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**NEW US-MALTA RECIPROCAL AGREEMENT ON  
EXEMPTION FROM TAX ON TRANSPORTATION INCOME**

**MSD Notice No 22**

*Notice to Shipowners, Ship Operators and Managers,  
and Owners' Representatives*

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The Merchant Shipping Directorate wishes to bring to the attention of all concerned a new reciprocal agreement between Malta and the United States of America exempting shipping and air operations from Income Tax.

2. Malta and the United States have exchanged diplomatic notes agreeing to exempt residents of the other country from taxes on income derived from shipping and air transport operations. The new agreement which applies retroactively to income derived on or after the 1 January 1997 makes it possible for Maltese companies owning or operating ships calling at US ports to claim an exemption from the four per cent gross transportation tax levied on transportation income attributable to transport which begins or ends in the United States. Exemption from tax on income earned prior to 1997 is of course governed by agreements in force at that time.

3. The Merchant Shipping Directorate will only be too pleased to provide further information on request.

Merchant Shipping Directorate  
Valletta

18 April 1997