



Treaty Series No. 26 (1955)

Exchange of Notes

between the Government of the United Kingdom
of Great Britain and Northern Ireland and
the Government of Sweden

supplementing the Convention of
March 30, 1949 for the Avoidance of Double Taxation
and the Prevention of Fiscal Evasion with respect to
Taxes on Income

Stockholm, February 18, 1955

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
May 1955*

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EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF SWEDEN SUPPLEMENTING THE CONVENTION SIGNED IN LONDON ON MARCH 30, 1949, FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

Stockholm, February 18, 1955

No. 1

Her Majesty's Ambassador at Stockholm to the Swedish Minister for Foreign Affairs

British Embassy,

Your Excellency,

Stockholm, February 18, 1955.

I have the honour, upon instructions from Her Majesty's Principal Secretary of State for Foreign Affairs, to refer to the Convention between Sweden and the United Kingdom of Great Britain and Northern Ireland, for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at London on the 30th of March, 1949.⁽¹⁾ and, in order to achieve similarity in the taxation of the remuneration of students from one territory who are temporarily employed in the other in order to gain practical experience, to suggest a supplementary understanding in the following terms:—

(1) This understanding shall be supplementary to the Convention between Sweden and the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at London on the 30th of March, 1949, and, except where it otherwise provides, shall be interpreted as if it were part of the said Convention.

(2) The Government of the United Kingdom declares—

(i) that, under the law in force in the United Kingdom at the date when this undertaking is recorded, the personal allowances, reliefs and reductions for the purposes of United Kingdom tax, which are referred to in Article XVIII(1) of the said Convention, are available to residents of Sweden in accordance with that Article;

(ii) that, as a result, and as a result of other provisions, the effect of the law in force in the United Kingdom is that a student who is receiving full-time education or training at a University or other higher educational institution in Sweden, and is employed in the United Kingdom in order to gain practical experience required for his education, is not liable to United Kingdom tax on his remuneration from such employment so long as—

(a) the said remuneration does not exceed £150 sterling for the year of assessment; and

(b) the student has no other income for that year apart from scholarships.

(3) The Government of Sweden declares that, so long as the United Kingdom law continues to have the effect set out in paragraph (2) above,

(1) "Treaty Series No. 63 (1949)," Cmd. 7800.

a student who is receiving full-time education or training at a University or other higher educational institution in the United Kingdom and who, for a period or periods not exceeding in the aggregate one hundred days during the year of assessment, is employed in Sweden in order to gain practical experience required for his education, shall not be liable to Swedish tax (including for this purpose Municipal Income Tax) on his remuneration from such employment, provided that—

- (a) the said remuneration does not exceed 2,000 Swedish Kronor; and
- (b) the student has no other income apart from scholarships.

(4) The exemption provided by paragraph (3) above shall apply to all income earned after the 31st of March, 1954.

(5) The Government of the United Kingdom undertakes to notify the Government of Sweden of any change in the law which would invalidate the declaration in paragraph (2) above. On receipt of such notification the Government of Sweden may withdraw, from the date on which such change in the United Kingdom law has effect in the United Kingdom, the declaration set out in paragraph (3) above.

(6) The Government of Sweden may in any case withdraw the declaration set out in paragraph (3) above by giving three months' notice in writing to the Government of the United Kingdom.

(7) This understanding shall not apply to those territories to which the above-mentioned Convention has been or may be extended in accordance with the provisions of Article XXIII thereof.

Should the Government of Sweden be prepared to accept the foregoing provisions, I have the honour to suggest that the present Note and your Excellency's reply in similar terms should be regarded as putting on record the understanding between the two Governments.

I avail, &c.

R. M. A. HANKEY.

No. 2

The Swedish Minister for Foreign Affairs to Her Majesty's Ambassador at Stockholm

Your Excellency,

Stockholm, February 18, 1955.

I have the honour to acknowledge the receipt of your Excellency's Note of 18th of February, 1955, which reads as follows:—

[As in No. 1.]

In reply I have the honour to state that your Excellency's Note and the present reply should be regarded as putting on record the understanding between the two Governments.

I avail, &c.

ÖSTEN UNDÉN.

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