No. 9367

BELGIUM
and
SWEDEN

Agreement for the avoidance of double taxation and the regulation of certain other matters with respect to taxes on income and fortune. Signed at Brussels, on 2 July 1965

Exchange of letters constituting an agreement amending the above-mentioned Agreement. Brussels, 7 March 1967

Official texts of the Convention: French, Dutch and Swedish.

Official text of the exchange of letters: French.

Official text of the amendments effected by the exchange of letters: French, Dutch and Swedish.

Registered by Belgium on 27 December 1968.

BELGIQUE
et
SUÈDE

Convention tendant à éviter les doubles impositions et à régler certaines autres questions en matière d'impôts sur les revenus et sur la fortune. Signé à Bruxelles, le 2 juillet 1965

Échange de lettres constituant un accord modifiant la Convention susmentionnée. Bruxelles, 7 mars 1967

Textes officiels de la Convention: français, néerlandais et suédois.

Texte officiel de l'échange de lettres: français.

Textes officiels des modifications effectuées par l'échange de lettres: français, néerlandais et suédois.

Enregistrés par la Belgique le 27 décembre 1968.

[TRANSLATION — TRADUCTION]

No. 9367. AGREEMENT[1] BETWEEN BELGIUM AND SWEDEN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE REGULATION OF CERTAIN OTHER MATTERS WITH RESPECT TO TAXES ON INCOME AND FORTUNE. SIGNED AT BRUSSELS, ON 2 JULY 1965

His Majesty the King of the Belgians and

His Majesty the King of Sweden,

desiring to avoid double taxation and to regulate certain other matters with respect to taxes on income and fortune, have decided to conclude an Agreement and for that purpose have appointed as their Plenipotentiaries :

His Majesty the King of the Belgians :

Mr. Paul Henri Spaak, His Majesty's Minister for Foreign Affairs;

His Majesty the King of Sweden :

Mr. Stig Unger, His Majesty's Ambassador Extraordinary and Plenipotentiary at Brussels,

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

Article 1

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

Article 2

1. This Agreement shall apply to taxes on income and on fortune 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 on fortune all taxes imposed on total income, on total fortune, or on elements of income or of fortune, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Agreement shall apply are, in particular :

[1] Came into force on 11 January 1968, i.e., the fifteenth day following the exchange of the instruments of ratification, which took place at Stockholm on 27 December 1967, in accordance with article 29 of the Convention.

A. In the case of Sweden :

(1) The State income tax (*den statliga inkomstskatten*);
(2) The coupon tax (*kupongskatten*);
(3) The tax on undistributed income (*ersättningsskatten*);
(4) The tax on distributions (*utskiftningsskatten*);
(5) The State fortune tax (*den statliga förmögenhetsskatten*);
(6) The communal income tax (*den kommunala inkomstskatten*);
(7) The sailors' tax (*sjömansskatten*);
(8) The taxes on special privileges and advantages (*bevillningsavgifterna för särskilda förmåner och rättigheter*).

B. In the case of Belgium :

(1) The tax on individuals (*l'impôt des personnes physiques*);
(2) The company tax (*l'impôt des sociétés*);
(3) The tax on legal persons (*l'impôt des personnes morales*);
(4) The non-residents' tax (*l'impôt des non-résidents*);

including taxes collected in advance (*précomptes*) and supplements to taxes collected in advance (*compléments de précomptes*), surcharges (*centimes additionnels*) on the aforementioned taxes, and the additional communal tax (*taxe communale additionnelle*) to the tax on individuals.

4. The Agreement shall also apply to any identical or substantially similar taxes which are subsequently 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 each other of any changes which have been made in their respective taxation laws.

5. If it is deemed expedient to adapt certain rules relating to the application of the Agreement, either in the case of an extension of the kind referred to in the preceding paragraph or owing to changes which do not affect the general principles of the taxation laws of a Contracting State as they exist on the date of signature of this Agreement, the necessary adjustments shall be the subject of supplementary agreements to be concluded in the spirit of the Agreement through an exchange of diplomatic notes.

Article 3

1. In this Agreement, unless the context otherwise requires :

(*a*) The terms " a Contracting State " and " the other Contracting State " mean Sweden or Belgium, as the context requires;

(*b*) The term " person " comprises an individual, a company and any other body of persons;

(*c*) The term " company " means any body corporate or any entity which is treated as a body corporate for tax purposes in the State of which it is a resident;

(*d*) The terms " enterprise of a Contracting State " and " enterprise of the other Contracting State " mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

(*e*) The term " competent authority " means :

(1) In the case of Sweden, the Minister of Finance or his duly authorized representative;

(2) In the case of Belgium, the authority which is competent under Belgian law.

2. As regards the application of the Agreement by a Contracting State 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 taxes which are the subject of the Agreement.

Article 4

1. For the purposes of this Agreement, the term " resident of a Contracting State " 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 criterion of a similar nature.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then this case shall be determined in accordance with the following rules :

(*a*) He shall be deemed to be a resident of the Contracting 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 Contracting State with which his personal and economic relations are closest (centre of vital interests);

(*b*) If the Contracting 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 Contracting State, he shall be deemed to be a resident of the Contracting State in which he has a habitual abode;

(*c*) If he has a 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 Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

Article 5

1. For the purposes of this Agreement, the term " permanent establishment " means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

2. The term " 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, a quarry, and any other place of extraction of natural resources or forestry or agricultural operation;

(*g*) A building site or construction or assembly project which exists for more than twelve months.

3. 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.

4. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State — other than an agent of an independent status to whom paragraph 5 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.