

TO BE PUBLISHED IN PART II -SECTION 3 -SUBSECTION (1)
OF THE GAZETTE OF INDIA EXTRAORDINARY.

GOVERNMENT OF INDIA
DEPARTMENT OF REVENUE AND BANKING,
(REVENUE WING)

NOTIFICATION
INCOME-TAX

New Delhi, the 15th April 1977

G.S.R. 1727 Whereas the annexed Agreement on Merchant Shipping has been concluded between the Government of the Republic of India and the Government of the People's Republic of Bulgaria;

AND whereas Article 10 of the said Agreement provides for the avoidance of double taxation in respect of taxes on income derived from the carriage of cargo;

NOW, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961) and section 24A of the Companies (Profits) Sur-tax Act, 1964 (7 of 1964), the Central Government hereby directs that the provisions of the said Article of the said Agreement shall be given effect to in the Union of India.

h.R.
15/4

Annexure

AGREEMENT

ON MERCHANT SHIPPING BETWEEN THE GOVERNMENT
OF THE REPUBLIC OF INDIA AND THE GOVERNMENT
OF THE PEOPLE'S REPUBLIC OF BULGARIA

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The Government of the Republic of India and the Government of the People's Republic of Bulgaria, inspired by the desire to develop the maritime relations between the two countries, have agreed as follow :

Article 1

1. The cooperation between the two countries in the field of maritime navigation shall be based on the principles of sovereign equality, national interests and mutual advantage and assistance.
2. The provisions of this Agreement shall be applicable to bilateral shipping between the two Contracting Parties.

Article 2

In accordance with Article 1 of this Agreement, both parties shall contribute to the establishment of a regular liner shipping service between the ports of the two countries and develop mutual contacts among their organisations responsible for shipping activities.

Article 3

1. The term "vessel" of each party indicates the vessel of the mercantile marine sailing under the flag of that country in accordance with its laws.

This term would exclude the warships of both the Parties.

2. The term "member of the crew" of a merchant vessel indicates any person entered in its crew list.

Article 4

1. The Parties agree to promote the participation of their vessels in the carriage of all commercial cargoes between the ports of the two countries on the principle of equality in all matters, including the distribution of cargo, its transportation and freight earnings over specified periods.
2. In case the shipping companies of one of the Contracting Parties are not able to undertake the carriage in accordance with paragraph 1, such carriage will be offered to the vessels of the other Contracting Party. If the required tonnage is not available with the other Contracting Party, the first Party may use vessels of third countries for the carriage of the share of cargo of the Contracting Party.

3. The provisions of this Article do not concern the right of the vessels, sailing under the flag of third countries to participate in the sea traffic between the ports of the Contracting Parties.

Article 5

Each Party will avoid competition with the fleet of the other in its trade with third countries and desist from such activities as would prejudice the growth and utilisation of the merchant fleet of the other Party.

Article 6

Each Party may establish a general agency for its shipping companies in the territory of the other Party in accordance with the laws of that country.

Article 7

1. The vessels of either Party, their crews, passengers and cargoes shall be admitted to the territorial waters and the ports of the other Party and shall be accorded the most-favoured-nation treatment relating to their entry, stay and leaving of the ports and all the facilities for maritime commercial navigation.

2. The provisions of the preceding paragraph shall not apply to maritime activities legally protected for each country, such as coastal shipping, pilotage, sea fishing as well as to the regulations regarding the entry and stay of foreigners.

Article 8

The Parties shall endeavour to adopt, within the limits of their laws and port regulations, all appropriate measures to facilitate and expedite maritime traffic, to prevent delays to vessels and to expedite the carrying out of customs and other formalities applicable at the ports.

Article 9

All ship documents including those relating to nationality, registration, tonnage and survey issued or recognised by one Party shall be recognised by the other Party.

Article 10

1. All port dues and charges for services rendered to the vessels operating under the provisions of the present Agreement shall be regulated in accordance with the relevant laws applicable at the ports of India and Bulgaria from time to time.

2. The Parties agree not to collect income-tax on the freight earnings on cargoes carried by vessels from ports of one Contracting Party to the ports of the other Contracting Party.

Article 11

1. Each of the Parties shall recognise the seaman's identity documents issued by the appropriate authorities of the other Party.

2. Holders of Seaman's identity documents specified above shall be permitted to land on temporary shore leave without visa during the stay of the vessel in the port of the other Party, provided that the crew list has been submitted to the concerned authorities in accordance with the laws and regulations in force in that port.

3. From the time of their landing to the time of their returning to the vessel, the said persons shall be subject to frontier and customs control and the laws and regulations for foreigners' traffic in force in that port.

4. When a member of the crew possessing an identity document and the prescribed permission, disembarks in the port of the other Party due to illness, official reasons or other reasons, the latter shall allow his being putting up at a hospital, his being repatriated or his being moved to another port in order to be accommodated in another ship.

5. Holders of the seaman's identity documents shall be permitted to enter, move through or leave by any means of transport the territory of the other country in order to be able to join a vessel of his country in a port of the other Party or on way to his home country with the approval of the appropriate authorities of the other Party. In all such cases, the seaman shall be required to have proper visa of the other Party which shall be granted by the concerned authorities within the shortest possible time.

6. For the purpose of navigation, the captain of the vessel staying in the port of the other Party or a person authorised by him shall be permitted to contact or visit the diplomatic or consular official, or the representative of the shipping company by observing the laws and regulations of the other country regarding the port regime and foreigners' entry into that country.

Article 12

If a vessel of one of the Parties suffers shipwreck, runs aground, is cast ashore or suffers any other accident

off the coast of the other Party, the vessel, the cargo, the crew and the passengers shall receive in the territory of the other Party the same assistance which is accorded to a national vessel, its cargo, crew and passengers. This will be subject to the respective laws and international obligations of each of the Parties.

The loads, freights and repairing of a vessel which has been damaged shall not be subject to customs duties and taxes provided the same are taken out of the country within a reasonable period or are not handed over for local consumption.

Article 13

All payments and expenses relating to sea transport between the two countries shall be effected in accordance with the provisions of the payments agreement in force between the two countries from time to time.

Article 14

Any difficulty arising in the working of this Agreement shall be settled by negotiation.

Article 15

1. For the purpose of evaluating, supervising and reviewing the overall working of this Agreement and resolving any outstanding issues, the Contracting Parties agree to set up a Joint Committee on shipping which will meet periodically. The Parties will nominate their representatives to the Joint Committee.

2. State Shipping Corporation, "Water Transport", Varna, from the Bulgarian side and the Shipping Corporation of India Limited, Bombay, from the Indian side are the organisations which are authorised to solve the questions such as distribution of cargoes, fixation of sailings and tariff and similar other questions for implementing the present Agreement.

Each Party may, if necessary, nominate any other organisation in place of the above by notifying to the other Party.

Article 16

The present Agreement shall be applicable in the territory of the Republic of India on the one hand and in the territory of the People's Republic of Bulgaria on the other hand.

Article 17

1. This Agreement shall take effect from the date on which Instruments of Ratification are exchanged in New Delhi and shall remain in force for a period of five years.

2. After the expiration of this period the Agreement shall be automatically renewed for a one year period at a time unless either of the Contracting Parties expresses its desire to renegotiate the Agreement or any of its provisions by giving a written notice to the other Party to that effect six months prior to the expiry of any of the above mentioned periods.

Done in New Delhi, on this the Eighteenth day of November, 1976 in two original copies in English, both the texts being equally authentic.

FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA

FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF BULGARIA


Sd/-

Sd/-

(Dr. G.S. Dhillon)

(Ivan Nedev)

No. 1727/F.No. 145/25/71-FDA



(J. C. Kalra)

Joint Secretary to the Govt. of India