

Act (1983:534) on the double taxation treaty between Sweden and Bangladesh

SFS : 1983:534 **Ministry / Authority** : Ministry of Finance S3 **Issued** : 1983-04-21 **Modified** SFS 2011:1314 **Other text** : Only the Swedish text is included in the Annex. **Amendment Record** : [SFSR \(Lagrummet\)](#) **Source** : Cabinet Office / Lagrummet

1 § The agreement for the avoidance of double taxation and prevention of fiscal evasion with respect to income Sweden and Bangladesh signed May 3, 1982, together with the Protocol annexed to the Agreement valid for Sweden. Agreement and Protocol for An appendix to this Act.

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

§ 3 If a person believes that it taken any action which for him has resulted or will result in taxation contrary to the provisions of the contract, he may apply for redress under Article 25 paragraph 1 of the Agreement. Such application shall be made by the government and should be submitted within the time specified in that provision.

4 § Repealed by *Act (2011:1314)* .

Annex

Agreement between the Government of Sweden and the People's Republic of Bangladesh Government for the avoidance of double taxation and prevention of fiscal evasion regarding income

Government of Sweden and the People's Republic of Bangladesh Government, desiring to conclude an Agreement for the avoidance of double taxation and prevention of fiscal evasion regarding 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 income taxes imposed by a Contracting State or a local authority or fördessa, irrespective of the manner in which they are levied.

2nd With income all taxes imposed on total income as a whole or on elements of income, including taxes on gains from the alienation of movable or immovable property.

third The existing taxes to which the Agreement shall apply are:

a) In Bangladesh: income tax (tax of the kind referred to hereinafter as "Bangladesh tax");

b) in Sweden:

1) the state income tax, the sailors' tax and coupon tax included,

2) distribution tax, and compensation tax,

3) bevillingsavgiften public entertainers, and

4) the communal tax; (Tax of the kind referred to hereinafter as "Swedish tax").

4th The Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities shall notify each other of any substantial changes made in their respective taxation laws.

ARTICLE 3

General Definitions

1. Unless the context otherwise requires, in this Agreement the following terms as defined below:

a) "Bangladesh" means the People's Republic of Bangladesh;

b) the term "Sweden" means the Kingdom of Sweden;

c) the terms "a Contracting State" and "the other Contracting State" mean Bangladesh and Sweden, as the context requires;

d) the term "person" includes an individual, corporation or association;

e) "company" means any body corporate or any entity which is treated as a legal person;

f) 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;

g) "national" means:

1) any individual possessing the nationality of a Contracting State,

2) any legal person, partnership and association deriving the laws in force in a Contracting State;

h) 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;

i) "competent authority" means in Bangladesh, "the National Board of Revenue" or its authorized agent, and in Sweden, the Financial Secretary or his representative befullmäktige.

2nd Where a Contracting State shall apply this 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 term "resident of a Contracting State" means any person who under the law of that State, is liable to tax therein by reason of his domicile, residence, place of management or any 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.

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 them, he shall be deemed to be a resident of the state where 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 coincidence.

third Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the State in which its place of effective management.

ARTICLE 5

Permanent establishment

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which an enterprise is wholly or partly carried on.

2nd The term "permanent establishment" includes especially:

- a) a place of management;
- b) branch;
- c) an office;
- d) a factory;
- e) a workshop;
- f) a warehouse in relation to a person providing storage facilities for third parties; and
- g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

third A building site or construction or installationsvverksamhet constitutes a permanent establishment only if it lasts more than 183 days.

4th Notwithstanding the preceding bstämmelser in this article, the term "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 one belonging to the enterprise solely for the inventory 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 company of advertising, for information, for scientific research or for similar activities which have a preparatory or auxiliary character.

5th A person acting in a Contracting State to a business in the other Contracting State or on its behalf - other than that of independent status to whom paragraph 6 applies - is considered to constitute a permanent establishment in the first-mentioned State if:

- a) he is in the first-mentioned State and which regularly use a general authority to conclude contracts in the name of the business is not limited to the purchase of goods on behalf of the company, or
- b) he habitually maintains in the first-mentioned State disposes one belonging to the enterprise from which he inventories for the company or on its behalf regularly delivers goods or
- c) he is in the first State regularly procures orders for the sale of goods wholly or almost wholly for the enterprise in question or the company and other companies, over which the first-mentioned company has a controlling interest or which themselves have a controlling influence over the former undertaking.

6 . Enterprises of a Contracting State is considered to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of independent status, where such persons are acting in the ordinary course of business and his business is not is that which is described in paragraph 5 c).

7. 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 activities in that other State (whether through a permanent establishment or otherwise), shall not of 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 inberipen 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 the law of 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, usufruct of immovable property and rights to variable or fixed payments as consideration for the working 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 use in any other immovable 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 that permanent establishment.

2nd An enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, provision, unless the provisions of paragraph 3 to the contrary, in each Contracting State to that permanent establishment the profits which it might be assumed that the establishment would have acquired it 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. If the information that is available to the tax authorities in question, are not sufficient for determining the profits attributable to the permanent establishment, the provisions of this section shall

not preclude the application of the statutory provisions in either Contracting State, under which the tax authorities discretion or estimated may determine the permanent establishment taxable income. Such discretion or the estimate of income shall - to the extent that the taxation authorities available information permits - be in accordance with the specified in this paragraph principle.

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. Deductions are allowed but not for expenditure for which a deduction would not be allowed companies in this State under its laws.

4th To the extent that income attributable to a permanent establishment in a Contracting State till determined on the basis of an apportionment of the company's total profits of the different parts of the company, the provisions of paragraph 2 does not preclude that Contracting State from the taxable income is determined by such a procedure. The method of apportionment adopted shall, however, be such that the result is consistent with the principles in this article.

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 capital operating income 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

Aviation

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

2nd The provisions of this Article shall apply in respect of income derived by the Swedish, Danish and Norwegian lufftfartskonsortiet Scandinavian Airlines System (SAS), but only in respect of the portion of income that corresponds to the participation held in that consortium by AB Aero Transport (ABA), the Swedish partner Scandinavian Airlines System (SAS).

third The provisions of paragraphs 1 and 2 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

ARTICLE 9

Maritime

1. Profits derived by an enterprise of a Contracting State from the operation of ships in international traffic in the other Contracting State may be taxed in that other State, but the tax on the income of that other State shall be reduced by an amount equal to fifty percent of the tax.

2nd For the purposes of applying paragraph 1, income derived in a Contracting State from the operation of ships in international traffic in the other Contracting State, profits from the carriage of passengers, mail, livestock or goods shipped from that other State.

third The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

ARTICLE 10

Associated enterprises

1. Where

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

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 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, then any profits which would, 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 Where profits on which an enterprise of a Contracting State to tax in that State, also included in the profits of an enterprise of the other Contracting State and taxed accordingly in that other State and the profits so included are profits which would have to the enterprise of the other State if the conditions made between the enterprises had been those which would be made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of tax imposed on the income of that State. In determining such adjustment, due regard to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

ARTICLE 11

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 paying the dividends is a resident and according to the laws of that State, but if the recipient 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 or indirectly at least 10 percent of the company making the payment;
- b) 15 per cent of the gross amount of other cases.

This paragraph shall not affect the taxation of company profits out of which dividends are paid.

third The term "dividends" as used in this Article means income from shares, mining 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 the State in which the distributing company resident is on a par with capital 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 independent personal services from a fixed base 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 15.

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 paid by the company, 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. Notwithstanding the provisions of paragraph 1 is the dividend from a company resident in Bangladesh to companies resident in Sweden shall be exempt from taxation in Sweden to the extent dividends would have been exempt under Swedish law, both companies had been Swedish.

ARTICLE 12

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:

- a) 10 percent of the gross amount if the interest charged by a bank or other Credit institutions (including insurance companies);

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

third Notwithstanding the provisions of paragraph 2:

a) Interest arising from Sweden and paid to the Government of Bangladesh or to Bangladesh Bank, shall be exempt from Swedish tax.

b) Interest arising from Bangladesh and paid to the Government of Sweden, Sveriges Riksbank and National Debt Office, shall be exempt from Bangladesh tax.

The competent authorities of the Contracting States may by mutual agreement, that this paragraph shall apply also concerning other institution.

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. In particular, income from securities issued by the state, and income 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 The provisions of paragraphs 1 to 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 in that other State where 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 15.

6. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a local authority or a resident of that State. If 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 base, considered such interest 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.

ARTICLE 13

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 10 percent of gross royalties.

third The term "royalties" as used in this Article, any kind of payment received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films or tapes for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or manufacturing process, or for the use of, or the right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience. Payment due to the exploitation of mineral deposits, sources and other natural resources not included in the term "royalties".

4th The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties is a resident of a 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 where fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15.

5th Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a local authority or a resident of that State. If 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, are considered to arise in the Contracting 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.

ARTICLE 14

Capital gains

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State from the alienation of shares of a company whose principal assets consist of such immovable property may be taxed in that other State.

2nd Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base for the purpose of performing independent personal services, resident of a Contracting State

has in the other Contracting State may be taxed in that other State. The same applies to profits from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such fixed base.

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

With respect to gains derived by the Swedish, Danish and Norwegian air transport consortium Scandinavian Airlines System (SAS), the provisions of this paragraph in respect of the portion of the gain equal to the share in the consortium held by AB Aero Transport (ABA), the Swedish partner of Scandinavian Airlines System (SAS).

4th Gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 shall be taxable only in the Contracting State of which the alienator is a resident.

ARTICLE 15

Independent personal

1. Income derived by a resident of a Contracting State from the performance of professional services or other independent activities shall be taxable only in that State. Such income may also be taxed in the other Contracting State if:

- a) the recipient in this state has a fixed base regularly available to him for performing his activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other Contracting State, or
- b) the recipient is present in that other State for a period or periods totaling more than 120 days in that State in question taxable year.

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

ARTICLE 16

Individual business

1. Subject to the provisions of Articles 17, 19, 20 and 21, salaries, 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 that State in question taxable year, and

b) the remuneration is paid by employers who are not residents of that other State or of such employer's account, and

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

third Notwithstanding the preceding provisions of this Article, remuneration for employment exercised aboard a ship or aircraft in international traffic shall be taxable in the Contracting State of which the company is domiciled.

Where a resident of Sweden derives income from employment exercised aboard an aircraft operated in international traffic by the Swedish, Danish and Norwegian air transport consortium Scandinavian Airlines System (SAS), such remuneration shall be taxable only in Sweden.

ARTICLE 17

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 18

Artistes and Athletes

1. Notwithstanding the provisions of Articles 15 and 16, 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 as an athlete taxed in that other State. Such income shall, however, from tax in that other State if the artist or athlete's visit takes place within the framework of a program of cultural or sports exchange, as agreed between the Contracting States.

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, 15 and 16, be taxed in the Contracting State in which entertainer or athlete are exercised.

ARTICLE 19

Pensions

Subject to the provisions of Article 20, paragraph 2, salaries, taxable pensions and other similar remuneration paid to a resident of a Contracting State, only in that State.

ARTICLE 20

Government service

1. a) Remuneration (other than a pension) paid by a Contracting State or a local authority thereof to an individual in respect of services rendered to that State or a 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 individual is a resident of that State who:

1) is a national of that State; or

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

2nd a) Any pension paid by, or out of funds created by, a Contracting State or a local authority thereof to an individual in respect of services rendered to that State or local authority shall be taxable only in that State.

b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident and a national of that State.

third The provisions of Articles 16, 17 and 19 shall apply to remuneration and pensions in respect of services rendered in connection with a business carried on by a Contracting State or a local authority.

ARTICLE 21

Teachers, students and trainees

1. A professor or teacher who visits occasionally in a Contracting State for a period not exceeding two years for the purpose of teaching at a university, college, school or other educational institution and who is, or immediately before such visit was, a resident of the other Contracting State is exempt from tax in the first-mentioned Contracting State on remuneration for such teaching, provided that he is liable for the remuneration paid in the other Contracting State.

2nd An individual who is a resident of a Contracting State immediately before visiting the other Contracting State and who is temporarily present in that other State solely as

a) a student at a university, college, school or other similar educational institution in that other State,

b) business apprentice or trainee, or

c) The recipient of a grant, allowance or benefit from the foundation or institution with the task of scientific, educational, religious or charitable purposes or under a technical assistance program established by the Government of a Contracting State is exempt from tax in that other State for:

1) amounts paid to him from abroad for his maintenance, education, training or work experience;

2) The income of an employment exercised in the other State if income for any taxable year exceeds twelve thousand Swedish kronor or its equivalent in Bangladeshi takas; and

3) such grant, allowance or monetary support.

Exemption under section 2) shall extend only for the duration reasonably or customarily required to complete the studies, training or practice in question but shall in no event exceed tidsymd than five consecutive years.

ARTICLE 22

Other income

1. Income derived by a resident of a Contracting State not dealt with in the foregoing Articles of this Convention shall be taxable only in that State, regardless of where the income arises.

2nd Income which is not treated in the foregoing Articles of this Agreement, as a resident of a Contracting State and derived by the other Contracting State may, notwithstanding the provisions of paragraph 1, may be taxed in that other State.

ARTICLE 23

Elimination of double taxation

1. In accordance with the provisions of law in Bangladesh in terms of settlement from Bangladesh tax of tax payable in any country other than Bangladesh, the tax payable under Swedish law and in compliance with this Agreement due on income or gain from sources in Sweden, offset against each Bangladesh tax calculated on the same income or gain that the Swedish tax.

2nd Where a resident of Sweden derives income which, under the provisions of this Agreement may be taxed in Bangladesh, Sweden shall, unless the provisions of paragraph 3 of this Article and Article 11, paragraph 6 to the contrary, from that person, income tax, an amount equal to the tax payable in Bangladesh on income. Such deduction shall not, however, exceed that part of the Swedish tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Bangladesh.

third Where a resident of a Contracting State derives income which under the provisions of this Agreement shall be taxable only in the other Contracting State, the first-mentioned Contracting State shall include such income in the tax base, but shall reduce the tax by the amount of tax that is attributable to the income which acquired from the other Contracting State.

4th In applying the provisions of paragraph 2, "tax payable in Bangladesh" may include such Bangladesh tax that would have been paid but for the exemption or reduction of Bangladesh tax had been notified under any of the following provisions of the Bangladesh legislation:

a) Section 4 paragraph 3 XIII) in Bangladesh Income Tax;

Section 10 paragraph 2 VIIa) of the same Act;

avdelning 14 A paragraphs 2A), 2B), 2C) and 2D) of the same Act;

points c), e), g) and h) of Decree No SRO417A-L/76 November 29, 1976; and

points a), b) and d) the same public notice to the extent the exemption or reduction relates to loans issued in order to promote economic development in Bangladesh; in all cases to the extent that the provisions in force at the time of signature of this Agreement, subject to the provisions accordingly not been changed or modified only in minor respects so as not to affect their general character;

b) other provisions on tax exemptions or reductions in the future could be introduced and which is agreed between the Contracting States, the competent authorities are of essentially the same kind, except those provisions not subsequently been altered or modified only in minor respects but their general character is affected .

This paragraph applies to the first ten years during which this Agreement applies. The competent authorities shall consult each other to determine whether this period shall be extended.

ARTICLE 24

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 in both 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.

third 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.

4th The provisions of paragraphs 1, 2 and 3 of this Article shall be construed

a) obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and such reductions, which it grants to residents of their own state, or

b) prejudice the application of provisions of the respective Contracting State tax law relating to liability for person who is not a resident of this state.

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

ARTICLE 25

Mutual Agreement Procedure

1. In cases where a person alleges 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 Agreement, he may - without prejudice to his right to make use of the remedies available under the domestic legal order - bring the matter to the competent authority of the Contracting State of which he is a resident or, if his case comes under Article 24 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 became aware of the action that is contrary to 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 other Contracting State for the purpose of avoiding taxation not in accordance with the 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 avatalsslutande States may communicate directly with each other in order to apply the provisions of the agreement.

ARTICLE 26

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 because of this legislation is not contrary to the Agreement . The exchange of information is not restricted by Article 1. Notices received by a Contracting State shall be treated as secret in the same manner as upplysnngar obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) sets, or collection of the taxes covered by the Agreement or prosecution or complaint regarding these taxes. 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 obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

- b) to supply information which is not obtainable under the laws or in the normal administrative practice of that 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).

ARTICLE 27

Diplomatic agents and consular officers

Nothing in this Agreement shall affect the privileges in taxation terms, which according to international law or under the provisions of special agreements diplomatic agents or consular officers.

ARTICLE 28

Entry into force

1. This Agreement shall be ratified and the instruments of ratification shall be exchanged at Stockholm as soon as possible.
- 2nd The Agreement shall enter into force upon the exchange of instruments of ratification and its provisions shall apply:
 - a) in Bangladesh: re tax year that begins on 1 July calendar year next following that in which the instruments of ratification are exchanged or higher; and
 - b) in Sweden:
 - 1) with respect to dividends that become available for lifting January 1 calendar year next following that in which the instruments of ratification are exchanged or higher; and
 - 2) on any other income which is acquired on January 1 calendar year next following that in which the instruments of ratification are exchanged or later.

ARTICLE 29

Cessation

This Agreement shall remain in force until terminated by a Contracting State. Either Contracting State may terminate the Convention may denounce this Agreement by giving notice of termination at least six months before the end of any calendar year after 1986. In such event this Agreement shall cease to have effect:

- a) in Bangladesh: re tax year that begins on 1 July calendar year next following that in which such notice given; and
- b) in Sweden:
 - 1) with respect to dividends that become available for lifting January 1 calendar year next following that in which such notice given; and

2) on other income, which is acquired on January 1 calendar year next following that in which such notice was or later.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done in Dhaka May 3, 1982 in duplicate in the English language.

For the Government of Sweden Peder Hammarskjold

For the People's Republic of Bangladesh Government AK Azizul Huq