

State Secretariat for International
Financial Matters SIF
Pascal Duss
Bundesgasse 3
CH-3003 BERN
Switzerland

Stockholm, 13 December 2017

Dear Mr. Duss,

I have the honour to acknowledge receipt of your Letter of 8 December 2017 which reads as follows:

“I have the honour to propose on behalf of the Swiss Federal Council the following agreement between our two Governments regarding paragraph 8 of Article 10 of the Convention between the Swiss Confederation and the Kingdom of Sweden for the avoidance of double taxation with respect to taxes on income and on capital signed on 7 May 1965 (hereinafter: “the Convention”).

According to paragraph 8 of Article 10 of the Convention the term "pension fund" means any fund within the framework of the social security system which is formed under the laws of a Contracting State or a person that is (a) formed under the laws of a Contracting State; (b) established and maintained in that State principally to administer or provide pensions or similar remuneration; and (c) exempt from tax in that State in respect of the activities mentioned in (b), with the exception of yield tax on pension funds (avkastningsskatten på pensionsmedel) in the case of Sweden; and real estate gains tax (die Grundstückgewinnsteuer) in the case of Switzerland. Paragraph 8 of Article 10 of the Convention further provides that the competent authorities of the Contracting States shall agree that a pension fund qualifies under the paragraph.

With regard to paragraph 8 of the Article 10 of the Convention, it is hereby agreed that upon request by a pension fund, the competent authority of the Contracting State under the laws of which a pension fund was formed shall unilaterally issue a certificate stating that a pension fund qualifies as a pension fund under paragraph 8 of Article 10 of the Convention. Such certification shall be deemed to constitute an agreement under paragraph 8 of Article 10. Such certificate shall apply in respect to one calendar year; in respect to the calendar years 2013 – 2016, however, one certificate for the entire period may be issued. Such certification by the issuing State, may, with due consideration to the procedural rules of the other Contracting State, be subject to the verification and ensuing rejection by the competent authority of that other Contracting State.

I further have the honour to propose that if the above proposal is acceptable for the Government of Sweden, this Letter and your reply thereto shall constitute an Agreement between our two Governments entering into force on the thirtieth day after the date of reception of notification in writing by the Government of Sweden to the Swiss Federal Council of the completion of the procedures required by its law for the entry into force of this Agreement and shall apply to amounts paid or credited on or after 1st January 2013. The Contracting States may, at the request of either Contracting State, review the scope and application of this Agreement, and if it appears to either or both of the Contracting States that the Agreement should be renegotiated, such renegotiation shall be entered into without undue delay. This

Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate this Agreement, through diplomatic channels, by giving written notice of termination. Such termination shall become effective on the 1st day of the month following the expiration of a period of six months after the date of receipt of the written notice of termination.”

I have the honour to inform you that the foregoing is acceptable to the Government of Sweden. I further have the honour to confirm that your Letter together with this Letter in reply shall constitute an Agreement between our two Governments in this matter.

I avail myself of this opportunity to renew to you, Sir, the assurances of my highest consideration.

Linda Haggren

Director-General
Ministry of Finance