EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT CONCERNING THE AGREEMENT OF MAY 22, 1956 FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

Pretoria, 30 October 1959

Sir,

I have the honour to refer to discussions which have taken place between officials of our two Governments and to propose that the Agreement of the 22nd May, 1956, concluded in the English and Afrikaans languages between the Government of the Union of South African and the Government of the Federation of Rhodesia and Nyasaland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income be amended in respect of the English text by insertion in Article XII, after paragraph 3, of the following paragraph, the existing paragraph 4 thereby becoming paragraph 5:

"4. Any provision in any law whereby interest is deemed to be derived from a source within one of the territories by virtue of the ordinary residence in that territory of the person from whom the interest is derived shall not be applied in relation to interest which is payable to a person who resides in the other territory, if such interest is subject to tax in that other territory."

In the event of the above proposal being acceptable to you I have the honour to propose that this note and your confirmatory reply be regarded as constituting an agreement between our two Governments which shall have effect:

(a) In the Union of South Africa, in respect of the year of assessment beginning on or after the first day of July, 1957; and
(b) In the Federation of Rhodesia and Nyasaland, in respect of the year of assessment beginning on or after the first day of April, 1957.

I have the honour to be, Sir, Your obedient Servant,

J. W. M. Fitt
High Commissioner for the Federation of Rhodesia and Nyasaland
G. P. Jooste
The Secretary for External Affairs,
Government of the Union of South Africa

Pretoria, 30 October 1959

Sir,

I have the honour to acknowledge receipt of your Note No. P.4/2 of today's date reading as follows:

"I have the honour to refer to discussions which have taken place between officials of our two Governments and to propose that the Agreement of the 22nd May, 1956, concluded in the English and Afrikaans languages between the Government of the Union of South African and the Government of the Federation of Rhodesia and Nyasaland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income be amended in respect of the English text by insertion in Article XII, after paragraph 3, of the following paragraph, the existing paragraph 4 thereby becoming paragraph 5:

"4. Any provision in any law whereby interest is deemed to be derived from a source within one of the territories by virtue of the ordinary residence in that territory of the person from whom the interest is derived shall not be applied in relation to interest which is payable to a person who resides in the other territory, if such interest is subject to tax in that other territory."

In the event of the above proposal being acceptable to you I have the honour to propose that this note and your confirmatory reply be regarded as constituting an agreement between our two Governments which shall have effect:
(a) In the Union of South Africa, in respect of the year of assessment beginning on or after the first day of July, 1957; and
(b) In the Federation of Rhodesia and Nyasaland, in respect of the year of assessment beginning on or after the first day of April, 1957."

In reply thereto, I have the honour to state that the Government of the Union of South Africa are in agreement with the foregoing provisions and that your Note and this confirmatory reply shall be regarded as constituting an agreement between our two Governments.

I have the honour to be, Sir, Your obedient Servant,

G. P. Jooste
The Secretary for External Affairs
J. W. M. Pitt, Esq., O.B.E.,
High Commissioner for the Federation of Rhodesia and Nyasaland,
Pretoria