

**No. 6175**

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**SWEDEN  
and  
FEDERAL REPUBLIC OF GERMANY**

**Agreement for the avoidance of double taxation with respect to taxes on income and fortune and various other taxes. Signed at Stockholm, on 17 April 1959**

*Official texts: Swedish and German.*

*Registered by Sweden on 8 May 1962.*

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**SUÈDE  
et  
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Convention tendant à éviter la double imposition en matière d'impôts sur le revenu et sur la fortune et de divers autres impôts. Signée à Stockholm, le 17 avril 1959**

*Textes officiels suédois et allemand.*

*Enregistrée par la Suède le 8 mai 1962.*

[TRANSLATION — TRADUCTION]

No. 6175. AGREEMENT<sup>1</sup> BETWEEN THE KINGDOM OF SWEDEN AND THE FEDERAL REPUBLIC OF GERMANY FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND FORTUNE AND VARIOUS OTHER TAXES. SIGNED AT STOCKHOLM, ON 17 APRIL 1959

The Kingdom of Sweden and the Federal Republic of Germany, desiring to avoid double taxation with respect to taxes on income and fortune and various other taxes, have agreed to conclude an Agreement.

For this purpose they have appointed as their plenipotentiaries :

His Majesty the King of Sweden :

Mr. Östen Undén, Minister of Foreign Affairs,

The President of the Federal Republic of Germany :

Dr. Hans-Ulrich von Marchtaler, Ambassador of the Federal Republic of Germany at Stockholm,

who, having exchanged their full powers, found in good and due form, have agreed as follows :

*Article 1*

(1) The purpose of this Agreement is to prevent the double taxation of persons resident in either or both States in respect of direct taxes (or surtaxes) levied under the legislation of each State on income or fortune or on other bases, on behalf of the States or *Länder*, municipalities or associations of municipalities.

(2) For the purposes of this Agreement, the term "person" includes both individuals and legal persons. Partnerships and assets which are liable as such to taxation in the same manner as legal persons shall be deemed to be legal persons for the purposes of this Agreement.

*Article 2*

(1) The taxes which are the subject of this Agreement are :

1. In the Federal Republic of Germany :

<sup>1</sup> Came into force on 17 September 1960, one month after the exchange of the instruments of ratification at Bonn, in accordance with article 27.

- (a) The income tax (*Einkommensteuer*) (including the wages tax (*Lohnsteuer*), the tax on income from capital (*Kapitalertragssteuer*) and the tax on directors' fees (*Aufsichtsratssteuer*),
  - (b) The corporation tax (*Körperschaftsteuer*),
  - (c) The tax on fortune (*Vermögensteuer*),
  - (d) The business tax (*Gewerbesteuer*),
  - (e) The land tax (*Grundsteuer*),
2. In the Kingdom of Sweden :
- (a) The State income tax (*den statliga inkomstskatten*),
  - (b) The coupon tax (*Kuponskatten*),
  - (c) The forestry tax (*skogsavskriften*),
  - (d) The seamen's tax (*sjömansskatten*),
  - (e) The tax on distributed profits (*utskiftningsskatten*) and the tax on undistributed profits (*ersättningsskatten*),
  - (f) The State fortune tax (*den statliga förmögenhetsskatten*),
  - (g) The general municipal tax (*den allmänna kommunalskatten*),
  - (h) Taxes on special advantages and privileges (*bevillningsavgifterna för särskilda förmåner och rättigheter*).
- (2) The Agreement shall also apply to any identical or substantially similar taxes which may be imposed by either State after the signature of the Agreement.
- (3) The chief taxation authorities of the States shall notify each other of the introduction of new taxes or of material changes in or the abolition of existing taxes covered by this Agreement.
- (4) The chief taxation authorities of the States shall by mutual agreement resolve any doubts which arise as to the taxes to which this Agreement is applicable.

### Article 3

(1) Where the expression "a person resident in either State" is used, the following shall apply :

(a) For the purposes of this Agreement, the expression "a person resident in one of the two States" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of management or any other similar criterion.

(b) Where by reason of the provisions of (a) an individual is a resident of both States, the following shall apply :

1. He shall be deemed to be a resident of the State in which he has a permanent home available to him. If he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which he has the closer personal and economic relations (centre of vital interests).
2. If the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has his habitual abode.
3. If he has his habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national.
4. If he is a national of both States or of neither of them, the chief taxation authorities of the States shall determine the question by mutual agreement.

(c) Where by reason of the provisions of (a) a legal person is a resident of both States, then it shall be deemed to be a resident of the State in which its place of actual management is situated.

(2) The expression "enterprise of either State" or "enterprise of the other State" means, as the context requires, a business enterprise conducted by a person resident in the Kingdom of Sweden or by a person resident in the Federal Republic of Germany.

(3) The term "permanent establishment" means a fixed place of business in which the activity of the enterprise is wholly or partly carried on.

(a) The following shall, in particular, be deemed to be permanent establishments :

1. A place of management,
2. A branch,
3. An office,
4. A factory,
5. A workshop,
6. A mine, quarry or other place of extraction of natural resources,
7. A building site or construction or assembly project which exists for more than twelve months.

(b) The following shall not be deemed to constitute permanent establishments :

1. The use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise ;
2. The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery ;

3. The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing or making up by another enterprise ;
4. The maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or collecting information for the enterprise ;
5. The maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information or for the conduct of scientific research or of similar activities of a preparatory or subsidiary character on behalf of the enterprise ;

(c) A person—other than an agent of independent status within the meaning of (d)—acting in one of the two States on behalf of an enterprise of the other State shall be deemed to be a permanent establishment in the first-mentioned State if he has and habitually exercises in that State an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.

(d) An enterprise of one of the two States shall not be deemed to have a permanent establishment in the other State merely because it carries on business in the other State through a broker, general commission agent or any other agent of independent status, where such person is acting in the ordinary course of his business.

(e) The fact that a company which is a resident of one of the two States controls or is controlled by a company which is a resident of the other State or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

(4) The term “dividends” means income derived from shares, mining shares (*Kuxe*), profit-participation certificates (*Genußscheine*), shares in private limited companies (*Gesellschaften mit beschränkter Haftung*) and colonial companies (*Kolonialgesellschaften*) and income derived by a sleeping partner from his participation as such, provided that he has no share in the assets of the enterprise. Distributions made on shares in an investment trust (*Kapitalanlagegesellschaft*) shall also be deemed to be dividends.

(5) The chief taxation authorities are, in the case of the Federal Republic of Germany, the Federal Minister of Finance ; in the case of the Kingdom of Sweden the Ministry of Finance or the authority delegated to deal in its stead with questions relating to this Agreement.

(6) In the application of this Agreement by either State, any term not defined in the Agreement shall, unless the context otherwise requires, have the meaning which it has under the laws in force in that State relating to the taxes which are the subject of this Agreement.

*Article 4*

(1) Where a person resident in one of the two States derives income from immovable property (including accessories thereto) situated in the other State, the said income shall be taxable by the latter State.

(2) The provisions of paragraph (1) shall apply both to income derived from the direct administration and use of immovable property (including agricultural and forestry undertakings ancillary thereto), and to income derived from the lease or use in any other form of such property, in particular fixed or variable compensation for the working of natural resources, and income derived from the alienation of immovable property. Income derived from the alienation of immovable property shall be deemed to include income derived from the alienation of agricultural and forestry undertakings.

(3) Paragraphs (1) and (2) shall also apply where the property referred to belongs to a business enterprise.

*Article 5*

(1) Where a person resident in one of the two States derives income, as owner, from a business enterprise whose activities extend to the territory of the other State, the said income shall be taxable by the latter State in so far as it is attributable to a permanent establishment of the enterprise which is situated in its territory. Income derived from a participation in a business enterprise shall, except for that constituting dividends and for income from shares in co-operative societies (*Genossenschaften*), be treated as income derived from the conduct of the enterprise.

(2) Paragraph (1) shall apply both to income derived from the direct administration and use of the business enterprise and to income derived from the lease or use in any other form thereof; it shall also apply to income derived from the alienation of an entire business, of a share in the enterprise, of a part of a business, or of an object used in the business.

(3) The income to be attributed to the permanent establishment shall be that which would have accrued to it if it had been an independent enterprise engaged in the same or similar activities under the same or similar conditions without any dependence on the enterprise of which it is the permanent establishment. It shall, as a general rule, be determined from the balance-sheet of the permanent establishment. In this connexion, account shall be taken of all expenditure that is attributable to the permanent establishment, including executive and general administrative expenses of the enterprise. Artificial transfers of profits and, in particular, remuneration agreed upon in the form of so-called interest or royalties

between permanent establishments of the same enterprise shall not be taken into account. In special cases, the determination of income may be effected by dividing up the total profits of the enterprise.

(4) Paragraph (1) shall apply, *mutatis mutandis*, to business tax which is imposed on a basis other than income.

#### Article 6

(1) Where an enterprise of one of the two States by virtue of its participation in the management or financial structure of an enterprise of the other State, arranges with or imposes upon that enterprise economic or financial conditions differing from those which would be arranged with an independent enterprise, any profits which would normally have accrued to one of the two enterprises but which by reason of those conditions have not so accrued may be included in the profits of that enterprise and taxed accordingly.

(2) Paragraph (1) shall apply as appropriate to the relationship between two enterprises in whose management or financial structure the same person participates.

#### Article 7

(1) Where a person resident in one of the two States derives income, as owner, from the operation of ships or aircraft in international traffic, the said income shall be taxable by the State in which the place of actual management of the enterprise is situated.

(2) Paragraph (1) shall also apply where the enterprise is operated with chartered or leased vessels or aircraft. It shall likewise apply to agencies, in so far as the activities of the agency are directly connected with the enterprise or its feeder services.

(3) Paragraph (1) shall also apply to participation by maritime shipping or air transport enterprises in a pool, a joint operating organization or an international operating agency.

(4) Paragraph (1) shall apply, *mutatis mutandis*, to business tax which is imposed on a basis other than income.

#### Article 8

(1) Where a person resident in one of the two States derives income from the transfer of an interest in a corporation (*Kapitalgesellschaft*) which is resident in the other State, the said income shall be taxable by the first-mentioned State.

(2) Paragraph (1) shall not apply if the interest transferred consists of assets of a permanent establishment maintained by the transferor in the other State. In this case the income shall be taxable by the other State.

*Article 9*

(1) Where a person resident in one of the two States receives dividends from the other State, the income shall be taxable by the State in which such person is resident.

(2) If in the other State the tax on domestic dividends is collected by deduction (at the source), the right to make such tax deductions shall not be affected. However, the tax deducted shall not exceed 15 per cent of the dividends.

(3) Whenever, in the Federal Republic of Germany, the rate of the corporation tax on distributed profits equals or exceeds the rate of the tax on undistributed profits, or whenever the difference between the two tax rates falls to 5 per cent or less, the rate specified in paragraph (2) shall be reduced to 10 per cent.

(4) Notwithstanding the second sentence of paragraph (2), whenever, in the Federal Republic of Germany, the rate of the corporation tax on distributed profits is less than the rate of the tax on undistributed profits and the difference equals or exceeds 20 per cent, the tax deducted in the Federal Republic of Germany may not exceed 25 per cent of the dividends, if the latter are paid by a corporation (*Kapitalgesellschaft*) resident in the Federal Republic of Germany to a joint-stock company (*aktiebolag*) or co-operative society (*ekonomisk förening*) resident in Sweden which owns at least 25 per cent of the shares of the corporation.

(5) Paragraphs (1) to (4) shall not apply where a person resident in one of the two States has a permanent establishment in the other State and realizes the dividends through such establishment. In this case the said dividends shall be taxable by the other State.

*Article 10*

(1) Where a person resident in one of the two States receives income in the form of interest from the other State, the said income shall be taxable by the State in which such person is resident.

(2) Interest shall be deemed to include income derived from loans, bonds (including convertible bonds and participating debentures) or any other form of indebtedness, whether or not secured by mortgage.

(3) Paragraph (1) shall not apply where a person resident in one of the two States has a permanent establishment in the other State and realizes the interest through such establishment. In this case the said income shall be taxable by the other State.



*Article 11*

(1) Where a person resident in one of the two States derives from the other State income from royalties or other remuneration for the use of, or for the right to use, copyrights, patents, registered designs, manufacturing processes, trade marks or similar rights (other than rights pertaining to the working of natural resources), such income shall be taxable by the State in which the person is resident.

(2) Rentals and like payments for the hire of cinematograph films or for the use of industrial, commercial or scientific equipment or industrial information shall be treated as royalties.

(3) Paragraphs (1) and (2) shall not apply where a person resident in one of the two States has a permanent establishment in the other State and realizes the income through such establishment. In this case the said income shall be taxable by the other State.

*Article 12*

(1) Where a person resident in one of the two States derives income from the exercise of a profession, the said income shall be taxable by the other State in so far as such person exercises his profession in that State and, in so doing, makes use of permanent facilities regularly available to him there. However, income derived from professional activity in the other State as a public entertainer, e.g., as a theatre or motion picture actor, radio entertainer, musician, artiste or professional athlete, shall be taxable by that State even in the absence there of permanent facilities within the meaning of the first sentence of this paragraph.

(2) Article 5, paragraph (2), shall apply as appropriate.

(3) Where a person resident in one of the two States derives income from self-employment (excluding income covered by paragraphs (1) and (2)), such income shall be taxable by the other State if the employment is or was exercised in the other State.

*Article 13*

(1) Where an individual resident in one of the two States receives income in the form of wages, salaries or similar remuneration paid by either State or by a *Land*, municipality, association of municipalities or other public corporation of either State, the said income shall be taxable by the State from whose public funds it is paid.

(2) If such individual is a national of the State in which he is resident but not at the same time a national of the State from whose public funds the income is paid,

and if he performs his work in the first-mentioned State, the income shall, notwithstanding paragraph (1), be taxable by that State.

(3) With regard to remuneration for services rendered in connexion with any business carried on for profit by either State or by a legal person of either State, article 14 shall apply. Wages, salaries and similar remuneration paid, in the case of the Federal Republic of Germany, by the *Deutsche Bundespost* (German Federal Post Office), the *Deutsche Bundesbahn* (German Federal Railways) and the *Deutsche Bundesbank* (German Federal Bank) and, in the case of the Kingdom of Sweden, by *postverket* (the Post Office Department), *televerket* (the Telegraph Department), *statens järnvägar* (the State Railways) and *Sveriges riksbank* (the Bank of Sweden), shall be governed by paragraphs (1) and (2).

#### Article 14

(1) Where an individual resident in one of the two States derives income from employment, the said income shall be taxable by the other State if the employment is exercised in that State. The foregoing shall be without prejudice to article 13.

(2) If the employment is exercised exclusively or predominantly on board ships or aircraft and if the place of actual management of the employing enterprise is situated in one of the two States, the employment shall, for the purposes of paragraph (1), be deemed to be exercised in that State.

(3) Notwithstanding paragraph (1), income from employment may be taxed in the State in which the individual is resident if :

1. He is present in the other State only temporarily, for a total of not more than 183 days in one calendar year ;
2. The remuneration for his work during this period is paid by an employer who is resident in the same State as the individual ; and
3. The remuneration for his work is not charged against an establishment or permanent installation or fixed installation of the employer situated in the other State.

(4) Notwithstanding paragraph (1), students attending a university, university college or similar institution of learning in one of the two States who engage in remunerated employment at an enterprise of the other State for not more than 100 days in one calendar year in order to acquire practical training shall be taxable only in the first-mentioned State in respect of such remuneration.

(5) For the purposes of this article, "income from employment" means salaries, emoluments, wages, directors' fees, bonuses or other payments, benefits

in money's worth and compensation paid to individuals engaged in private employment.

(6) Where the employer is a partnership (*handelsbolag, kommanditbolag, enkeltbolag, partrederi, or gruvbolag*), such partnership shall be deemed to be resident in the State in which the place of its actual management is situated.

#### Article 15

(1) Where a person resident in either State receives half pay, a retirement, widow's or orphan's pension, or any similar recurrent payments or benefits in money's worth in respect of past services, the income shall be taxable by the State in which such person is resident.

(2) Notwithstanding the provisions of paragraph (1), income in the form of half pay, widow's or orphan's pensions or similar recurrent payments or benefits in money's worth in respect of past services paid by one of the two States or by a *Land*, municipality, association of municipalities or other public corporation of one of the two States to its employees or their survivors shall be taxable by that State.

(3) Paragraph (2) shall also apply to pensions, life annuities and other recurrent and non-recurrent payments made by either State or by a public corporation of either State as compensation for damage resulting from military action or political persecution.

#### Article 16

A student, business or other apprentice or unsalaried trainee from one of the two States who is present in the other State for the sole purpose of study or training shall not be taxed by the latter State in respect of sums which he receives from outside that State for his maintenance, study or training.

#### Article 17

Where a person resident in either State receives income the right to impose tax on which is not regulated in the preceding articles, the said income shall be taxable by the State in which he is resident.

#### Article 18

(1) Where the fortune of a person resident in one of the two States consists of :

(a) Immovable property (including accessories thereto) ; or

(b) Property used by a business enterprise, the said fortune shall be taxable by the State which is entitled under this Agreement to tax the income derived therefrom.

(2) Other fortune (including claims secured by lien on real property) belonging to a person resident in one of the two States shall be taxable by that State.

(3) Paragraphs (1) and (2) shall also apply to non-recurrent taxes imposed after the entry into force of this Agreement on fortune or case increase to fortune.

(4) This article shall be without prejudice to the provisions of the Agreement between the Kingdom of Sweden and the Federal Republic of Germany of 22 March 1956<sup>1</sup> concerning the German Equalization of Burdens Laws.

#### Article 19

(1) Income and fortune which under the preceding articles are taxable by the State in which a person is resident shall not be taxable by the other State. The foregoing shall be without prejudice to the provisions of article 9, paragraphs (2) to (4).

(2) Where the State in which the person is resident is the Federal Republic of Germany, the latter shall exclude from the tax base any income and fortune owned by such person which under the preceding articles are taxable by the Kingdom of Sweden. Nevertheless, taxes on income and fortune which are taxable by the Federal Republic of Germany shall be levied at the rate applicable to the taxpayer's total income or total fortune. Notwithstanding the first sentence of this paragraph, dividends, other than those referred to in paragraph (3), shall not be excluded from the tax base; Swedish tax which is deducted from such income shall be credited against the tax levied on this income by the Federal Republic of Germany, the latter tax being computed on the basis of an average rate of tax.

(3) Shares in a joint-stock company (*aktiebolag*) resident in the Kingdom of Sweden which belong to a corporation (*Kapitalgesellschaft*) domiciled in the Federal Republic of Germany and dividends paid on such shares shall be exempt from taxation in the Federal Republic of Germany if at least 25 per cent of the voting shares of the company resident in the Kingdom of Sweden are owned by the German corporation.

(4) Where the State in which the person is resident is the Kingdom of Sweden, the latter shall exclude from the tax base any income and fortune owned by such person which under the preceding articles are taxable by the Federal Republic of Germany. Nevertheless, taxes on income and fortune which are taxable by the

<sup>1</sup> United Nations, *Treaty Series*, Vol. 262, p. 401.

Kingdom of Sweden shall be levied at the rate applicable to the taxpayer's total income or total fortune. Notwithstanding the first sentence of this paragraph, dividends, other than those referred to in paragraph (5), shall not be excluded from the tax base; German tax which is deducted from such income shall be credited against the German tax levied on this income, the latter tax being computed on the basis of an average rate of tax.

(5) Dividends paid by a corporation resident in the Federal Republic of Germany to a joint-stock company (*aktiebolag*) or a co-operative society (*ekonomisk förening*) resident in the Kingdom of Sweden shall be exempt from taxation in the Kingdom of Sweden if :

1. At least 25 per cent of the voting shares of the corporation resident in the Federal Republic of Germany are owned by the Swedish company or co-operative society.
2. The dividends would be exempt from taxation under Swedish law even if the company distributing them was domiciled in the Kingdom of Sweden.

In the application of this provision, a German private limited company (*Gesellschaft mit beschränkter Haftung*) shall be treated as a joint-stock company.

#### *Article 20*

This Agreement shall not affect any additional exemptions to which diplomatic or consular officials are entitled under the general rules of international law. Where, owing to such additional exemptions, income and property are not taxed in the receiving State, the right of taxation shall be reserved to the sending State.

#### *Article 21*

The provisions of Swedish law relating to the taxation of undivided estates shall, where a participant in the estate is resident in the Federal Republic of Germany, be inapplicable to the extent that such person is liable to direct taxation there under the provisions of this Agreement in respect of the income or property derived from the succession.

#### *Article 22*

(1) Nationals of one State shall not be subjected in the other State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of the other State in the same circumstances are or may be subjected.

(2) The term "nationals" means :

- (a) In relation to the Federal Republic of Germany : all Germans within the meaning of article 116, paragraph (1), of the Basic Law for the Federal Republic of Germany ;
- (b) In relation to the Kingdom of Sweden : all Swedish nationals ;
- (c) All legal persons, partnerships and other associations constituted under the law in force in either State.

(3) The taxation on a permanent establishment which an enterprise of one of the two States has in the other State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

This provision shall not be construed as obliging a State to grant to residents of the other State any personal allowances, reliefs or reductions for taxation purposes on account of civil status or family responsibilities which it grants to persons resident in its own territory.

(4) Enterprises of one State the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more persons resident in the other State shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

(5) In this article the term "taxation" means taxes of any kind or description.

#### *Article 23*

(1) Where a person shows proof that the action of the taxation authorities of the States has resulted or will result in his case in double taxation contrary to the principles of this Agreement, he shall be entitled, without prejudice to such legal remedies as may be open to him under national law, to apply to the chief taxation authority of the State in which he is resident.

(2) If the application is allowed, the chief taxation authority competent under paragraph (1) shall endeavour to come to an agreement with the chief taxation authority of the other State with a view to the avoidance of double taxation.

#### *Article 24*

The chief taxation authorities of the two States shall exchange such information (being information available to the assessment authorities through normal administrative channels under the taxation laws of the two States) as is necessary for carrying out this Agreement and, in particular, for preventing tax evasion. In each State, the exchange of such information shall be subject to statutory provisions

relating to official and other secrecy. Information which would disclose a business, trade or industrial secret may not be exchanged.

*Article 25*

(1) The chief taxation authorities of the two States may deal directly with each other in matters arising out of this Agreement.

(2) The chief taxation authorities shall by arrangement between themselves resolve any difficulties and doubts which may arise in the interpretation or application of this Agreement, or remove any hardship which may occur through double taxation in cases not provided for in this Agreement.

*Article 26*

(1) This Agreement shall also apply to *Land* Berlin, provided that the Government of the Federal Republic of Germany does not deliver a contrary declaration to the Government of the Kingdom of Sweden within three months from the date of entry into force of the Agreement.

(2) In the application of this Agreement to *Land* Berlin, references in the Agreement to the Federal Republic of Germany shall be deemed also to be references to *Land* Berlin.

*Article 27*

(1) This Agreement shall be ratified, in the case of Sweden by His Majesty the King of Sweden with the consent of the Riksdag. The instruments of ratification shall be exchanged as soon as possible at Bonn.

(2) This Agreement shall enter into force one month after the exchange of the instruments of ratification.

*Article 28*

(1) After the entry into force of this Agreement, the provisions of the Agreement shall apply :

(a) In the Federal Republic of Germany :

To taxes levied in respect of the period subsequent to 31 December 1958 ;

(b) In the Kingdom of Sweden :

To State income tax and general municipal tax levied on the basis of the assessments for the calendar year 1960 (in respect of income for the calendar year 1959 or the corresponding fiscal year) and subsequent calendar years ;

To coupon tax in respect of dividends falling due for payment after 31 December 1958 ;

To seamen's tax levied in respect of the period subsequent to 31 December 1958 ;

To taxes on special advantages and privileges levied in respect of the period subsequent to 31 December 1958 ;

To State fortune tax levied on the basis of the assessments for the calendar year 1960 (in respect of fortune as at the end of the calendar year 1959) and subsequent calendar years ;

To other Swedish taxes levied on the basis of the assessments for the calendar year 1960 and subsequent calendar years.

(2) The Agreement between the Kingdom of Sweden and the German Reich of 25 April 1928<sup>1</sup> for the adjustment of internal and external taxation, and, in particular, for the prevention of double taxation in the special matter of direct taxes, shall last apply to taxes to which this Agreement, under paragraph (1), does not yet apply.

(3) The Arrangement of 18 February 1957 concluded between the Royal Swedish Government and the Federal Republic of Germany, concerning taxation of students and business apprentices shall cease to have effect. The said Arrangement shall last apply to income earned during the calendar year 1958.

#### *Article 29*

This Agreement shall continue in force indefinitely but either of the two States may, on or before 30 June in any calendar year not earlier than the year 1963, give written notice of termination to the other State through the diplomatic channel. In that event, the Agreement shall no longer apply :

(a) In the Federal Republic of Germany :

To taxes levied in respect of the period following 31 December of the calendar year in which notice of termination is given (termination year) ;

(b) In the Kingdom of Sweden :

To State income tax, State fortune tax and general municipal tax levied on the basis of the assessments for the second calendar year following the termination year and for subsequent calendar years ;

To coupon tax in respect of dividends falling due for payment after 31 December of the termination year ;

To seamen's tax levied in respect of the period after 31 December of the termination years ;

<sup>1</sup> League of Nations, *Treaty Series*, Vol. LXXXI, p. 281.



To taxes on special advantages and privileges levied in respect of the period after 31 December of the termination year ;

To other Swedish taxes levied on the basis of the assessment for the second calendar year following the termination year and for subsequent calendar years.

IN WITNESS WHEREOF the plenipotentiaries of the two States have signed this Agreement, drawn up in Swedish and German originals, both texts being equally authentic, and have thereto affixed their seals.

DONE at Stockholm on 17 April 1959.

Östen UNDÉN  
(L.S.)

Hans-Ulrich VON MARCHTALER  
(L.S.)