

No. 2640

**SWEDEN
and
NORWAY**

Convention for the avoidance of double taxation with respect to death duties. Signed at Oslo, on 17 December 1949

Official texts: Swedish and Norwegian.

Registered by Sweden on 12 August 1954.

**SUÈDE
et
NORVÈGE**

Convention tendant à éviter la double imposition en matière de droits de succession. Signée à Oslo, le 17 décembre 1949

Textes officiels suédois et norvégien.

Enregistrée par la Suède le 12 août 1954.

[TRANSLATION — TRADUCTION]

No. 2640. CONVENTION¹ BETWEEN THE KINGDOM OF SWEDEN AND THE KINGDOM OF NORWAY FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO DEATH DUTIES. SIGNED AT OSLO, ON 17 DECEMBER 1949

The Kingdom of Norway and the Kingdom of Sweden have agreed to conclude a convention for the avoidance of double taxation with respect to death duties.

They have for that purpose appointed as their plenipotentiaries :

His Majesty the King of Norway :

Mr. Halvard M. Lange, His Minister of Foreign Affairs;

His Majesty the King of Sweden :

Baron Johan Hugo Beck-Friis, His Ambassador Extraordinary and Plenipotentiary at Oslo,

Who, having examined each other's full powers, found in good and due form, have agreed upon the following provisions :

Article I

This Convention refers to death duties applicable to the estates of deceased Norwegian and Swedish nationals.

Article II

For the time being the following duties are regarded as death duties :

In the case of Norway :

The succession duty, which also applies to donations *mortis causa*.

In the case of Sweden :

The succession duty and the estate duty.

This Convention shall also apply to all other death duties imposed in Norway or Sweden, after the signing of this Convention, on property passing on death, whether such duties are levied on the entire estate or on the share accruing to each heir or legatee.

¹ Came into force on 13 July 1950, by the exchange of the instruments of ratification at Stockholm, in accordance with article XI.

Article III

Immovable property situated in one of the two States shall be subject to duty only in that State.

Immovable property shall include accessories thereto (such as live-stock, tools and other movables employed in agriculture or forestry) and also usufruct and rights to produce or other yield from immovable property.

Rights to royalties granted for the use of immovable property, or for the operation of a mine or other natural deposit, shall be subject to duty in the State in which such immovable property, mine or natural deposit is situated.

Article IV

Assets employed in a business or liberal profession and attributable to a permanent establishment in one of the States shall be subject to duty only in that State.

A permanent establishment shall be regarded as a place at which there are special installations or at which special arrangements have been made for the permanent use of such place for business or professional purposes, such as a place where the undertaking has its management, offices, branches, permanent agencies, factories, workshops or the like, buying or selling premises, warehouses (including permanent commission warehouse), mines or other natural deposits.

For the purposes of this article the term "business" includes part-ownership in an undertaking, but not part-ownership resulting from the possession of shares or similar securities. "Similar securities" shall be understood, as regards current Norwegian law, to mean shares in Norwegian companies with shared or otherwise limited liability, but not in ordinary *kommmanditt* companies, and, as regards current Swedish law, shares in Swedish economic associations.

Article V

Assets not dealt with in Article III or IV shall be subject to duty only in the State in which the deceased was domiciled at the time of his death.

For the purposes of this Convention, a deceased person shall be deemed to have been domiciled in one of the States if he had his permanent residence there. If any doubt arises as to the State in which a deceased person shall be deemed to have been domiciled as aforesaid, or if such person can be deemed to have been domiciled in both States, the question of domicile shall be settled by a special agreement between the supreme financial authorities of the two States. In this respect they shall take into consideration in which State the deceased's personal and economic interests may be considered to have been centred, or, if this also cannot be decided his nationality.

If the deceased person did not have a permanent residence in either State, he shall be deemed to have been domiciled in the State of which he was a national. If the deceased person was a national of both States, the question as to where he shall be deemed to have been domiciled shall be settled by a special agreement between the supreme financial authorities.

Article VI

Where debts encumber a deceased's estate to which Article III or IV applies, or are secured by such estate, the State having the right to levy duty on the said estate shall deduct such debts from that estate or from other assets on which the said State has the right to levy duty. Debts other than those aforesaid shall be deducted from assets subject to duty in the State in which the deceased person was domiciled at the time of his death.

Where debts which under the provisions of the first paragraph are to be deducted by one of the States exceed the value of all the assets on which the said State has the right to levy duty, the amount of debt in excess shall be deducted from assets subject to duty in the other State.

In the case of entailed property, however, only debts which encumber or are secured by the said property shall be deducted.

Article VII

Where the right to levy duty on the estate of a deceased person is shared by both States, the following provisions shall apply in respect of the right to compute duty in the State in which such person was domiciled at the time of his death: the duty computed shall not exceed the difference between the sum of duty that would have been computed if the entire estate of the deceased had been subject to duty in the said State and the sum of duty that would have been computed if the said State had levied duty only on that portion of the deceased's estate which is subject to duty in the other State.

Article VIII

This Convention shall not affect any right to tax exemption which has been, or may hereafter be, conferred on diplomatic or consular officers in virtue of the general rules of international law. Where, owing to such tax exemption, assets are not subject to duty in the country to which such officers are accredited, the country accrediting them shall have the right to levy duty.

Article IX

If it can be shown that action taken by the revenue authorities of the two States results in taxation contrary to the principles of this Convention, any person so affected by double taxation shall be entitled to lodge a claim with

the State in which the deceased person shall be deemed under this Convention to have been domiciled at the time of his death. If the claim is upheld, the latter State shall take the action necessary to eliminate such double taxation.

A claim as aforesaid shall ordinarily be lodged within two years from the end of the calendar year in which the double taxation came to the notice of the person liable to duty.

Article X

The supreme financial authorities of the two States may make special arrangements for carrying out the provisions of this Convention and for the avoidance of double taxation in respect of the duties specified in Article II in cases not regulated by this Convention or which may arise from the application thereof and in cases where difficulties or doubts may arise with respect to the interpretation and application of the Convention.

Article XI

This Convention shall be ratified, in the case of Norway, by His Majesty the King of Norway, with the consent of the Storting, and, in the case of Sweden, by His Majesty the King of Sweden, with the consent of the Riksdag. The instruments of ratification shall be exchanged at Stockholm as soon as possible.

The Convention shall come into force on the day on which the instruments of ratification are exchanged and shall apply in respect of the estate of any person dying on or after the said day.

Article XII

This Convention shall remain in force until denounced by one of the Contracting States. Denunciation shall take place at least eight months before the end of the calendar year. Where due notice is given, the Convention shall cease to be effective at the end of the calendar year but shall continue to apply in respect of the estate of any person dying before the end of the year.

IN WITNESS WHEREOF the plenipotentiaries of the two States have signed this Convention and have thereto affixed their seals.

DONE in Oslo, in duplicate in the Norwegian and Swedish languages, the two texts having equal authenticity, this 17th day of December 1949.

Johan BECK-FRIIS
[L.S.]

Halvard M. LANGE
[L.S.]