

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

**Letter of the Republic of Turkey:**

Excellency,

I have the honor to refer to the taxation on profit and turnover arising from international transportation by air transport enterprises of our two States and propose on behalf of the Government of the Republic of Turkey the following arrangement:

Profits and gains derived from one State by an air transport enterprise of the other State from international traffic shall be exempt from tax on income in the first-mentioned State in accordance with the provisions of the Agreement between the Republic of Turkey and the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on the 23<sup>rd</sup> day of May 1995. Revenue derived from one State by an air transport enterprise of the other State from international traffic shall be exempt from Value Added Tax, Business Tax or any other similar taxes in the first-mentioned State.

I have the honor 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 be regarded as constituting an agreement between our two Governments.

**Kemal UNAKITAN**  
**Minister of Finance**  
**For the Government of the Republic of Turkey**

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

Excellency,

I have the honor to acknowledge receipt of Your Excellency's letter dated 21 October 2005, which reads as follows:

“I have the honor to refer to the taxation on profit and turnover arising from international transportation by air transport enterprises of our two States and propose on behalf of the Government of the Republic of Turkey the following arrangement:

Profits and gains derived from one State by an air transport enterprise of the other State from international traffic shall be exempt from tax on income in the first-mentioned State in accordance with the provisions of the Agreement between the Republic of Turkey and the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on the 23<sup>rd</sup> day of May 1995. Revenue derived from one State by an air transport enterprise of the other State from international traffic shall be exempt from Value Added Tax, Business Tax or any other similar taxes in the first-mentioned State.

I have the honor 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 be regarded as constituting an agreement between our two Governments.”

I have the honor to confirm the acceptance by the Government of the People's Republic of China of the above proposal, and mention that this agreement shall enter into force on the date of this reply.

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