

**MEMORANDUM OF UNDERSTANDING REGARDING THE AGREEMENT  
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE  
GOVERNMENT OF SWEDEN TO IMPROVE INTERNATIONAL TAX COMPLIANCE  
AND TO IMPLEMENT FATCA**

At the signing today of the Agreement Between the Government of the United States of America and the Government of Sweden to Improve International Tax Compliance and to Implement FATCA (hereinafter the "Agreement"), the representatives of the United States of America and Sweden wish to confirm their understanding of the following:

Pursuant to paragraph 2 of Article 7 of the Agreement, the Government of Sweden hereby informs the United States that it declines the application of such more favorable terms under Article 4 of the Agreement or Annex I afforded to another Partner Jurisdiction under a signed bilateral agreement until such time as the Government of Sweden notifies the Government of the United States otherwise. The Government of Sweden and the Government of the United States share the understanding that such more favorable terms would apply as of the date of such written notification from Sweden with respect to the specific terms of the Agreement referenced in such notification.

In reference to paragraph 1 of Article 10 (Term of Agreement), the Government of the United States understands that the Government of Sweden plans to present the Agreement to its parliament for its approval in 2014 and, to propose implementing legislation with the goal of having the Agreement enter into force by September 30, 2015. Based on this understanding, as of the date of signature of the Agreement, the United States Department of the Treasury intends to treat each Swedish Financial Institution, as that term is defined in the Agreement, as complying with, and not subject to withholding under section 1471 of the U.S. Internal Revenue Code during such time as Sweden is pursuing the necessary internal procedures for entry into force of the Agreement. The United States further understands that Sweden's Ministry of Finance intends to contact the United States Department of the Treasury as soon as it is aware that there might be a delay in the Swedish internal approval process for entry into force of the Agreement such that Sweden would not be able to provide its notification under paragraph 1 of Article 10 of the Agreement prior to September 30, 2015. If upon consultation with Sweden, the United States receives credible assurances that such a delay is likely to be resolved in a reasonable period of time, the United States Department of the Treasury may decide to continue to apply FATCA to Swedish Financial Institutions in the manner described above as long as the United States Department of the Treasury assesses that Sweden is likely to be able to send its notification under paragraph 1 of Article 10 by September 30, 2016. It is understood that should the Agreement enter into force after September 30, 2015, any information that would have been reportable under the Agreement thereafter (and prior to its entry into force) had the Agreement been in force by September 30, 2015, is owed on the September 30 following the date of entry into force.

In reference to the IRS registration and the obtaining of GIINs, it is understood that Swedish Financial Institutions are required to register with the IRS before January 1, 2015. The United States Department of the Treasury intends to treat each Swedish Financial Institution, as that term is defined in the Agreement, as complying with, and not subject to withholding under section 1471 of the U.S. Internal Revenue Code also during the time before such registration.

In reference to subparagraph B(4)(j) of Article VI of Annex I, it is understood that the term “Active NFFE” includes the following Swedish Non-profit Organizations and similar entities;

1. Entities that are non-profit associations acting for public benefit or registered faith communities, subject to particular tax exemption under chapter 7 in the Swedish Income Tax Code (1999:1229) [inkomstskattelagen (1999:1229)],
2. Any charitable foundation that meets the requirements for particular tax exemptions in Chapter 7 in the Swedish Income Tax Code (1999:1229) [inkomstskattelagen (1999:1229)], **and**
3. Any other entity subject to tax exemption in chapter 7, sections 15, 16 and 17 in the Swedish Income Tax Code (1999:1229) [inkomstskattelagen (1999:1229)].

Signed at Ministry of Finance, Stockholm, Sweden, in duplicate, this 8th day of August, 2014.

For the Government of the  
United States of America



For the Government of  
Sweden

