

AGREEMENT BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND  
THE GOVERNMENT OF GREENLAND  
FOR  
RECIPROCAL EXEMPTION FROM TAXES ON INCOME FROM THE  
INTERNATIONAL OPERATION OF A SHIP OR SHIPS OR AIRCRAFT

Desiring to conclude an agreement for reciprocal exemption with respect to taxes levied on income from the international operation of a ship or ships or aircraft derived by shipping and air transport enterprises of the two countries; and

Considering that the Government of Greenland concludes this agreement on behalf of the Kingdom of Denmark pursuant to the Danish Act on the Conclusion of Agreements under International Law by the Government of Greenland;

The Government of the United States of America and the Government of Greenland (hereinafter the "Contracting Parties") have agreed as follows:

Article I

TAXES COVERED

The taxes that are the subject of this Agreement are:

- a) In the case of the Government of Greenland,
  - (i) home rule tax;
  - (ii) special home rule tax;
  - (iii) municipal tax;
  - (iv) intermunicipal tax;
  - (v) company tax;
  - (vi) dividend tax;

(vii) royalty tax; and  
(viii) any identical or substantially similar taxes that are imposed after the date of signature of this Agreement in addition to, or in place of, the above taxes (hereinafter referred to as "Greenland tax");

and

b) In the case of the United States, Federal income taxes imposed by the Internal Revenue Code, including the taxes imposed by sections 884 and 887 (hereinafter referred to as "United States tax").

## Article II

### DEFINITIONS

1. In this Agreement, unless the context otherwise requires:
  - a) The term "tax" means "Greenland tax" or "United States tax", as the context requires;
  - b) The term "enterprise of a Contracting Party" means an enterprise carried on by the government of that Contracting Party, a political subdivision or local authority thereof, or by individuals who are residents of that Contracting Party or corporations created under the laws of that Contracting Party;
  - c) The term "operation of a ship or ships or aircraft" means the transportation by sea or air, as the context requires, of persons, baggage, livestock, goods, merchandise or mail, including the sale of tickets and similar documents used for the purpose of such transport, and other directly related activities, carried on by the owner, lessor, or charterer of a ship or aircraft;
  - d) The term "international operation" or "international transport" means operation as defined in paragraph (c), except where the ship

or aircraft is operated solely between places in the territory of a Contracting Party;

- e) The term "income derived from the international operation of a ship or ships or aircraft" includes:
    - i) Income from the rental on a full (time or voyage) basis of a ship or ships or aircraft used in international transport;
    - ii) Income from the rental on a bareboat basis of a ship or ships or aircraft used in international transport;
    - iii) Income from the rental of containers and related equipment used in international transport that is incidental to income from the international operation of a ship or ships or aircraft;
    - iv) Gains from the sale or other alienation of a ship or ships or aircraft used in international transport by an enterprise of a Contracting Party primarily engaged in the international operation of a ship or ships or aircraft; and
    - v) Income derived by an enterprise of a Contracting Party that is engaged in the international operation of a ship or ships or aircraft from its participation in a pool, an alliance, joint businesses, international operating agency, or other venture that is itself engaged in the international operation of a ship or ships or aircraft.
2. In the application of the provisions of this Agreement by a Contracting Party, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has at that time under the laws of that Contracting Party relating to the taxes which are the subject of this Agreement.

### Article III

#### SHIPPING AND AIR TRANSPORT

1. Income derived by an enterprise of a Contracting Party from the international operation of a ship or ships or aircraft shall be exempt from tax by the other Contracting Party.
2. For a corporation to claim the benefits of this Agreement as an enterprise of a Contracting Party, it must satisfy any ownership or public trading requirements, as well as any filing requirements, of the other Contracting Party.

### Article IV

#### CONSULTATIONS AND AMENDMENT

1. Consultations may be requested in writing at any time by either Contracting Party regarding the implementation of this Agreement. Such consultations shall commence within sixty (60) days of such written request.
2. The Contracting Parties shall endeavor to resolve by mutual agreement any questions that may arise regarding the interpretation or application of this Agreement.
3. This Agreement may be amended by written agreement of the Contracting Parties.

### Article V

#### ENTRY INTO FORCE

1. The Contracting Parties shall notify each other in writing through diplomatic channels when their respective legal procedures for entry into force have been met with respect to this Agreement.
2. The Agreement shall enter into force as of the date of the later of the notifications required under

paragraph 1 of this Article, and the provisions of this Agreement shall have effect with respect to all taxable years beginning on or after the following January 1.

Article VI

TERMINATION

This Agreement may be terminated by either Contracting Party giving notice of termination through diplomatic channels.

DONE at \_\_\_\_\_, in duplicate,  
this \_\_\_\_\_ day of \_\_\_\_\_,  
2008,

in the English language.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their representative governments, have signed the present Agreement.

FOR THE GOVERNMENT OF GREENLAND:

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA: