

No. 5263

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**SWEDEN  
and  
ITALY**

**Convention for the avoidance of double taxation in the  
matter of inheritance taxes. Signed at Stockholm,  
on 20 December 1956**

*Official texts: Swedish and Italian.*

*Registered by Sweden on 22 July 1960.*

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**SUÈDE  
et  
ITALIE**

**Convention tendant à éviter la double imposition en matière  
de droits de succession. Signée à Stockholm, le 20 dé-  
cembre 1956**

*Textes officiels suédois et italien.*

*Enregistrée par la Suède le 22 juillet 1960.*

## [TRANSLATION — TRADUCTION]

No. 5263. CONVENTION<sup>1</sup> BETWEEN SWEDEN AND ITALY  
FOR THE AVOIDANCE OF DOUBLE TAXATION IN  
THE MATTER OF INHERITANCE TAXES. SIGNED  
AT STOCKHOLM, ON 20 DECEMBER 1956

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His Majesty the King of Sweden and the President of the Italian Republic, being desirous of avoiding double taxation and preventing fiscal evasion in the matter of inheritance taxes, have decided to conclude a Convention and have for that purpose appointed as their plenipotentiaries :

His Majesty the King of Sweden :

Mr. Östen Undén, Minister of Foreign Affairs;

The President of the Italian Republic :

Mr. Gioacchino Scaduto-Mendola di Fontana degli Angeli, Ambassador;

who, having exchanged their full powers, found in good and due form, have agreed on the following provisions :

*Article 1*

This Convention relates to the taxes specified hereafter levied on the estates of deceased Swedish or Italian nationals.

*Article 2*

This Convention sets forth the rules applicable to the following taxes :

A. In the case of Sweden :

1. The inheritance tax (*arvsskatten*);
2. The tax on the total value of the estate (*kvarlåtenskapsskatten*).

B. In the case of Italy :

1. The inheritance tax (*l'imposta sulle successioni*);
2. The tax on the total net value of the estate (*l'imposta sul valore globale netto dell'asse ereditario*).

This Convention shall apply to any other taxes of a similar character imposed in the territory of either contracting State after the signing of this Convention, whether levied on the whole estate or on the share accruing to each heir or legatee.

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<sup>1</sup> Came into force on 3 June 1958, the date of the exchange of the instruments of ratification at Rome, in accordance with article 11.

*Article 3*

Immovable property situated in one of the two contracting States shall be liable to tax only in that State.

Immovable property shall include property necessary thereto and live and dead stock employed in an agricultural or forestry undertaking and also rights of use and rights to produce or other profits from immovable property.

Rights to royalties granted for the use of immovable property, or for the operation of a mine or other mineral deposit not constituting immovable property, shall be liable to tax in the State in which such immovable property, mine or mineral deposit is situated.

Debts secured by immovable property, including debentures, shall be liable to tax in the State in which such immovable property is situated.

*Article 4*

Assets invested in a commercial or industrial undertaking or in connexion with the exercise of a liberal profession and attributable to a permanent establishment in one contracting State shall be liable to tax only in that State.

The term “permanent establishment” means a place where special installations are permanently utilized or where special arrangements have been made for carrying on an activity, such as the seat of management offices, branch establishments, workshops, warehouses, mines, or mineral deposits which are being worked.

*Article 5*

Assets not covered by articles 3 or 4 shall be liable to tax 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 the State in which he had his actual residence and dwelling.

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 special agreement between the supreme fiscal 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 strongest personal and economic ties. If this point also cannot be conclusively determined, the nationality of the deceased shall be taken into account.

If the deceased had no actual residence or dwelling in either contracting State, he shall be deemed to have been domiciled in the State in which he had been living.

If the deceased had been living in both States, the question where he shall be deemed to have been domiciled shall be settled by special agreement between the supreme fiscal authorities of the two States.

*Article 6*

Debts encumbering or secured by property to which articles 3 and 4 of this Convention apply shall be deducted by the State entitled to levy tax on that property from the value of that property or from other assets on which such State is entitled to levy tax. Debts other than those aforesaid shall be deducted from assets liable to tax in the State in which the deceased was domiciled at the time of his death.

Where debts deductible by one of the States under the provisions of the first paragraph exceed the value of all the property on which the said State is entitled to levy tax, the amount of debt in excess shall be deducted from the assets liable to tax in the other State.

In the case of property held on trust, however, a debt shall be deducted from the value of the trust property only in so far as it relates to or is secured by that property.

*Article 7*

Nothing in this Convention shall affect the right of each State to assess inheritance taxes on the portions of an estate over which it has jurisdiction for tax purposes at the rate which would be applicable if the whole estate or the whole legacy was taxable in its territory.

*Article 8*

This Convention shall not affect any right to tax exemption which has been, or may hereafter be, conferred on diplomatic or consular agents in virtue of rules of international law.

*Article 9*

Where a taxpayer shows proof that the action of the fiscal authorities of the contracting States has resulted in double taxation contrary to the provisions of this Convention, he may lodge a claim with the supreme fiscal authorities of the State in which by application of article 5, he is deemed to be domiciled or in the State in which the deceased person was deemed under this Convention 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 shall be lodged within three years from the end of the calendar year in which the double taxation came to the notice of the taxpayer.

*Article 10*

The supreme fiscal 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 taxes specified in article 2 in cases not

regulated by this Convention or arising from the application thereof, and in cases where difficulties or doubts arise with respect to the interpretation and application of the Convention.

*Article 11*

1. This Convention shall be ratified, as far as Sweden is concerned, by His Majesty the King of Sweden, with the consent of the Riksdag, and, as far as Italy is concerned, by the President of the Italian Republic, with the authorization of Parliament. The instruments of ratification shall be exchanged at Rome as soon as possible.

2. This Convention shall come into force on the date of the exchange of the instruments of ratification and shall apply in respect of the estate of any person dying testate or intestate on or after the said date.

*Article 12*

This Convention shall continue in force indefinitely, but either of the contracting States may, on or before 30 June in any calendar year not earlier than the fifth year after the year of ratification, give written notice of termination to the other contracting State through the diplomatic channel.

If notice of termination is given before 30 June in any such year, 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 testate or intestate before the end of the year.

IN WITNESS WHEREOF, the above-named plenipotentiaries have signed this Convention and have thereto affixed their seals.

DONE at Stockholm, on 20 December 1956, in duplicate, in the Swedish and Italian languages, both texts being equally authentic.

Östen UNDÉN  
[L.S.]

SCADUTO-MENDOLA DI FONTANA DEGLI ANGELI  
[L.S.]