

N° 4392.

**ÉTATS-UNIS D'AMÉRIQUE
ET SUÈDE**

Echange de notes en vue d'éviter la double imposition des revenus des entreprises de navigation maritime, Washington, le 31 mars 1938, et mémorandum du Département d'Etat des Etats-Unis d'Amérique de la même date.

**UNITED STATES OF AMERICA
AND SWEDEN**

Exchange of Notes for the Prevention of Double Taxation on Shipping Profits, Washington, March 31st, 1938, and Memorandum of the Department of State of the United States of America of the same Date.

No. 4392. — EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE SWEDISH GOVERNMENT FOR THE PREVENTION OF DOUBLE TAXATION ON SHIPPING PROFITS. WASHINGTON, MARCH 31ST, 1938.

English official text communicated by the Swedish Minister for Foreign Affairs and by the Chargé d'Affaires a.i. of the United States of America at Berne. The registration of this Exchange of Notes took place July 9th, 1938.

I. WASHINGTON, March 31st, 1938.

SIR,

In order to insure that Swedish shipping will continue to enjoy the benefits of tax exemption which have been in effect in the United States of America pursuant to the Exchange of Notes commencing with the Swedish Legation's Notes of January 27th, 1922, and February 24th, 1922, I have the honour to inform you that, on condition of reciprocity, corporations, including maritime shipping companies, organized in the United States of America, the vessels of which, documented under the laws of the United States, call at Swedish ports either to load or to unload cargo, or to embark or to land passengers, shall be exempted by the Government of Sweden from the payment of taxes on income or profits derived exclusively from the operation of such vessels.

In consequence thereof, the Royal Ordinance of September 28th, 1928, concerning Income and Property Taxation, and the Swedish Communal Taxation Law of the same date shall in no case be applied to American shipping corporations, including maritime shipping companies, organized in the United States of America.

This exemption shall apply even though an American corporation or company has an agency or a branch office in Sweden, provided that the activities of the agency or branch office be limited to the direct operation of vessels.

By "maritime shipping companies", shall be understood companies which are managed by an "owner" of vessels, the term "owner" including charterers.

Income or profits derived from the operation of vessels shall also include income or profits derived from the sale in Sweden of steamship tickets issued by an American corporation or company.

The same exemption from taxation shall, on condition of reciprocity, likewise be enjoyed by citizens of the United States of America, not residents in Sweden, for income which consists exclusively of earnings derived from the operation of a vessel, or vessels, documented under laws of the United States of America.

This exemption may be terminated at any time by either Government on six months' notice given to the other Government.

With renewed assurances of my highest consideration, I have the honour to remain, Sir, Your most obedient servant,

W. BOSTRÖM.

The Honourable Cordell Hull,
Secretary of State of the United States of America.

II. WASHINGTON, March 31st, 1938.

SIR,

In order to insure that American shipping will continue to enjoy the benefits of tax exemption which have been in effect in Sweden pursuant to the Exchange of Notes commencing with the Swedish

¹ TRADUCTION. — TRANSLATION.

N^o 4392. — ÉCHANGE DE NOTES ENTRE LE GOUVERNEMENT DES ETATS-UNIS D'AMÉRIQUE ET LE GOUVERNEMENT SUÉDOIS EN VUE D'ÉVITER LA DOUBLE IMPOSITION DES REVENUS DES ENTREPRISES DE NAVIGATION MARITIME. WASHINGTON, LE 31 MARS 1938.

Texte officiel anglais communiqué par le ministre des Affaires étrangères de Suède et le chargé d'Affaires a. i. des Etats-Unis d'Amérique à Berne. L'enregistrement de cet échange de notes a eu lieu le 9 juillet 1938.

I. WASHINGTON, le 31 mars 1938.

MONSIEUR LE SECRÉTAIRE D'ETAT,

Afin que la navigation suédoise puisse continuer de bénéficier de l'exonération fiscale dont elle jouit aux Etats-Unis d'Amérique depuis l'échange de notes commençant par les notes de la légation de Suède en dates du 27 janvier 1922 et du 24 février 1922, j'ai l'honneur de porter à votre connaissance que, sous réserve de réciprocité, les entreprises en général, y compris les compagnies de navigation maritime, constituées aux Etats-Unis d'Amérique, dont les navires, enregistrés conformément aux lois des Etats-Unis, font escale dans des ports suédois, soit pour y charger ou y décharger des marchandises, soit pour y embarquer ou y débarquer des passagers, seront exemptées par le Gouvernement suédois du paiement des impôts sur les revenus ou bénéfices résultant exclusivement de l'exploitation de ces navires.

En conséquence, l'ordonnance royale du 28 septembre 1928 relative à l'imposition des revenus et de la fortune et la loi suédoise relative aux impôts municipaux portant la même date ne seront en aucun cas applicables aux entreprises américaines de navigation, y compris les compagnies de navigation maritime, constituées aux Etats-Unis d'Amérique.

Cette exemption est acquise même si l'entreprise ou la compagnie américaine possède en Suède une agence ou une succursale, pourvu que l'activité de l'agence ou de la succursale ne s'écarte pas de l'exploitation directe des navires.

Par « compagnies de navigation maritime » il faut entendre celles qui sont dirigées par un « propriétaire » de navires, le terme « propriétaire » comprenant tout affrèteur.

Les revenus ou bénéfices de l'exploitation des navires comprennent également les revenus ou bénéfices provenant de la vente en Suède de billets de passage délivrés par des entreprises ou compagnies américaines.

La même exemption de taxe sera également accordée, sous réserve de réciprocité, aux citoyens des Etats-Unis d'Amérique ne résidant pas en Suède, pour les revenus qui consistent exclusivement en bénéfices provenant de l'exploitation d'un ou de plusieurs navires, enregistrés conformément aux lois des Etats-Unis d'Amérique.

Cette exemption pourra être retirée à tout moment par l'un des deux gouvernements, moyennant un préavis de six mois donné à l'autre gouvernement.

Veuillez agréer, etc.

W. BOSTRÖM.

L'honorable Cordell Hull,
Secrétaire d'Etat des Etats-Unis d'Amérique.

II. WASHINGTON, le 31 mars 1938.

MONSIEUR LE MINISTRE,

Afin que la navigation américaine puisse continuer de bénéficier de l'exonération fiscale dont elle jouit en Suède depuis l'échange de notes commençant par les notes de la légation de Suède

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

Legation's Notes of January 27th, 1922, and February 24th, 1922, I have the honor to inform you that, on condition of reciprocity, corporations, including maritime shipping companies, organized in Sweden, the vessels of which, documented under the laws of Sweden, call at ports in the United States of America either to load or to unload cargo, or to embark or to land passengers, shall be exempted by the Government of the United States of America from the payment of taxes on income or profits derived exclusively from the operation of such vessels.

In consequence thereof, Sweden is held to have satisfied the equivalent exemption provisions of Sections 212 (b) and 231 (e) of the Revenue Act of 1936 and the provisions for taxation of the income of corporations contained in said Act shall in no case be applied to corporations, including maritime shipping companies, organized in Sweden.

This exemption shall apply even though a Swedish corporation or company has an agency or a branch office in the United States, provided that the activities of the agency or branch office are limited to the direct operation of vessels.

By "maritime shipping companies", shall be understood companies which are managed by an "owner" of vessels, the term "owner" including charterers.

Income or profits derived from the operation of vessels shall also include income or profits derived from the sale in the United States of steamship tickets issued by a Swedish corporation or company.

The same exemption from taxation shall, on condition of reciprocity, likewise be enjoyed by subjects of Sweden, not residents in the United States of America, for income which consists exclusively of earnings derived from the operation of a vessel, or vessels, documented under the laws of Sweden.

This exemption may be terminated at any time by either Government on six months' notice given to the other Government.

Accept, Sir, the renewed assurances of my highest consideration.

Cordell HULL.

The Honourable W. Boström,
Minister of Sweden.

Certifiée pour copie conforme :

Stockholm,
au Ministère royal des Affaires étrangères,
le 7 juillet 1938.

Le Chef des Archives p. i.,
C^{te} Lewenhaupt.

MEMORANDUM OF THE DEPARTMENT OF STATE.

Registered on July 9th, 1938, at the request of the Chargé d'Affaires a. i. of the United States of America at Berne.

The Department of State advises the Swedish Legation that so far as it is advised the income of foreign shipping companies is not being taxed by the State Authorities.

DEPARTMENT OF STATE, WASHINGTON, *March 31st, 1938.*

Certified to be a true and complete textual copy of the original Arrangement in the sole language in which it was signed.

For the Secretary of State of the United States of America :

Edward Yardley,
Chief Clerk and Administrative Assistant.