

No. 2659

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**SWEDEN  
and  
DENMARK**

**Agreement for the avoidance of double taxation with respect  
to death duties. Signed at Stockholm, on 27 October  
1953**

*Official texts: Swedish and Danish.*

*Registered by Sweden on 12 August 1954.*

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**SUÈDE  
et  
DANEMARK**

**Convention tendant à éviter la double imposition en ma-  
tière de droits de succession. Signée à Stockholm, le  
27 octobre 1953**

*Textes officiels suédois et danois.*

*Enregistrée par la Suède le 12 août 1954.*

## [TRANSLATION — TRADUCTION]

No. 2659. AGREEMENT<sup>1</sup> BETWEEN THE KINGDOM OF SWEDEN AND THE KINGDOM OF DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO DEATH DUTIES. SIGNED AT STOCKHOLM, ON 27 OCTOBER 1953

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The Kingdom of Sweden and the Kingdom of Denmark have decided to conclude an agreement 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 Sweden :

His Excellency Mr. Östen Undén, His Minister of Foreign Affairs; and

His Majesty the King of Denmark :

Mr. N. Chr. Stenderup, Counsellor of Embassy, Danish Chargé d'affaires *ad interim* at Stockholm,

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

*Article 1*

This Agreement refers to death duties applicable to the estates (cf. article 2) of deceased Swedish and Danish nationals.

The Agreement shall not, in respect of Denmark, apply to the Faroe Islands or Greenland.

*Article 2*

For the time being the following taxes shall be regarded as death duties :

In the case of Sweden :

The succession duty and the estate duty becoming due *mortis causa*.

In the case of Denmark :

The duty on inherited and similar property (succession duty).

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

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<sup>1</sup> Came into force on 18 December 1953, by the exchange of the instruments of ratification at Stockholm, in accordance with article 10.

*Article 3*

Immovable property, including mines and other natural resources, shall be subject to duty only in the State in which the property is situated.

Immovable property shall not include livestock or equipment, nor usufruct of immovable property or other rights to produce or other yield from such property.

Rights to royalties paid for the use of immovable property shall be subject to duty in the State in which the immovable property is situated.

*Article 4*

Property to which article 3 does not apply 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 Agreement, 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 with which State the deceased at the time of his death had the stronger personal and economic ties, 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 he was a national of both States, the question of where he shall be deemed to have been domiciled shall be settled by a special agreement between the supreme financial authorities.

*Article 5*

Where debts encumber a deceased's state to which article 3 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 the debts deductible by one of the States under the provisions of the first paragraph 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 6*

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 levy duty in the State in which such person was domiciled at the time of his death :

The duty levied shall not exceed the difference between the sum of duty that would have been payable 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 payable 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 7*

This Agreement shall not affect any right to tax exemption which has been, or may hereafter be, granted to diplomatic or consular officers in virtue of the general rules of international law.

Where, owing to such tax exemption, death duties are not levied in the receiving State, the right of taxation shall be reserved to the sending State.

*Article 8*

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 Agreement, any person so affected by double taxation shall be entitled to lodge a claim with the State in which, by application of the provisions of article 4, he is deemed to be domiciled or in which the deceased shall be deemed under this Agreement to have been domiciled at the time of his death. If the claim is upheld, that 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 9*

The supreme financial authorities of the two States may make special arrangements for carrying out the provisions of this Agreement and for the avoidance of double taxation in respect of the duties specified in article 2 in cases not regulated by this Agreement or arising from the application thereof, and in cases where difficulties or doubts may arise with respect to the interpretation and application of the Agreement.

*Article 10*

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

The Agreement 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, whether testate or intestate, on or after the said day.

*Article 11*

The Agreement shall remain in force until denounced by one of the Contracting States. Denunciation shall take place at least six months before the end of the calendar year. Where due notice is given, the Agreement 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, whether testate or intestate, before the end of the year.

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

DONE at Stockholm, on 27 October 1953, in duplicate, in the Swedish and Danish languages, both texts being equally authentic.

Östen UNDÉN

[L.S.]

N. Chr. STENDERUP

[L.S.]

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