived from a State by an air transport enterprise of the other State from international transportation, shall be exempt from any tax in the first-mentioned State.

I have the honour to propose that this letter and Your Excellency's letter in reply confirming the acceptance of the above proposal by the Government of the People's Republic of China shall together constitute an Agreement between the Governments of the Kingdom of the Netherlands and the People's Republic of China, which shall enter into force on the date of Your Excellency's letter in reply.

Furthermore I have the honour to propose that the Government of the Kingdom of the Netherlands and the Government of the People's Republic of China may at any time give notice to each other through diplomatic channels of its decision to terminate this Agreement. This Agreement shall then terminate six months after the date of receipt of the notice by the other Government unless such notice is withdrawn by arrangement between the Governments before the expiry of the period.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration."

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

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

Xie Xuren

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