No. 7036

ISRAEL
and
SWEDEN

Agreement for the avoidance of double taxation with respect to death duties. Signed at Stockholm, on 15 May 1962

Official text: English.

Registered by Israel on 2 January 1964.

ISRAËL
et
SUÈDE

Convention tendant à éviter la double imposition en matière d'impôts sur les successions. Signée à Stockholm, le 15 mai 1962

Texte officiel anglais.

Enregistrée par Israël le 2 janvier 1964.

No. 7036. AGREEMENT[1] BETWEEN ISRAEL AND SWEDEN FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO DEATH DUTIES. SIGNED AT STOCKHOLM, ON 15 MAY 1962

The Government of Israel and the Government of the Kingdom of Sweden, desiring to conclude an agreement for the avoidance of double taxation with respect to death duties, have agreed as follows :

Article I

(1) This agreement refers to death duties applicable to the estates of persons who at the time of their death were residents of Israel or of Sweden.

(2) For the purposes of this agreement a deceased person shall be deemed to have been resident in Sweden if at the time of his death he was resident in Sweden in terms of the laws of that territory and to have been resident in Israel if at the time of his death he was resident in Israel in terms of the laws of that territory.

Article II

(1) The duties which are the subject of this agreement are :

(*a*) In Israel the estate duty; and

(*b*) In Sweden the succession duty.

(2) This agreement shall also apply to any other duties of a substantially similar character imposed in Israel or in Sweden subsequent to the date of signature of this agreement.

Article III

(1) In this agreement, unless the context otherwise requires :

(*a*) " competent authority " means, in the case of Israel, the Minister of Finance or his authorised representative and, in the case of Sweden, the Minister of Finance or his authorised representative;

(*b*) " territory " means Israel or Sweden as the case may be.

[1] Came into force on 7 February 1963, the date of the exchange of the instruments of ratification at Stockholm, in accordance with article XVI.

(2) In the application of the provisions of this agreement 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 of that Contracting State relating to the duties which are the subject of this agreement.

Article IV

(1) Immovable property situated in one of the territories shall be subject to duty only in that territory.

(2) Immovable property shall include accessories thereto as well as usufructs over and other like interests in immovable property.

(3) Rights to royalties for the use of immovable property, or for the operation of a mine or other place of natural resources, shall be subject to duty only in the territory in which such immovable property, mine or place is situated.

Article V

(1) Assets employed in a business or liberal profession or in any agricultural or forestry enterprise and attributable to a permanent establishment in one of the territories shall be subject to duty only in that territory.

(2) As a permanent establishment shall be regarded a place at which there are special installations or at which special arrangements have been made for the permanent use of such place for business, professional, agricultural or forestry purposes, such as a place where the undertaking has its management, an office, a branch, a factory, a workshop, a farm, a forest or a mine or other place of natural resources.

Article VI

Shares in a joint stock company incorporated under the laws of one of the territories shall be subject to duty only in the territory in which the company is incorporated.

Article VII

(1) Assets not dealt with in Articles IV, V and VI shall be subject to duty only in the territory in which the deceased person was resident at the time of his death.

(2) If any doubt arises as to the territory in which a deceased person shall be deemed to have been resident, or if such person is deemed to have been resident in both territories, the question of residence shall be settled by arrangement between the competent authorities. In this respect they shall take into considera-