

**No. 3997**

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**FINLAND  
and  
SWITZERLAND**

**Convention (with Final Protocol) for the avoidance of double  
taxation in the matter of inheritance taxes. Signed  
at Bern, on 27 December 1956**

*Official texts: Finnish and German.*

*Registered by Finland on 17 September 1957.*

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**FINLANDE  
et  
SUISSE**

**Convention (avec Protocole final) en vue d'éviter les doubles  
impositions dans le domaine des impôts sur les succes-  
sions. Signée à Berne, le 27 décembre 1956**

*Textes officiels finnois et allemand.*

*Enregistrée par la Finlande le 17 septembre 1957.*

## [TRANSLATION — TRADUCTION]

No. 3997. CONVENTION<sup>1</sup> BETWEEN THE SWISS CONFEDERATION AND THE REPUBLIC OF FINLAND FOR THE AVOIDANCE OF DOUBLE TAXATION IN THE MATTER OF INHERITANCE TAXES. SIGNED AT BERN, ON 27 DECEMBER 1956

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The Swiss Confederation and the Republic of Finland, being desirous of avoiding so far as possible double taxation in the matter of inheritance taxes, have agreed to enter into a Convention.

For this purpose plenipotentiaries have been designated as follows :

By the Swiss Federal Council :

Mr. Max Petitpierre, member of the Federal Council, Chief of the Federal Political Department;

By the President of the Republic of Finland :

Mr. Hugo Valvanne, Envoy Extraordinary and Minister Plenipotentiary of the Republic of Finland in Switzerland;

Who, having communicated to each other their full powers, found in good and due form, have agreed on the following provisions :

*Article 1*

1. It is the object of this Convention to avoid any double taxation which might arise, upon the decease of a person last domiciled in one of the two States, from the simultaneous charging of Finnish and Swiss inheritance taxes.

2. For the purposes of this Convention, the term "inheritance taxes" means the taxes charged *mortis causa* under Finnish or Swiss law, on the entire estate or on the portions of the estate which accrue to the heirs.

3. This Convention relates in particular to :

(a) In the case of Finland :

The tax on the portions of an estate, the communal taxes on inheritances and legacies, and the poor relief contribution;

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<sup>1</sup> Came into force on 31 May 1957, on the date of the exchange of the instruments of ratification at Helsinki, in accordance with article 7.

(b) In the case of Switzerland :

The taxes charged by the cantons, districts, *Kreise* and communes on the entire estate or on the portions thereof which accrue to the heirs.

4. The Convention also relates to any taxes of the same or of like nature which may in the future be added to or substituted for the taxes referred to in the foregoing paragraph, and to taxes charged in the form of surcharges.

### Article 2

Immovable property (including property accessory thereto and livestock or equipment used in the operation of an agricultural or forestry undertaking) shall not be liable to inheritance taxes except in the State in which the property is situated. Article 3, paragraphs 2 and 3, of the Convention for the avoidance of double taxation in the matter of taxes on income and property, concluded between the two States on 27 December 1956,<sup>1</sup> shall apply *mutatis mutandis*.

### Article 3

1. The assets of an estate which are not governed by article 2 shall not be liable to inheritance taxes except in the State in which the deceased person was domiciled at the time of his death.

2. For purposes of determining domicile, article 2, paragraphs 2 and 3, of the Convention for the avoidance of double taxation in the matter of taxes on income and property, concluded between the two States on 27 December 1956, shall apply *mutatis mutandis*.

### Article 4

The debts of an estate shall be deducted in the proportion which the taxable portion in each State of the gross assets of the estate bears to the entire gross property left by the deceased.

### Article 5

The provisions of article 11 and of the Final Protocol *ad* article 11 of the Convention for the avoidance of double taxation in the matter of taxes on income and property, concluded between the two States on 27 December 1956, shall apply *mutatis mutandis* for the purposes of this Convention.

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<sup>1</sup> See p. 7 of this volume.

*Article 6*

This Convention, of which the original texts drawn up in the Finnish and German languages are equally authentic, shall be ratified and the instruments of ratification shall be exchanged at Helsinki as soon as possible.

*Article 7*

1. This Convention shall enter into force on the date of the exchange of instruments of ratification. Its provisions shall apply to taxes chargeable on the estates of persons dying on or after the said date.

2. This Convention shall remain in force for so long as it has not been denounced by one of the two States. Either State may denounce the Convention by notice of not less than six months before the end of a calendar year. In any such case, the Convention shall continue to apply to taxes chargeable on the estates of persons who die before the expiry of the calendar year at the end of which the denunciation takes effect.

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

DONE at Berne, 27 December 1956.

For the Swiss Confederation :

Max PETITPIERRE

[SEAL]

For the Republic of Finland :

Hugo Valvanne

[SEAL]

## FINAL PROTOCOL

On proceeding to sign the Convention concluded this day between the Swiss Confederation and the Republic of Finland for the avoidance of double taxation in the matter of inheritance taxes,<sup>1</sup> the undersigned plenipotentiaries have made the following identical declarations which shall form an integral part of the Convention :

*Ad article 1*

1. The list contained in article 1, paragraph 3, of the inheritance taxes to which the Convention applies is not exhaustive. For the purpose of keeping

<sup>1</sup> See p. 68 of this volume.

the list up to date in conformity with article 1, paragraph 4, the competent administrative authorities of the two States, viz. the Ministry of Finance (Taxation Division) in Finland and the Federal Department of Finance and Customs (Tax Administration) in Switzerland shall at the end of each year communicate to one another any amendments made in their respective tax legislations.

2. The competent administrative authorities of the two States shall consult with one another to remove any doubts which may arise regarding the taxes to which the Convention is to apply.

3. The Convention shall not apply to the taxation of dispositions *inter vivos* in the form of gifts or of donations made for a specific purpose which are not subject to inheritance taxes.

4. The Convention shall not operate to prejudice any beneficial treatment to which taxpayers are entitled in pursuance of the legislation of each of the two States or by virtue of international agreements.

5. The Convention shall not affect the right to more extensive fiscal exemptions which attaches to diplomatic and consular officials under the general rules of international law. If in the State to which an official is accredited he is not liable to inheritance taxes by reason of exemptions as aforesaid, the right to tax shall be reserved to the accrediting State.

#### *Ad articles 2 and 3*

Nothing in this Convention shall be taken to limit the right or each of the two States to assess the inheritance taxes on those portions of an estate over which it has exclusive jurisdiction for taxation purposes at the rates which would be applicable if the entire estate or an entire share due to an heir were taxable in that State.

DONE at Berne, 27 December 1956.

For the Swiss Confederation :  
Max PETITPIERRE

For the Republic of Finland :  
Hugo VALVANNE