



PRESS RELEASE

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 17

FOR RELEASE AT 10 p.m.

April 6, 1951

Tax Agreement between Canada and Sweden

An Agreement between Canada and Sweden for the avoidance of double taxation in the field of income tax was concluded in Ottawa today. His Excellency, Per Wijkman, the Swedish Minister signed for Sweden, and Mr. Douglas Abbott, Minister of Finance, signed on behalf of Canada.

The Agreement follows by less than a month the signing of a similar Agreement between Canada and France and continues the policy of seeking international co-operation in removing tax obstacles which might otherwise hinder the free flow of capital and commerce across international boundaries. Earlier Agreements were entered into with the United States, the United Kingdom and New Zealand, and negotiations with other countries are in prospect.

The Agreement provides generally that each country retains the right to tax at the source income leaving that country while at the same time undertaking to grant relief from taxation income in respect of which a tax has already been imposed at source in the other country. One provision of the Agreement limits the taxation of industrial or commercial profits of a Canadian or Swedish enterprise engaged in trade or business in the other state. Other articles deal with royalties, pensions, annuities, earnings of professional men, public servants, teachers and students.

The Agreement will be effective on the date of exchange of ratifications which will take place in Stockholm following approval of the Governments of Sweden and Canada.
