No. 6981

GREECE
and
SWEDEN

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital. Signed at Athens, on 6 October 1961

Official text: English.

Registered by Greece on 15 November 1963.

GRÈCE
et
SUÈDE

Convention tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et d'impôts sur la fortune. Signée à Athènes, le 6 octobre 1961

Texte officiel anglais.

Enregistrée par la Grèce le 15 novembre 1963.

No. 6981. CONVENTION[1] BETWEEN THE GOVERNMENT OF THE KINGDOM OF GREECE AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL. SIGNED AT ATHENS, ON 6 OCTOBER 1961

The Government of the Kingdom of Greece and the Government of the Kingdom of Sweden,

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital,

Have agreed as follows :

Article I

This Convention applies to persons who are residents of one or both of the Contracting States.

Article II

1. This Convention shall apply to taxes on income and capital imposed on behalf of each Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

2. There shall be regarded as taxes on income and capital all taxes imposed on total income, on total capital, or on the elements of income or of capital, including taxes on profits derived from the alienation of movable or immovable property and taxes on the total amounts of wages or salaries paid by enterprises.

3. The existing taxes to which this Convention shall apply are, in particular :

a) In the case of Greece :
i) the tax on individual incomes (including supplementary taxes) ; and

ii) the income tax on legal entities (hereinafter referred to as "Greek tax").

[1] Came into force on 20 August 1963 by the exchange of the instruments of ratification at Stockholm, in accordance with the provisions of article XXX.

b) In the case of Sweden :

i) the State income tax, including sailors tax and coupon tax ;

ii) the tax on public entertainers ;
iii) the communal income tax ; and
iv) the State capital tax (hereinafter referred to as "Swedish tax").

4. This Convention shall also apply to all identical or substantially similar taxes which are imposed in addition to, or in place of the existing taxes. At the end of each year, the competent authorities of the Contracting States shall notify to each other any changes which have been made in their respective taxation laws.

5. The competent authorities of the Contracting States shall by mutual agreement resolve any doubts which arise as to the taxes to which this Convention ought to apply.

Article III

1. In the present Convention, unless the context otherwise requires,

a) The term "competent authorities" means, in the case of Sweden, the Minister of Finance or his authorised representative ; in the case of Greece, the Minister of Finance or his authorized representative ;

b) The term "tax" means Greek tax or Swedish tax, as the context requires ;

c) The term "person" includes any body of persons, corporate or not corporate ;

d) The term "company" means any body corporate ;

e) (*aa*) The term "resident" of one of the Contracting 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 ; but

bb) where by reason of the provisions of subparagraph (*aa*) above an individual is a resident of both Contracting States, then this case shall be solved in accordance with the following rules :

a) 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 Contracting States, he shall be deemed to be a resident of the State with which his personal and economic relations are closest (hereinafter referred to as his centre of vital interest) ;

b) 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 an habitual abode ;

c) If he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national ;

d) If he is a national of both Contracting States or of neither of them, the competent authorities of the States shall determine the question by mutual agreement.

cc) Where by reason of the provisions of subparagraph (*aa*) above a legal person is a resident of both Contracting States, then it shall be deemed to be a resident of the State in which its place of effective management is situated. The same provision shall apply to partnerships and associations which are not legal persons under the national law by which they are governed.

f) The terms "resident of one of the Contracting States" and "resident of the other Contracting State" mean a person who is a resident of Greece or a person who is a resident of Sweden, as the context requires ;

g) The terms "Greek enterprise" and "Swedish enterprise" mean respectively an industrial or commercial enterprise or undertaking carried on by a resident of Greece and an industrial or commercial enterprise or undertaking carried on by a resident of Sweden, and the terms "enterprise of one of the Contracting States" and "enterprise of the other Contracting State" mean a Greek enterprise or a Swedish enterprise, as the context requires ;

h) The term "industrial or commercial profits" includes rents or royalties in respect of cinematograph including television films ;

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

bb) A permanent establishment shall include especially :

a) a place of management ;
b) a branch ;
c) an office ;
d) a factory ;
e) a workshop ;
f) a mine, quarry or other place of extraction of natural resources ;
g) a building site or construction or assembly project which exists for more than twelve months.

cc) The term "permanent establishment" shall not be deemed to include :

a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise ;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery ;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise ;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise ;

e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.

dd) A person acting in one of the Contracting States on behalf of an entreprise of the other Contracting State—other than an agent of an independent status to whom sub-paragraph (*ee*) applies—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.

ee) An enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.

ff) The fact that a company which is a resident of one of the Contracting States controls or is controlled by a company which is a resident of the other Contracting 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.

j) The term "international traffic" includes traffic between places in one country in the course of a voyage which extends over more than one country.

2. In the application of the provisions of the present Convention by one of the Contracting States any term not otherwise defined 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 the present Convention.

Article IV

1. The profits of an enterprise of one of the Contracting States shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries