

Act (1995:1338) on the double taxation treaty between Sweden and Argentina

SFS : 1995:1338 **Ministry / Authority** : Ministry of Finance S3 **Issued** : 1995-11-30 **Modified** SFS 2011:1373 **Other text** : Only the Swedish text is included. **Amendment Record** : [SFSR \(Lagrummet\)](#) **Source** : Cabinet Office / Lagrummet

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1 § The agreement for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income Sweden and Argentina signed 31 May 1995, together with the Protocol annexed thereto and forming part thereof, apply as law in this country .

Content of the agreement set out in Annex to this Act.

2 § Agreement taxation rules apply only to the extent that these entail reduction of the charge in Sweden that would otherwise exist.

3 § Repealed by *Act (2011:1373)* .

Transitional provisions

1995:1338

1. This Act comes into force on the day the Government.

2nd This Act shall apply

a) in respect of withholding taxes, on income derived on January 1 the year after the Act came into force or thereafter, and

b) in respect of other taxes on income, to taxes chargeable for any tax year beginning 1 January the year after the Act came into force or thereafter.

third The Act repeals Ordinance (1963:234) on the application of one between Sweden and Argentina, September 3, 1962 contractual agreement for avoidance of double taxation with respect to taxes on income and wealth, and the Proclamation

(1948:815) regarding between Sweden and Argentina agreed terms of mutual CLEARING from income tax of income derived from sea or air.

The repealed decrees shall remain applicable

a) in respect of withholding taxes, on income derived before 1 January the year after the law took effect,

b) in respect of other taxes on income, to taxes chargeable for any tax year beginning before January 1, the year after the law went into effect , and

c) in respect of taxes on capital, for taxes imposed during taxation that occurs the second year after the law took effect or at previous tax year.

1997:659

Government stipulates that the Act (1995:1338) on the double taxation treaty between Sweden and Argentina shall enter into force on 31 December 1997.

The agreement came into force on 5 June 1997.

Annex

AGREEMENT BETWEEN THE KINGDOM OF SWEDEN AND THE REPUBLIC OF ARGENTINA TO AVOID DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

Government of Sweden and the Republic of Argentina, desiring to conclude an agreement to avoid double taxation and prevent fiscal evasion with respect to taxes on income, have agreed as follows:

Article 1

Persons to whom this Agreement applies

This Agreement shall apply to persons who are residents of a Contracting State or of both Contracting States.

Article 2

Taxes covered by the Agreement

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.

2nd With taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property and taxes on capital appreciation.

third The taxes to which this Convention shall apply are:

a) in Argentina

- 1) income tax (impuesto a las ganancias);
 - 2) the minimum tax on corporate assets (impuesto sobre los Activos); and
 - 3) the tax on personal assets (impuesto sobre los bienes personales no incorporados al proceso económico);
(Hereinafter called "Argentine tax");
- b) in Sweden:
- 1) the state income tax, the sailors' tax and coupon tax included,
 - 2) the income tax on non-residents,
 - 3) the income tax on non-resident artistes and
 - 4) the tax
(Hereinafter referred to as "Swedish tax").
- 4th The Agreement shall also apply to any identical or huvusak similar character after the signing of this Agreement in addition to, or in place of, the taxes referred to in paragraph 3. Competent authorities of the Contracting States shall notify each other of important changes which have been in their respective taxation laws.

Article 3

General Definitions

1. Unless the context otherwise requires, the purposes of this Agreement, the following terms as defined below:
 - a) "a Contracting State" and "the other Contracting State" mean Argentina or Sweden, as the context requires;
 - b) "person" includes 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 legal person;
 - 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 "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - f) "tax" means Argentine tax or Swedish tax, as the context requires;
 - g) "national" means:
 - 1) any individual possessing the nationality of a Contracting State,
 - 2) any legal person, partnership or association incorporated under the laws in force in a Contracting State;
 - h) "competent authority" means:
 - 1) in Argentina, "the Ministry of Economy and Works and Public Services, Secretariat of Public Revenue (el Ministerio de Economía y Obras y Servicios públicos Secretaría de Ingresos públicos)",

2) in Sweden, the Minister of Finance, the authorized representative or the authority which is designated as a competent authority for the purposes of this Agreement.
2nd Where a Contracting State applies the Agreement shall, unless the context otherwise requires, any term not defined therein shall have the meaning which it has under the law of that State concerning the taxes to which the Convention applies.

Article 4

Resident

1. For the purposes of this Convention, the words "resident of a Contracting State"
a) under the laws of that State, is liable to tax therein by reason domicile, residence, place of management, place of incorporation, or other similar circumstance, the term does not include any person who is liable to tax in that State in respect only of income from sources in that State ;
b) the government of that State, political subdivision or local authority or such government, subdivision or authority shall institution or body;
c) in respect of partnerships and estates this term such person only to the extent that the income is subject to tax in that State in the same manner as the income of a resident, either in hands or with its shareholders.

2nd Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status as follows:

a) He shall be deemed to be a resident of the State in which he has a permanent home available to him. If he has a permanent home available in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (center of vital interests);
b) if it can not be determined State in which he has his center of vital interests or if he is not in either State has a permanent home available to him, he is deemed to be a resident of the State where he usually resides;
c) if he has an habitual abode in both States or if he does not reside permanently in any of them, he shall be deemed a resident of the State of which he is a national;
d) if he is a national of both States or if he is not a citizen of any of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

third Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, the competent authorities shall by mutual agreement endeavor to settle the question and determine the applicability of this Agreement to such person.

Article 5

Permanent establishment

1. For the purposes of this Convention, the words "permanent establishment" means a

fixed place of business through which an enterprise is wholly or partly carried on.

2nd The words "permanent establishment" includes especially:

- a) a place of management,
- b) branch,
- c) an office,
- d) a factory,
- e) a workshop;
- f) a mine, an oil or gas well, a quarry or any other place for the exploitation of natural resources.

third Notwithstanding the provisions of paragraphs 1 and 2 of this Article, the provision of services, including consultancy services and services for exploration activities, if such activities are carried on by an enterprise through employees or other personnel engaged by the enterprise for such purpose, be regarded as a permanent establishment where such activities are taking place within the country for a period or periods aggregating more than six months in any twelve month period.

4th A building site, a construction, assembly or installation project or activity which consists of monitoring in connection therewith constitutes a permanent establishment only if it lasts for a period exceeding six months.

5th Offshore activities in the other Contracting State in connection with the exploration or exploitation of the seabed and subsoil and the seabed and subsoil related natural resources situated in that other State, as well as fishing bedrivet in its exclusive economic zone, must be regarded as a permanent establishment when activities continue for a period or periods aggregating more than 30 days during a period of twelve months.

6. Notwithstanding the preceding provisions of this Article, the word "permanent establishment" shall not include:

- a) the use of facilities solely for the storage or display of goods or merchandise belonging,
- b) the maintenance of a company belonging to the inventory exclusively for storage or display,
- c) the maintenance of a company belonging to the inventory entirely from the purpose of processing by another enterprise;
- d) the maintenance of a fixed place of business solely for the purchase of merchandise or of collecting information, for the enterprise,
- e) the maintenance of a fixed place of business solely for the enterprise, any other activity of a preparatory or auxiliary character,
- f) the maintenance of a fixed place of business solely for the any combination of activities mentioned in paragraphs ae, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

7. If a person - other than an independent status to whom paragraph 8 applies - is

acting for a company and of a Contracting State has, and habitually exercises an authority to conclude contracts in the name, this is regarded companies - notwithstanding the provisions of paragraphs 1 and 2 - have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise. This does not apply if the activities of such person are limited to those mentioned in paragraph 6 which - if exercised through a fixed place of business - would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

8. Companies are considered to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of independent status, provided that such persons are acting in the ordinary course of business. When such an agent are devoted wholly or almost wholly for the enterprise; considered, however, he does not - if it was proven that the dealings between the Representative and the Company made on terms which differ from those which would be made between independent parties - such as an independent status referred to in this paragraph.

9. The fact that a company which is a resident of a Contracting State controls or is controlled by a company resident in the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of and for itself constitute either company a permanent establishment of the other.

Article 6

Income from immovable property

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2nd The term "immovable property" shall have the meaning which it has under lagsiftningen in the Contracting State in which the property is located. The term includes accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, buildings, usufruct of immovable property and rights to variable or fixed payments for the processing of or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be immovable property.

third The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or other use of real property.

4th The provisions of paragraphs 1 and 3 shall also apply to income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7

Profits

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the company carries on business as aforesaid, the enterprise may be taxed in the other State but only so much of them as is attributable to:

- a) that permanent establishment; or
- b) sales in that other State of goods of the same or similar kind as those sold through that permanent establishment; or
- c) other business in that other State of the same or similar kind as those effected through that permanent establishment.

2nd An enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein assigned, unless the provisions of paragraph 3 to the contrary, in each Contracting State to that permanent establishment the profits which it can be assumed that the establishment would have acquired if the were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

third In determining the permanent establishment shall be allowed as deductions expenses which are incurred for the permanent establishment, including costs for executive and general administrative expenses, whether incurred in the State in which the permanent establishment is situated or elsewhere.

4th Profits derived by an enterprise of a Contracting State from providing insurance or reinsurance in the property situated in the other Contracting State or to persons who are residents of that other State in the insurance contract was concluded, may, notwithstanding the provisions of paragraph 1, may be taxed in that other State either company conducts business in that other State through a permanent establishment situated there or not. The tax in that other State shall, however, in such a case should not exceed 2.5 percent of the gross amount of the premium.

5th Profits shall be attributed to a permanent establishment by reason of the goods purchase by that permanent establishment or merchandise for the enterprise.

6. For the purposes of the preceding paragraphs, the profits attributable to the permanent establishment by the same method year by year unless there is good and sufficient reason to the contrary.

7. Included in income by operating revenue which are dealt with separately in other Articles of this Convention, then the provisions of those articles of the rules in this article.

Article 8

Sea and air transport

1. Profits derived by an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2nd The provisions of paragraph 1 shall also apply to profits derived by an enterprise of a Contracting State carries on business through the operation of ships or aircraft in international traffic, the participation in a pool, a joint business or an international operating agency.

Article 9

Associated enterprises

1. Where

a) an enterprise of a Contracting State participates directly or indirectly in the management or control of an enterprise of the other Contracting State, or takes part in this company's capital, or

b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of a Contracting State and an enterprise of the other Contracting State, or takes part in both their capital, observed the following.

Between the two enterprises in their commercial or financial relations made or imposed conditions, which differ from those which would be made between independent enterprises, get any profits which, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in that enterprise and taxed accordingly.

2nd In cases where a Contracting State includes in the profits of an enterprise of that State, and taxes accordingly, income and an enterprise of the other Contracting State to tax for that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the enterprises had been those which would be made between independent enterprises, then that other State genmföra appropriate adjustment to the skatteblopp imposed on the income of that State. In determining such adjustment, due to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

third The provisions of paragraph 2 shall not apply in cases of fraud, willful default or negligence.

Article 10

Dividends

1. Dividends paid by a company resident in a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2nd Dividends may also be taxed in the Contracting State of which the company

(other than a partnership) paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed:

a) 10 percent of the gross dividends if the beneficial owner of the dividends is a company (other than a partnership) which holds directly at least 25 percent of the company making the payment,

b) 15 per cent of the gross amount of other cases.

The provisions of this paragraph shall not affect the company's taxation of the profits out of which dividends are paid.

third The term "dividends" as used in this Article means income from shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights in a company, under the laws of a state in which the distributing company is a resident taxation is treated the same as income from shares.

4th The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends is a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

5th Where a company which is a resident of a Contracting State derives income from the other Contracting State, that other State may not tax the dividends that the company pays except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of income arising in such other State.

6. Nothing in this Agreement prevents a Contracting State shall be the rate determined under domestic law taxing income that is attributable to a permanent establishment in that State held by a company resident in the other State. Total taxes levied shall not exceed the amount of the corporate income tax applicable to profits of domestic companies plus the percentage specified in paragraph 2a of this Article or such lower percentage derived from the application of paragraph 7 of this Article, on such income after deduction of corporate income tax.

7. If Argentina in an agreement to avoid double taxation with a third State which is a member of the Organization for Economic Cooperation and Development (OECD), agreed to exempt dividends derived from Argentina from Argentine tax on dividends or to limit the tax rate or the investments listed in paragraph 2, shall this exemption, lower rate or possession is automatically applied as if this had been prescribed in paragraph 2a of this Article.

Article 11

Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2nd Such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest the tax so charged shall not exceed 12.5 percent of the gross amount.

third Notwithstanding the provisions of paragraph 2,

a) interest arising in Argentina exempt from Argentine tax if:

1) the recipient is the Swedish state, a political subdivision or local authority, or the payer's Argentine State, a political subdivision or local authority;

2) the recipient is Sveriges Riksbank;

3) the recipient is SWEDECORP (Swedish International business assistance) or Swedfund or other similar institution, which the Contracting States' competent authorities from time to time agree;

b) interest arising in Sweden shall be exempt from Swedish tax if:

1) receiver is Argentine State, political subdivision, local authority or if the payer is the Swedish state, a political subdivision or local authority;

2) the recipient is "Banco Central de la República Argentina", "Banco de la Nación Argentina" or the Banco de la Provincia de Buenos Aires "or similar institution, which the Contracting States' competent authorities from time to time agree;

c) interest arising in a Contracting State and paid to a resident of the other Contracting State in respect of a loan guaranteed by the bodies referred to in subparagraph b shall be exempt from tax in the first-mentioned State;

d) interest arising in a Contracting State shall be exempt from tax in that State if the beneficial owner is a resident of the other Contracting State, and the interest is paid with respect to indebtedness arising from credit sales of machines or industriell, commercial or scientific equipment from a resident of that other State except in cases where the sale takes place between related or claim arising between related persons.

4th The term "interest" as used in this Article means income from any kind of claim, whether secured by mortgage on immovable property or not, and either carrying a right to participate in the debtor or not. The term refers säskilt capital securities issued by the state, and inkmst from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment is not considered as interest for the purposes of this article.

5th Bestämmlserna in paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs independent personal services in that other State from which the fixed base situated therein, and the debt for which the interest is paid is

effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid, and such interest is borne by such permanent establishment or fixed arrangement, interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

7. Where by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, with respect to the claim for which it is paid, exceeds the amount which would have been agreed between the payer and the beneficial owner if such relationship existed, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under the laws of each Contracting State, due to the other provisions of this Agreement.

8. The provisions of this Article shall not apply if the loan was granted with the principal aim to achieve the benefits of this article.

9. If Argentina in an agreement to avoid double taxation with a third State which is a member of the Organization for Economic Cooperation and Development (OECD), agreed to exempt interest derived from Argentina from Argentine tax on interest or to lower the rate provided for in paragraph 2 , such exemption or lower rate shall automatically as if it had been specified in paragraph 2 of this Article.

Article 12

Royalty

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2nd Royalties may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient of the royalties, the tax so charged shall not exceed:

- a) 3 per cent of gross royalties if the royalties paid for the use of or right to use news;
- b) 5 per cent of gross royalties if the royalties paid for the use of or right to use any copyright of literary, dramatic, musical or other artistic works (royalties on feature films and on arbtien on film or videotape or other means of reproduction for use in connection with Television is not covered);
- c) 10 percent of gross royalties if the royalties relate to payments for the use or right to use any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use industriell or scientific equipment or for information concerning industrial, commercial or scientific experience, including payment for the communication of technical assistance; and

d) 15 percent of gross royalties in all other cases.

third The term "royalties in this Article means payments of any kind received as a consideration for the use of, or the right to use, news, any copyright of literary, dramatic, musical or other artistic work, any patent, trade mark, design or model, plan, secret formula or secret process, or other intangible asset or for the use of, or the right to use industrial, commercial or scientific equipment but only to the extent that the use or right to use such devices involves a transfer of technology, or for information concerning industrial, kommerstiell or scientific experience, and includes payments for technical assistance and any payments for feature films and works on film, videotape or other means of reproduction for use in connection with television.

4th provisions of paragraphs 1 and 2 shall not apply if the beneficial royalties is a resident of the Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base, and the right or property in respect of which the royalties paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

5th Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, is considered to arise in the State in which the permanent establishment or fixed base is situated.

6. Where by reason of a special relationship between the payer and the beneficial owner of the royalties, or between both of them and some other person, with respect to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner of the royalties, if such relationship existed, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under the laws of each Contracting State, due to the other provisions of this Agreement.

7. The provisions of this Article shall not apply if the right or property in respect of which the royalties are paid, agreed or stipulated with the main aim to achieve the benefits of this article.

8. If Argentina in an agreement to avoid double taxation with a third State which is a member of the Organization for Economic Cooperation and Development (OECD), agreements to exempt in paragraph 2 c angivnen royalties arising in Argentina from Argentine tax on royalties or to limit the rate specified in the said paragraph, this exemption or lower rate is applied automatically as if it had been specified in paragraph 2 c of this Article.

Article 13

Capital gains

1. Gains from the alienation of ships or aircraft operated in international traffic by an enterprise of a Contracting State or of movable property pertaining to the operation of such ships or aircraft shall be taxable only in that State.

2nd Gains from the alienation of shares in the capital of a company which is a resident of a Contracting State may be taxed in that State. Upon transfer of any holding referred to in Article 10, paragraph 2, however, the tax charged shall not exceed 10 percent of the taxable profit.

Article 14

Independent personal

1. Income derived by an individual resident of a Contracting State from the performance of professional services or other independent activities in the other Contracting State may be taxed in that other State but the tax charged shall not exceed 10 percent of gross income that he is not in the other Contracting State has a fixed base regularly available to him in order to pursue the activity. If he has such a fixed base, the income may be taxed in that other State under the laws of that State, but only so much of them as is attributable to that fixed base.

2nd The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of teachers, lawyers, engineers, architects, dentists and accountants.

third If Argentina in an agreement to avoid double taxation with a third State which is a member of the Organization for Economic Cooperation and Development (OECD), the agreement will limit the taxation of such in paragraph 1 of this article stated compensation for independent personal exerted without a fixed base at a rate which is lower than the prescribed in this Agreement, this lower tax rate (including tax) will automatically apply under this Agreement from the date when the first-mentioned application of the Agreement.

Article 15

Individual business

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of employment only in that State unless the employment is exercised in the other Contracting State. If services are rendered in that other State, such remuneration as is derived therefrom may be taxed there.

2nd Notwithstanding the provisions of paragraph 1, remuneration derived by a

resident of a Contracting State in respect of an employment exercised in the other Contracting State, only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and

b) the remuneration is paid by the employer who is not a resident of the other State or on behalf of, and

c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

third Notwithstanding the preceding provisions of this Article, remuneration for employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State may be taxed in that State.

Article 16

Directors' fees

Directors' fees and other similar remuneration derived by a resident of a Contracting State in his capacity as a member of the board of directors or a similar organ of a company resident in the other Contracting State may be taxed in that other State.

Article 17

Artistes and Athletes

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State from his personal activities in the other Contracting State as an entertainer, such as theater, motion picture, radio or television artiste, or a musician, or of be taxed in that other State.

2nd Where income in respect of personal activities exercised by an entertainer or an athlete in his capacity as such accrues not to the entertainer or athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the artist or athlete are exercised.

third The provisions of paragraphs 1 and 2 shall not apply to income derived on account of activities exercised in a Contracting State by entertainers or athletes if the visit to that State solely or mainly financed by public funds of the other Contracting State, a political subdivision or local authority. In such case, the income shall be taxable in accordance with Articles 7, 14 or 15.

Article 18

Pensions, annuities and similar payments

1. a) Pension arising in a Contracting State and paid to a resident of the other

Contracting State,

b) compensation, whether periodic or not, under the social security legislation or other publicly-run organized arrangement of a Contracting State for welfare purposes,

c) annuity hörrörande in a Contracting State and paid to a resident of the other Contracting State may be taxed in both Contracting States.

2nd The term "annuity" as used in this Article means a fastsällt sum payable periodically at stated times during life or during a specified or ascertainable period of time based on the basic obligation to make the payments in return for adequate and full consideration in money or pennigars value (except for services rendered).

Article 19

Government service

1. a) Remuneration (other than a pension) paid by a Contracting State or a political subdivision or local authority thereof to an individual in respect of services rendered to that State, political subdivision or local authority shall be taxable only in that State.

b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the natural person in respect of a resident of that State who:

1) is a citizen of this State, or

2) is not a resident of that State solely for the work.

2nd The provisions of Articles 15 and 16 shall apply to remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or local authority.

Article 20

Students

Student or business apprentice who is or was immediately before like that notification of a Contracting State a resident of the other Contracting State and who is present in the first-mentioned State solely for the purpose of his education or training shall not be taxed in that State for the amount he receives for his upphälle, its education or training, provided that such payments arise from sources uanför this state.

Article 21

Other income

1. Income derived by a resident of a Contracting State not dealt with in the foregoing Articles, shall be taxable only in that State. Income from the other Contracting State may also beskatttas in that other State.

2nd The first sentence of paragraph 1 shall not apply to income, other than income

from immovable property as defined in Article 6, paragraph 2, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

Article 22

Elimination of double taxation

1. Regarding Argentina, the unijunction cat avoided as follows:

If a resident of Argentina derives income which, pursuant to this Agreement may be taxed in Sweden to Argentina by the Argentine tax on the income an amount equal to the income tax paid in Sweden for income. Such deduction shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Sweden.

2nd Regarding Sweden, double taxation shall be avoided as follows:

a) Where a resident of Sweden derives income which under Argentine law and in accordance with the provisions of this Agreement may be taxed in Argentina, the Sweden - having regard to the provisions of Swedish legislation concerning credit for foreign tax (as amended or supplemented in future can get by altered without changing the general principle hereof) - from the Swedish tax on the income an amount equal to the Argentine tax paid on the income.

b) Where a resident of Sweden derives income which, under the provisions of this Agreement shall be taxable only in Argentina, Sweden - in the determination of Swedish progressive tax - into account the income.

c) Notwithstanding the provisions in paragraph of this paragraph, dividends paid by a company resident in Argentina to companies resident in Sweden exempt from Swedish tax under the provisions of Swedish law on tax from dividends obtained by the Swedish company from subsidiaries abroad.

d) For purposes of paragraph 2a of this Article, the Argentine minimum tax on corporate assets and the Argentine tax on fysiska persons assets specified in Article 2, paragraph 3 a, 2 and 3 are considered to be income taxes.

e) For purposes of paragraph 2a of this Article, the term "Argentine tax paid", include Argentine tax that would have been paid, but because of time-limited provisions of Argentine law intended to promote economic development has not been paid or paid in smaller amounts. It stated, however, only in the event that the exemption granted or lower tax paid in respect of income derived from the industrial or manufacturing operations or from agriculture, forestry, fisheries or tourism (restaurant and hotel business cluding) and provided that the business has been conducted in Argentina. For the purposes of paragraph 2 c of this Article is considered a tax of 15 percent based on a Swedish tax base have been paid for such activities as specified in the preceding sentence during which the specified conditions.

- f) For purposes of paragraph 2a of this Article shall argeninsk tax, which is paid on account of royalties received for the use of, or right to use any patent, trade mark, design or model, plan, secret formula or process, or for information about erfarnhetsrön of industrial , commercial or scientific experience including payment for lämnadet of technical assistance, when that has been used in such activities mentioned in paragraph e, under the conditions specified therein, in addition to the Argentine tax actually paid, be deemed to have been paid by another 5 percent, or about no such tax has not been charged, is considered to have been paid 5 percent of gross royalties.
- g) The provisions of paragraphs e and f only applies in respect of the first ten years during which this Agreement applies. This period may be extended by mutual agreement between the competent authorities.

Article 23

Prohibition of discrimination

1. Nationals of a Contracting State shall not in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. Notwithstanding the provisions of Article 1 shall apply this provision also apply to persons who are not domiciled in a Contracting State or of both Contracting States.

2nd Taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall, in that other State may not be less favorable than the taxation levied on enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to residents of their own state.

3 . Except where the provisions of Article 9, paragraph 1, Article 11, paragraph 7 of Article 12, paragraph 6 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall be deductible in determining the taxable profits of such companies on the same basis as paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State deductible in determining the taxable capital of such an undertaking on the same terms as contracted to a resident of the first-mentioned State.

4th Enterprises of a Contracting State, the capital wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

5th Notwithstanding the provisions of Article 2, the provisions of this article to taxes of every kind and description.

Arikel 24

Mutual Agreement Procedure

1. If a person believes that a Contracting State or both Contracting States made arrangements for him in result or will result in taxation not in accordance with the provisions of this Convention, he may, without prejudice to his right to make use of the legal remedies available in these States internal legal order, present his case to the competent authority of the Contracting State of which he is a resident or if his case comes under Article 23 paragraph 1, of the Contracting State of which he is a national. The case must be presented within three years from the time the person first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

2nd If the competent authority finds the complaint justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the adra Contracting State in order to minimize the risk of taxation not in accordance with the Agreement. If agreement is reached between the competent authorities to the tax levied and refund or tax credit is given in accordance with this agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic laws of the Contracting States.

third The competent authorities of the Contracting States shall by mutual agreement any difficulties or doubts arising as to the interpretation or application of the agreement. They may also consult together for the elimination of double taxation in cases not covered by the agreement.

4th The competent authorities of the Contracting States may communicate directly with each other in order to reach an agreement in the sense of the preceding paragraphs. If oral exchanges of facilitating an agreement, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 25

Exchange of Information

1. The competent authorities of the Contracting States shall exchange such information as is necessary to implement the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1. Disclosures as a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and

administrative bodies) involved sets, or collection or handling complaints concerning taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2nd The provisions of paragraph 1 be construed so as to impose on a Contracting State the

a) take prerolling measures at variance with the laws and administrative practice of that Contracting State or of the other Contracting State,

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

third If a Contracting State requests information under this Article, the other Contracting State shall endeavor to obtain the information to which the request relates in the same way as if it were tax to its own state, notwithstanding that at the time did not need the information. If the competent authority of a Contracting State specifically requests it, the competent authority of the other Contracting State shall endeavor to provide information under this Article in the form requested, such as depositions of witnesses and certify copies of complete original documents (including postings, documents, statements, records, accounts or written documents) in the same omfattnnig such depositions and documents can be obtained under the laws and administrative practices of that other State with respect to its own taxes.

Article 26

Diplomatic agents and consular officers

1. The provisions of this Agreement shall affect the fiscal privileges which, under international law or under the provisions of special agreements diplomatic agents or consular officers.

2nd Notwithstanding Article 4, an individual who belongs to a contracting State's diplomatic mission, consular or permanent representation, which is situated in the other Contracting State or in a third State, pursuant to the Agreement is considered to be a resident of the sending State if he is in the sending State is subject to the same obligations in relation to tax on their entire income of a resident of that State.

third The agreement does not apply to international organization, its agencies or officials, nor to persons who are members of a third State or group of States, diplomatic missions, consular or permanent representation and present in a Contracting State shall be subject to the same obligations in respect of taxes on the entire their income as a resident.

Article 27

Entry into force

1. The governments of the Contracting States shall notify each other when the constitutional measures necessary to this Agreement shall enter into force have been taken.

2nd The Agreement shall enter into force thirty days after the date on which the last of the notifications referred to in paragraph 1 is received and its provisions apply in both Contracting States:

- a) in respect of withholding taxes, on income derived on or after 1 January in the calendar year next following the year in which the Agreement enters into force;
- b) in respect of other taxes on income and for the Argentine part of the assets, for taxes chargeable for any taxable year next following the year in which the Agreement enters into force.

third Upon entry into force of this Agreement, the Agreement between the Republic of Argentina's Government and the Government of Sweden for the avoidance of double taxation with respect to taxes on income and capital signed September 3, 1962 and the agreement on mutual CLEARING from income tax of income derived from shipping and aviation traffic concluded by an exchange of notes dated 20 November 1948 be repealed. The provisions of the 1962 agreement and the 1948 agreement shall continue to apply until the provisions of this Agreement in accordance with the provisions of paragraph 2 of this Article shall apply.

Article 28

Cessation

This Agreement shall remain in force until it say up of a Contracting State. Either Contracting State may terminate the Convention in writing to terminate the Agreement by giving notice of termination at least six months before the end of each calendar year following a period of six years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect in both Contracting States.

- a) in respect of withholding taxes, on income derived on or after 1 January in the calendar year next following the year in which the notice is given;
- b) in respect of other taxes on income, and for the Argentine part of the assets, to taxes chargeable for any tax year beginning on 1 January of the calendar year next following the year in which the notice is given.

In witness whereof the undersigned, being duly authorized thereto, have signed this Agreement.

Done at Stockholm on 31 May 1995 duplicate in Spanish, Swedish and English languages, all three texts being equally authentic. For the case of divergence of interpretation, however, the English text shall prevail.

For the Government of Sweden

Persson

For the Republic of Argentina's government

Atilio Molteni

MINUTES

At the signing of the agreement today between the Kingdom of Sweden and the Republic of Argentina in order to avoid double taxation and prevent fiscal evasion with respect to taxes on income (the "Agreement"), the undersigned have agreed that the following provisions shall form an integral part thereof.

1. To all provisions of the Agreement and the Protocol

a) The term "income" includes, where the context otherwise requires, also capital gains.

b) If a Contracting State in the future will introduce the "offshore" legislation, the competent authorities by mutual agreement, the agreement shall apply in relation to companies benefiting from the law.

2nd On Article 2

The provisions of this Agreement shall affect each Contracting State's right to tax wealth or assets in accordance with its domestic laws. Wealth or assets in the form of ships or aircraft in international traffic by an enterprise of a Contracting State and movable property pertaining to the use of such ships and aircraft, shall be taxable only in that State.

third To Article 3 paragraph 1 a

For the purposes of this Agreement, the terms "a Contracting State" and "the other Contracting State" includes any territory over which that State exercises fiscal jurisdiction.

4th On Article 7, paragraph 1

Points b and c shall not apply if the company shows that such sales or business can not reasonably be carried out by the permanent establishment.

5th On Article 7, paragraph 3

This provision shall not be construed as obliging a Contracting State to grant a full deduction for expenses when the deductibility of these are somehow limited in the determination of income under domestic law or to allow deduction of expenses, which because of their nature, are not generally deductible accordance with its domestic laws.

6. On Article 7, paragraph 5

Notwithstanding the provision of Article 5 paragraph 6 d this agreement, exports of goods purchased by a company remain subject to the applicable domestic laws

regarding the export.

7. To Articles 8 and 13

The provisions of Article 8, paragraph 1 and Article 13 paragraph 1 apply to the income and capital gains derived by the air transport consortium Scandinavian Airlines (SAS) in respect only of that part of the income or capital gain equal to the share in the consortium held by AB Aero Transport (ABA), the Swedish partner of Scandinavian Airlines System (SAS).

8. To Article 10 paragraph 2

The competent authorities of the avtalssutande States shall, by 30 June in the third year of this Agreement shall apply, consult to determine if the tax rates, as provided in Article 10, paragraph 2 shall be reduced or if the dividends between companies shall be exempt from tax in the Contracting State of which the company paying the dividends is a resident.

9. For Items Quality 12 paragraph 2

a) The restriction of withholding tax provided for in paragraph 2 shall, in the case of Argentina, be subject to the registration procedure under their national law.

b) Instead of the paragraph c statutory tax rate of 10 percent, the in d statutory tax rate of 15 percent applies to royalties paid for the use or right to use industrial or scientific equipment when such payment is made between related persons.

10th To Article 15 paragraph 3

Compensation, as a resident of Sweden receives for work performed on aircraft operated in international traffic by the air transport consortium Scandinavian Airlines System (SAS), shall be taxable only in Sweden.

11. Article 22 paragraph 2

If the competent authorities do not agree on such an extension of the time period mentioned in paragraph g, all provisions relating to the limitation of the source State taxation renegotiated.

12. Re Article 23

The provisions of this Agreement shall not be construed as a Contracting State is unable to apply the provisions of its internal law The Company as the overly financed with foreign capital ("thin capitalization provisions").

In witness whereof the undersigned, being duly authorized thereto, have signed this Protocol.

Done at Stockholm on 31 May 1995, in duplicate in Spanish, Swedish and English languages, all three texts being equally authentic. For the case of divergence of interpretation, however, the English text shall prevail.

For the Kingdom of Sweden Government

Persson

For the Republic of Argentina's government

Atilio Molteni