

No. 2649

**SWEDEN
and
UNION OF SOUTH AFRICA**

Exchange of notes constituting an agreement for the avoidance of double taxation on the income derived from shipping and aircraft. Cape Town, 25 May 1951

Official text: English.

Registered by Sweden on 12 August 1954.

**SUÈDE
et
UNION SUD-AFRICAINE**

Échange de notes constituant un accord tendant à éviter la double imposition des revenus des entreprises de transports maritimes et aériens. Le Cap, 25 mai 1951

Texte officiel anglais.

Enregistré par la Suède le 12 août 1954.

No. 2649. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN SWEDEN AND THE UNION OF SOUTH AFRICA FOR THE AVOIDANCE OF DOUBLE TAXATION ON THE INCOME DERIVED FROM SHIPPING AND AIRCRAFT. CAPE TOWN, 25 MAY 1951

I

Cape Town, 25th May 1951

Mr. Minister,

The Government of the Union of South Africa and the Government of Sweden desiring to conclude an agreement for the avoidance of double taxation on the income derived from shipping and aircraft, I have the honour to inform you that the Government of the Union of South Africa are prepared to conclude an agreement with the Government of Sweden in the following terms : —

Article I

The expression —

« the business of sea or air transport » means the business of transporting by sea or by air persons, livestock, goods or mail carried on by the owner or charterer of ships or aircraft.

« Union enterprise » means the Government of the Union of South Africa, a physical person ordinarily resident in the Union of South Africa and not ordinarily resident in Sweden and a corporation or a partnership constituted under the laws of the Union of South Africa and managed and controlled in the Union of South Africa.

« Swedish enterprise » means the Government of Sweden, a physical person ordinarily resident in Sweden and not ordinarily resident in the Union of South Africa and a corporation or a partnership constituted under the laws of Sweden and managed and controlled in Sweden.

Article II

(1) The Government of the Union of South Africa shall exempt all income derived from the business of sea or air transport between the Union of South Africa and other countries by Swedish enterprises engaged in such business from income tax and all other taxes on income which are chargeable in the Union of South Africa.

¹ Came into force on 25 May 1951 by the exchange of the said notes.

(2) The Government of Sweden shall exempt all income derived from the business of sea or air transport between Sweden and other countries by Union enterprises engaged in such business from income tax and all other taxes on income which are chargeable in Sweden.

Article III

This agreement shall come into force on the date on which the last of all such things shall have been done in the Union of South Africa and in Sweden as are necessary to give the agreement the force of law in the Union of South Africa and in Sweden respectively and shall thereupon have effect as respects all income derived on or after the 1st July, 1948.

Article IV

This agreement shall continue in effect indefinitely but may be terminated by either Government by giving six months notice in writing to the other Government, provided that such notice of termination shall only have effect as respects incomes derived after a period of at least six months from the date of such notice.

If the foregoing proposals are acceptable to the Government of Sweden, I suggest that this note and your confirmatory reply thereto be regarded as constituting an agreement between our two Governments in this matter.

Please accept, Mr. Minister, the renewed assurance of my highest consideration.

N. C. HAVENGA
Minister of Finance

II

Cape Town, 25 May 1951

Mr. Minister,

I have the honour to acknowledge receipt of your note of today's date, reading as follows: —

[*See note I*]

In reply thereto, I have the honour to inform you that the Government of Sweden are in agreement with the foregoing provisions and that your note and the present reply shall be regarded as constituting an agreement between our two Governments.

Please accept, Mr. Minister, the renewed assurance of my highest consideration.

C. O. GISLE