

No. 17984

**FRANCE
and
SWEDEN**

Exchange of letters constituting an agreement concerning reciprocal exemption from payment of payroll taxes by the cultural establishments of the two countries. Paris, 22 December 1977

Authentic text: French.

Registered by France on 10 October 1979.

**FRANCE
et
SUÈDE**

Échange de lettres constituant un accord relatif à l'exonération réciproque des impositions sur les salaires dues par les établissements culturels des deux pays. Paris, 22 décembre 1977

Texte authentique : français.

Enregistré par la France le 10 octobre 1979.

[TRANSLATION — TRADUCTION]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN CONCERNING RECIPROCAL EXEMPTION FROM PAYMENT OF PAYROLL TAXES BY THE CULTURAL ESTABLISHMENTS OF THE TWO COUNTRIES

I

MINISTRY OF FOREIGN AFFAIRS
PARIS

22 December 1977

Sir,

The strict application of the tax regulations in force both in France and in Sweden leads the competent authorities of our two countries to levy a payroll tax on the cultural establishments which each Contracting Party maintains in the territory of the other.

The tax collected in respect of the emoluments which these establishments pay their administrative and service staff is currently paid by the Swedish Cultural Institute in Paris while the French Institute in Stockholm is exempt from such tax.

In order to avoid the discrimination implicit in this situation and as a measure of reciprocity, the French Government willingly agrees to your proposal regarding the establishment of an exemption system based on the principle of reciprocity. I therefore have the honour to propose to you the following provisions:

The French Government shall exempt the Swedish Cultural Institute in Paris from the payroll tax payable on the salaries and other taxable benefits paid by the latter to its staff.

This exemption shall also apply to the apprenticeship tax, to the employers' contribution to continuing technical training and to the mandatory investment by employees in construction.

For its part, the Swedish Government shall exempt the French Institute in Stockholm from the payroll tax due in respect of the salaries and other taxable benefits paid by the latter to its staff.

The exemptions specified in the preceding paragraphs shall apply to all other similar taxes which may be introduced in the future in the territory of either of the two Parties. They can also be extended, by mutual agreement through an exchange of letters, to any other similar cultural institute which one of the Parties may maintain in the territory of the other.

The exchange of this letter and your reply shall constitute the Agreement between our two Governments for the aforementioned purposes.

¹ Came into force on 5 June 1979, by the exchange of the instruments of approval, with retroactive effect from 1 January 1971, in accordance with the provisions of the said letters.

This Agreement, which shall enter into force on the day on which the instruments of ratification or approval are exchanged, shall be concluded for a period of five years. If it is not denounced by either of the two Governments six months before the expiry of that five-year period, it shall be extended, by tacit agreement, for further periods of five years during which it can be denounced at any time by either of the two Governments, such denunciation to take effect six months after the date on which the Agreement is denounced.

The Agreement shall take effect as from 1 January 1971.

Accept, Sir, etc.

[Signed]

XAVIER DE NAZELLE
Deputy Director General
of Cultural, Scientific
and Technical Relations

His Excellency Mr. Ingemar Hagglof
Ambassador of Sweden in France

II

EMBASSY OF SWEDEN
PARIS

22 December 1977

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

[See letter I]

I have the honour to confirm that the Swedish Government agrees to the foregoing.

Accept, Sir, etc.

[Signed]

INGEMAR HAGGLOF
Ambassador of Sweden in France

Mr. Xavier de Nazelle
Minister Plenipotentiary
Deputy Director General of Cultural, Scientific
and Technical Relations
Ministry of Foreign Affairs
Paris