

No. 6755

**NORWAY
and
SWEDEN**

Agreement concerning the basis for the division of the revenues of the Luossavaara-Kiirunavaara joint-stock company for the purposes of taxation. Signed at Oslo, on 31 October 1962

Official texts: Norwegian and Swedish.

Registered by Norway on 4 June 1963.

**NORVÈGE
et
SUÈDE**

Accord relatif aux principes de la répartition du revenu de la Société anonyme Luossavaara-Kiirunavaara aux fins de l'imposition. Signé à Oslo, le 31 octobre 1962

Textes officiels norvégien et suédois.

Enregistré par la Norvège le 4 juin 1963.

[TRANSLATION — TRADUCTION]

No. 6755. AGREEMENT¹ BETWEEN NORWAY AND SWEDEN CONCERNING THE BASIS FOR THE DIVISION OF THE REVENUES OF THE LUOSSAVAARA-KIIRUNAVAARA JOINT-STOCK COMPANY FOR THE PURPOSES OF TAXATION. SIGNED AT OSLO, ON 31 OCTOBER 1962

His Majesty the King of Norway and His Majesty the King of Sweden have agreed that the right to tax the income of the Luossavaara-Kiirunavaara joint-stock company shall be shared between the two countries in accordance with the provisions hereunder.

Article 1

Both State and communal income tax shall be taxed in accordance with the following rules :

Where, during the tax year, not less than 74 per cent and not more than 78 per cent of the total quantities of ore and other mining products consigned to ports by rail from the company's mines is transported to Norwegian ports, one tenth of the company's total income shall be taxable in Norway.

Where the proportion of such consignments transported to Norwegian ports exceeds 78 per cent, the portion of the income which shall be taxable in Norway shall be increased by one hundredth part for each complete hundredth part of the said 78 per cent by which the proportion transported via Norway exceeds this percentage.

Where the proportion of such consignments transported to Norwegian ports is less than 74 per cent, the portion of the income which shall be taxable in Norway shall be decreased by one hundredth part for each complete hundredth part of the said 74 per cent by which the proportion transported via Norway falls short of this percentage. The portion of the income which shall be taxable in Norway shall not, however, be less than 8 per cent.

The portion of the company's total income which, under the above rules, is not taxable in Norway shall be taxable in Sweden.

¹ Came into force on 28 December 1962, the date of the exchange of the instruments of ratification at Stockholm, in accordance with article 4.

Article 2

Where property tax (*eiendomsskatt*) is levied on the company in Narvik or Ankenes in an amount exceeding 0.7 per mil of the total taxable value of the company's properties in the commune in question, the percentage of 74 mentioned in article 1 shall be altered to 75 from the tax year in which the higher rate of tax is applied for the first time.

Article 3

In so far as different rules are applied for the calculation of income for taxation in Norway and Sweden, the authorities competent for the purpose under the Agreement of 27 September 1956¹ concerning double taxation may enter into a special agreement providing for an equitable settlement in regard to the calculation of the income referred to in article 1.

Article 4

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

The Agreement shall enter into force upon the exchange of the instruments of ratification.

Article 5

When the instruments of ratification have been exchanged, the Agreement shall apply for the first time to the assessment for the year 1962 and shall remain in force in respect of income accruing before the year-end next following the expiry of six months from the date of the denunciation of the Agreement by either party. However, the Agreement may not be denounced earlier than 1975. If the Agreement is not denounced then, it may not be denounced before 1980, and after that not before 1985.

Nevertheless, if the company begins an activity of significant size in Norway or Sweden which differs essentially from the activity which it has previously carried on in Norway or Sweden, as the case may be, the Agreement may be denounced at any time by either side. The Agreement may also be denounced at any time on the Norwegian side if the company begins an activity from a permanent establishment in Norway in any commune other than Narvik or Ankenes.

¹ United Nations, *Treaty Series*, Vol. 261, p. 71, and Vol. 348, p. 354.

The Agreement may also be denounced at any time by either side if an essential part of the activities at present carried on by the company, including activities within the Svappavaara district, is transferred to another legal entity. Finally, the Agreement may be denounced at any time by either side if, as the result of war or extraordinary circumstances brought about by or comparable with war, a material change takes place in the premises on which the Agreement is based.

On the entry into force of this Agreement, the Agreement of 14 June 1937¹ between Norway and Sweden concerning the basis for the division of the revenues of the Luossavaara-Kiirunavaara joint-stock company for the purposes of taxation shall cease to have effect; however, the latter Agreement shall still be applicable with respect to the assessment for the year 1961 and the reassessment for the tax year 1960 or earlier years.

IN WITNESS WHEREOF the undersigned, being duly authorized for the purpose, have signed the present Agreement and have thereto affixed their seals.

DONE in duplicate, in the Norwegian and Swedish languages, at Oslo, 31 October 1962.

For Norway :

(Signed) Halvard LANGE

For Sweden :

(Signed) Rolf EDBERG

¹ League of Nations, *Treaty Series*, Vol. CLXXIX, p. 245.