

Sweden (Treaty of 02.05.1991)

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Agreement between the Kingdom of Belgium and the Kingdom of Sweden for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital.

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CHAPTER I. Scope of the Agreement

Article 1 Persons to whom the Agreement applies

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

Article 2 Taxes Covered applies

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

§ 2. Shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, as well as taxes on capital appreciation.

§ 3. The existing taxes to which the Convention shall apply are:

a) in Belgium:

1 ° the individual;

2 ° the corporation;

3 ° the legal entities;

4 ° the tax on non-residents;

5 ° with the assimilated to the individual special charge, including the prepayments, the surcharges on these taxes and prepayments, and the supplements to the individual income tax;

(Hereinafter referred to as "Belgian tax");

b) in Sweden:

1 ° the state income tax (the stat inkomstskatten), including the tax on the wages of seamen (sjömansskatten) and the tax on dividends from shares (kupongskatten);

2 ° the tax on income of artistes and sportsmen (bevillningsavgiften för vissa offentliga föreställningar);

3 ° the municipal income tax (kommunalskatten);

4 ° the tax on immovable property (fastighetsskatten);

5 ° the state tax on capital (the stat league förmögenhetsskatten);

(Hereinafter referred to as "Swedish tax").

§ 4. The Convention shall apply also to any identical or substantially similar taxes that are imposed. Following the date of signature of the Agreement in addition to or in place of, the existing taxes The competent authorities of the Contracting States shall notify each other of significant changes which have been made in their respective taxation laws.

CHAPTER II. Definitions

Article 3 General provisions

§ 1 For the purposes of this Agreement, unless the context otherwise requires.:

a) 1 ° the term "Belgium" means the Kingdom of Belgium; used in a geographical sense, it means the national territory, the territorial sea and any other area in the sea where Belgium, in a manner consistent with international law, sovereign rights or jurisdiction;

2 ° the term "Sweden" means the Kingdom of Sweden; used in a geographical sense, it means the national territory, the territorial sea and any other area in the sea where Sweden, in a manner consistent with international law, sovereign rights or jurisdiction;

b) the terms "a Contracting State" and "the other Contracting State" mean Belgium or Sweden, as the context requires;

c) the term "person" includes an individual, a company and any other body of persons;

d) the term "company" means any body corporate or any entity which is treated in the State of which it is resident for tax purposes as a legal entity;

e) 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;

f) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, operated, except when the ship or aircraft is operated solely between places in the other Contracting State places is operated;

g) the term "competent authority" means:

1 ° in Belgium, the Director General of direct taxes, and

2 ° in Sweden, the Minister of Finance, his duly authorized representative or the authority for the purposes of the Convention if the competent authority is designated.

§ 2. For the application of the Convention by a Contracting State shall, unless the context otherwise requires, any term not defined therein have the meaning which is expressed 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 laws of that State, is liable by reason of his domicile, residence, place of management or any other similar to tax therein circumstance but does not include persons in that State in respect only of income from sources in that State or in respect situated therein assets are subject to tax.

However, this term means in Sweden, the partnerships that have their place of management in that State but only so much of the income that they receive or the power they possess, in their name or in Sweden in the name of their associates to tax subject such income or capital of a resident.

§ 2 If an individual has one resident of both Contracting States under the provisions of section, then his status shall be determined as follows.:

a) he shall be deemed to be the State in which he has a permanent home available to him if he has a permanent home available to him in both States, a resident is deemed to be the State with which his personal and economic relations are resident closer (center of vital interests);

b) if it can not be the State in which he has his center of vital interests or if he has a permanent home available to him in either State, he shall be deemed to be the State in which he has an habitual abode;

c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be the State of which he is a national;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

§ 3., If other than a natural person under the provisions of paragraph 1 a resident of both Contracting States, he shall be deemed to be the State in which the place of effective management is situated.

Article 5 Permanent Establishment

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

. § 2 The term "permanent establishment" includes especially:

a) a place of management;

b) a branch;

c) an office;

d) a factory;

e) a workshop;

f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources or operated.

§ 3. The place of performance of a building site or construction activities only a permanent establishment only if it lasts more than twelve months.

§ 4 Notwithstanding the preceding provisions of this Article, a permanent establishment shall not be deemed to include.:

a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) a stock of goods or merchandise belonging to the enterprise solely for the storage, display or delivery;

c) a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) a fixed place of business solely to buy goods for the company or for collecting information;

e) a fixed place of business solely for any other activity of a preparatory or auxiliary character have, for the company to perform;

f) a fixed place of business solely for any combination of activities mentioned in paragraphs a) to e) to perform, provided that the overall activity of the fixed place of business of a preparatory or auxiliary character has.

§ 5. If a person other than an agent of independent status to whom paragraph 6 applies to a company engaged in a Contracting State and an authority on behalf of the company to conclude agreements, and habitually exercises, enterprise, Notwithstanding the provisions of paragraphs 1 and 2 shall be considered a permanent establishment in that State in respect of any activities which that person undertakes for the

enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised Using a fixed place of business would make this fixed place of business would not make under the provisions of that paragraph. permanent establishment

§ 6. An enterprise shall not be deemed to have under merely because it carries on business through a broker, general commission agent or any other agent of an independent, provided that a permanent establishment in a Contracting State that during the ordinary course of their business.

§ 7. Notwithstanding the provisions of paragraph 6, an insurance enterprise of a Contracting State is considered in the other Contracting State to possess if it collects in that other premiums or risks situated therein assures, through an agent independent status a permanent establishment enjoy and which holds an authorization to conclude contracts on behalf of the company, and habitually exercises.

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

CHAPTER III. Taxation of income

Article 6 Income from immovable property

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

§ 2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and agriculture and forestry, built property, 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 and aircraft shall not be regarded as immovable property.

§ 3. The provisions of paragraph 1 shall apply to income derived from the direct use of the direct pleasure from letting, or use in any other form of immovable property.

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

Article 7 Business Profits

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

§ 2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State in the other Contracting State, carries on business through a permanent establishment situated therein established in each Contracting State be attributed to that permanent establishment the profits which it could be expected to make if it were the same or similar activities under the same or similar circumstances independent enterprise and dealing wholly independently.

§ 3. In determining the profits of a permanent establishment allowed as deductions expenses are including executive and general administrative costs, which are incurred, whether in the State in which the permanent establishment is situated or the purposes of the permanent establishment elsewhere.

§ 4. A) In the absence of regular accounts or other conclusive data that make it possible to determine the profits of an enterprise of a Contracting State, which to her in the other Contracting State a permanent establishment can be attributed to the amount may the tax in that other State shall be established on a fixed income amount determined in accordance with the ordinary profits of similar enterprises of that State carrying on the same or similar activities under the same or similar circumstances. according to the laws of that State, in particular, That lump sum may, when an insurance company, are shaped by the gross premiums that the company has received., Through that permanent establishment

b) Insofar as it has been customary in a Contracting State to determine, on the basis of an apportionment of the total profits of the enterprise to its various parts, the profits attributable to a permanent establishment, nothing in paragraph 2 that Contracting State from determining the profits to be taxed from determining the apportionment; the method of apportionment adopted shall, however, be such that the result is in

accordance with the principles laid down in this Article.

§ 5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods for the company.

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

§ 7. If income is the profit income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8 Seas aviation

§ 1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

§ 2. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the ship has its home port or, if there is no such home harbor, in the Contracting State of which the operator of the ship is a resident.

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

§ 4. With respect to profits derived by the Danish, Norwegian and Swedish air transport consortium, known as the "Scandinavian Airlines System (SAS)", the provisions of paragraphs 1 and 3 shall apply only to the portion of the gain that proportion to the participation of "AB Aero Transport (ABA)", the Swedish partner of "Scandinavian Airlines System (SAS)", in which Consortium.

Article 9 Associated Enterprises

If

a) an enterprise of a Contracting State participates directly or indirectly in the management, monitoring, or in the financing of an enterprise of the other Contracting State, or

b) the same persons participate directly or indirectly in the management, monitoring, or to the financing of an enterprise of a Contracting State and an enterprise of the other Contracting State,

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

Article 10 Dividends

§ 1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed. In that other State

§ 2. However, such dividends may also be 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 beneficial owner of the dividends is a resident of the other Contracting State, may thus levied tax does not exceed:

a) 5% of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25% of the capital of the company paying the dividends:

b) 15% of the gross amount of the dividends in all other cases.

Subparagraph a) of the preceding paragraph shall not apply if the beneficial owner of the dividends is a partnership which has its place of management in Sweden.

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

§ 3. The term "dividends" as used in this Article means income from shares, jouissance shares or jouissance rights, mining shares, founders' shares or other rights participating in profits, with the exception of claims, as well as income from other corporate rights which be involved. according to the laws of the State of which the paying company is a resident in the same way as income from shares by the taxation This term also means income even if they are granted in the form of interest, which is taxable as income from capital invested by shareholders in companies, not being limited by shares, which are residents of Belgium. Invested

§ 4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State in the other Contracting State of which the company paying the dividends is a resident, industrial or commercial business through a permanent establishment situated therein basis through a permanent establishment situated therein, or a self-employed, and the holding in respect of which the dividends are paid, with such permanent establishment or fixed base is effectively connected. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

§ 5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends to a resident of that other State shall be paid or insofar as the holding in respect of which the dividends are paid is effectively connected with a in the other State a permanent establishment or fixed base, nor the undistributed profits of the company to a tax on undistributed profits, even if paid dividends or the undistributed profits consist wholly or partly of profits or income arising in such other State.

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

§ 2. However, such interest may also be in the Contracting State in which it is to be taxed in accordance with the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed than 10% of the gross amount of the interest.

§ 3. Inafwijking the provisions of paragraphs 1 and 2, the interest may be taxed in the Contracting State of which the beneficial owner is a resident, when it comes to just:

a) interest on commercial debt, including

claims represented by commercial paper due to deferred payments for delivery of merchandise, goods or services by enterprises;

b) interest not represented by bearer loans of any kind, provided by banking companies;

c) Interest of non-bearer distributed cash deposits with banking companies, including public institutions.

§ 4. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the profits of the debtor, and in particular income from government securities and debentures, including premiums and prizes attaching to such securities; For the purposes of this article, however, the term "interest" includes the penalties for late payment or interest being treated. accordance with Article 10, § 3, second sentence, as dividends

§ 5. The provisions of paragraphs 1, 2 and 3 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State in the other Contracting State in which the interest arises, or performs through a permanent establishment situated therein, or an independent profession through a permanent establishment situated therein and the debt-claim basis under which the interest arises is effectively connected with such permanent establishment or fixed base is effectively connected. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

§ 6. Interest shall be deemed to exist if the payer is that State itself, a political subdivision, a local authority or a resident of that State. Arising in a Contracting State Where, 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 was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

§ 7. Where, owing to a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is

paid, exceeds the amount which would have a by the payer and would have been agreed, the beneficial owner, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the interest shall remain taxable in the Contracting State in which the interest arises according to the laws of that State.

Article 12 Royalties

§ 1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable if such resident is the beneficial owner of the royalties. Only in that other State

§ 2. The term "royalties" as used in this Article means payments of any kind for the use of, or the right to use, any copyright of a work of literary, artistic or scientific work, including including cinematograph films and films or recordings for radio and television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for information concerning the field of industrial, commercial or science.

§ 3. The provisions of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, established in the other Contracting State in which the royalties arise a trade or business by using a case- permanent establishment or an independent profession through a permanent establishment situated therein base and the right or property is effectively connected. in respect of which the royalties are paid, with such permanent establishment or fixed base In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

§ 4. Royalties shall be deemed to be when the payer is that State itself, a political subdivision, a local authority thereof or a resident of that State. Arising in a Contracting State Where, 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 which the contract under which the royalties are paid was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

§ 5. Where, owing to a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been by the payer and would have been agreed, the beneficial owner, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the royalties shall remain taxable in the Contracting State in which the royalties arise, according to the laws of that State.

Article 13 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 may be taxed. In that other State

§ 2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State has at its disposal for the performance of independent personal services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such fixed base, may benefit in other State may be taxed.

§ 3. Gains 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 the Contracting State in which the place of effective management of the enterprise is situated. With regard to the advantages obtained by the consortium "Scandinavian Airlines System (SAS)" above, this provision shall apply only to the part of that benefit which is proportional to the participation of "AB Aero Transport (ABA)", the Swedish partner "Scandinavian Airlines System (SAS)", in that consortium.

§ 4. 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.

§ 5. Notwithstanding the provisions of paragraph 4 shall benefits that an individual who is a resident of a Contracting State from the alienation of shares of a company which is a resident of the other Contracting State may be taxed if those natural in that other State person is a national of that other State, and it has been a resident at any time for a period of five years immediately preceding the date of the disposition of the shares. This provision shall also apply to profits derived from the sale of other rights to a share in the profits of such companies, which according to the law of the Contracting State of which the company is a resident in the same manner as gains from the alienation of shares in be made taxable.

Article 14 Independent personal

§ 1. Income derived by a resident of a Contracting State in respect of professional services or in respect of other activities of an independent character shall be taxable only in that State unless such resident in the

other Contracting State for the purpose of performing his activities on a fixed base. If he has such a fixed base, the income may be taxed in the other State but only so much of them as is attributable. To that fixed base

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

Article 15 Non-Self-employment

§ 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 an employment shall be only in that State unless the employment in the other Contracting State is exercised. If the employment is so exercised, such remuneration as is derived therefrom may be taxed. In that other State

§ 2 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 shall be taxable only in the first-mentioned State if.:

a) the recipient is present in the other State for a period or periods not exceeding the limits of any twelve months a total of 183 days, and

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

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

§ 3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised may be taxed in the Contracting State in which the place of effective management of the enterprise is situated aboard a ship or aircraft operated in international traffic . Where a resident of a Contracting State receives remuneration in respect of an employment exercised aboard a consortium by the "Scandinavian Airlines System (SAS)" aircraft operated in international traffic, such remuneration only in that State.

Article 16 Directors' fees

§ 1. Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a director or member of the board of directors or supervisory board or a similar organ of a company which is a resident of the other Contracting State may be taxed. in that other State

In the case of a company which is a resident of Belgium, these provisions also apply to payments derived in respect of the discharge of functions which, under Belgian law as functions of a similar nature as those performed by a person referred to in these provisions.

§ 2. Remuneration which a person referred to in paragraph 1 of the company in respect of the performance of daily activities of management or technical nature may be taxed. Accordance with the provisions of Article 15, paragraph 1,

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 as such exercised in the other Contracting State in the capacity of artist, such as theater, motion picture, radio or television artiste, or taxed. musician, or as a sportsman, in that other State

§ 2. Where income from activities exercised by an entertainer or a sportsman in his capacity as performed such accrues not to the entertainer or sportsman 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 activities of the entertainer or sportsman are exercised.

Article 18 Pensions

§ 1. Subject to the provisions of Article 19, paragraph 2, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment and any interest paid to resident only in that State.

§ 2. Pensions and other simple or periodic payments paid under the social security legislation of a Contracting State may be taxed in that State.

§ 3. The term "interest" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19 Government

§ 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 or subdivision or authority shall be taxable only in that State taxable.

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 ° a national of that State, or

2 ° has become. Not solely for the purpose of rendering the services is a resident of that State

§ 2. A) pensions by a Contracting State or a political subdivision or local authority thereof, either directly or through them created funds paid to an individual in respect of services rendered to that State or subdivision or 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.

§ 3. The provisions of Articles 15, 16 and 18 shall apply to remuneration and pensions in respect of services rendered in connection with a business or business carried on by a Contracting State or a political subdivision or local authority thereof.

Article 20 Students

Payments which a student or a professional or business apprentice who is or was immediately of the other Contracting State before visiting a Contracting State a resident and who is solely for his education or training in the first-mentioned State, receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

Article 21 Other income

§ 1. Whatever the origins Items of income of a resident of a Contracting State not dealt with only in that State. In the foregoing Articles of this Convention

§ 2. The provisions 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 in the other Contracting State an industrial or trading through a permanent establishment situated therein, or an independent profession through a permanent establishment situated therein base and the right or property that produces income, with such permanent establishment or fixed base is effectively connected. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

CHAPTER IV. Taxation of capital

Article 22 Capital

§ 1. Capital represented by immovable property referred to in Article 6, owned by a resident of a Contracting State and situated in the other Contracting State may be taxed. In that other State

§ 2. Capital represented by movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State in the other Contracting State or by movable property pertaining to a fixed base available to a resident of a Contracting State to its decision for the performance of independent personal services, may be taxed. in that other State

§ 3. Capital represented by ships and aircraft operated in international traffic and by movable property pertaining to the operation thereof shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

§ 4. Power of shares in a company which is a resident of a Contracting State who is in possession of a natural person who under the law of that State shall be deemed to be a resident of that State may be taxed in that State if the value of these assets, determined in accordance with the tax laws of that State, 400 000 Swedish crowns or the equivalent is beyond Belgian franc and the sum of the capital and other assets of that individual 800 000 Swedish crowns or the equivalent surpasses in Belgian francs. For the purposes of this paragraph the term "shares" includes other rights to a share in the profits of such a company.

§ 5. All other elements of capital of a resident of a Contracting State shall be taxable. Only in that State

CHAPTER V Method of double taxation

Article 23

§ 1. Belgium, double taxation shall be avoided as follows:

a) Where a resident of Belgium derives income or owns capital which, under the provisions of this Agreement are taxable, other than those of Article 10, paragraph 2, Article 11, paragraphs 2 and 7, and

Article 12, paragraaf5, may be taxed in Sweden, Belgium shall exempt such income or capital from tax but to calculate the amount of tax on the remaining income or capital of such resident, Belgium apply the rate which would have been applicable if such income or that power would not be exempt.

b) Where a resident of Belgium derives income which are part of its aggregate income subject to Belgian tax purposes which are dividends taxable in accordance with Article 10, paragraph 2 and not exempt under paragraph c) below, from Belgian tax from interest taxable under Article 11, paragraph 2, or 7, or royalties taxable in accordance with Article 12, paragraph 5, the fixed portion of the foreign tax which the Belgian legislation on the conditions and at the rate of that law, against Belgian tax relating to such income.

c) Where a company which is a resident of Belgium owns shares in a joint stock company which is a resident of Sweden, the dividends paid to it by the latter company and which, under Article 10 paragraaf2, in Sweden may be taxed, exempt in Belgium of corporation tax to the conditions and within the limits provided. in Belgian law

d) If losses that operated by a resident of Belgium company has suffered a permanent establishment situated in Sweden, according to the Belgian legislation on the taxation of company in Belgium that were actually deducted from the profits of that enterprise is exempt pursuant to a) shall not apply in Belgium to the profits of other taxable periods attributable to that establishment to the extent that those profits have also been exempted. by offsetting those losses from tax in Sweden

§ 2 In Sweden, double taxation shall be avoided in the following manner.:

a) Subject to the provisions of c) and d) below, where a resident of Sweden derives income which, under Articles 6 tot21 may be taxed in Belgium reduces Sweden, subject to the provisions of Swedish law (and any subsequent amendments to those laws that the general principle should not change), the tax it levies on the income of that resident, an amount equal to the tax paid in Belgium on income.

b) Subject to the provisions of c) below, where a resident of Sweden holds power under Article 22 may be taxed in Belgium, Sweden grants a tax credit on the tax on such capital an amount equal to that in Belgium capital tax paid. That credit may not exceed that part of the Swedish tax calculated before the deduction of credit, which corresponds to the taxable capital of Belgium.

c) Where a resident of Sweden derives income or owns capital which, under Articles 8, 13, paragraph 3, 19, paragraphs 1 and 2, and 22, paragraph 3, shall be taxable only in Belgium, Sweden shall, subject the provisions of e), such income or capital from tax.

d) Where a company which is a resident of Sweden owns shares in a company which is a resident of Belgium, the dividends paid to it by the latter company and which, under Article 10 paragraaf2, may be taxed in Sweden from tax in Belgium exempt under the conditions and within the limits provided. Swedish law

e) Where a resident of Sweden income or receives benefits, or owns capital which, in accordance with any provision of the Agreement from Swedish tax exempt, Sweden may nevertheless, to the progressive rate of the Swedish tax on non-exempt income or benefits or To determine the non-exempt assets into account the exempted income or benefits, or that exempt capital.

CHAPTER VI. Special provisions

Article 24 nondiscrimination

§ 1. Nationals of a Contracting State shall not be subjected 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, this provision shall also apply to persons who are residents of a Contracting State or both of the Contracting States.

§ 2 The term "nationals" means.:

a) all individuals possessing the nationality of a Contracting State;

b) all legal persons, partnerships and associations deriving their status as such from the laws in force in a Contracting State.

§ 3. The taxation on a permanent establishment which an enterprise of a Contracting State in the other Contracting State, shall not be less favorable than the taxation levied on enterprises of that other State carrying on the same activities. In that other State This provision shall not be construed as granting a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on the family situation or family responsibilities which it grants to its own

residents.

In applying this provision, companies resident in Belgium in Sweden are not subject to wealth tax as long as the tax is not levied at the expense of similar companies resident in Sweden.

§ 4. Except where the provisions of Article 9, Article 11, paragraph 7 of Article 12, paragraph 5, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, when brought under the same conditions, determining the taxable profits of such enterprise, as if they had been paid. to a resident of the first-mentioned State Debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, in determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State had been contracted.

§ 5. Enterprises of a Contracting State, the capital of which is wholly or partly, directly or indirectly, in the possession of, or controlled by one or more residents of the other Contracting State, be in the first-mentioned State to any taxation or associated subject imposing an obligation 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.

§ 6 Nothing in this Article shall be construed that they would prevent Belgium as such.:

a) the total amount of the profits of a permanent establishment in Belgium from a company which is a resident of Sweden or of an association which has its place of effective management in Sweden, subject to the rate by the Belgian legislation is to tax determined; This rate may not be higher than the maximum rate applicable to all or a portion of the profits of companies resident in Belgium;

b) to raise dividends from a holding which is effectively connected with a Belgium-based permanent establishment or fixed base of a company which is a resident of Sweden or of an association which has its place of effective management in Sweden and withholding tax as a legal is taxable in Belgium.

§ 7. Notwithstanding the provisions of Article 2, the provisions of this Article shall apply to taxes of every kind and description.

§ 1. Where a person considers that the actions of a Contracting State or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, notwithstanding the remedies provided by the provides domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under article 24, § 1, is subject to that of the Contracting State of which he is a national. The case must be presented within three years after the action in taxation as a result that is not consistent due to the provisions of the Convention, the first notification.

§ 2. The competent authority shall endeavor, if the application appears to it to be 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, with an end taxation not in accordance with the Agreement, to avoid.

§ 3. The competent authorities of the Contracting States shall endeavor difficulties or doubts arising as to the interpretation or resolve. Mutual agreement on the application of the Convention,

They may consult, in particular:

a) on the allocation of profits, losses, credits and allowances of an enterprise of a Contracting State to its permanent establishment in the other Contracting State is located;

b) regarding the allocation of profits, losses, credits and deductions for dependent undertakings within the meaning of Article 9;

c) on the interpretation of an expression used in the Agreement;

d) regarding the classification of items of income or capital.

§ 4. The competent authorities of the Contracting States shall consult each other on administrative measures to implement the provisions of the Convention are required, in particular on the evidence that the people of each State shall submit to the other State in this Agreement, certain tax exemptions or enjoy reductions.

§ 5. The competent authorities of the Contracting States shall communicate directly with each other for the purposes of the application of the Convention.

Article 26 Exchange of information

§ 1. Competent authorities of the Contracting States shall exchange such information as is necessary to give effect to the provisions of this Agreement or of the domestic laws of the Contracting States concerning the taxes to which the Convention applies, execution insofar as the taxation there is not contrary to the Convention. The exchange of information is not covered by Article 1. Any information received by 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 limited persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals, the taxes to which the Convention applies. 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.

§ 2 In no case shall the provisions of § 1 shall be construed as obliging a Contracting State the obligation.:

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

b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

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

Article 27 Recovery Assistance

§ 1. The Contracting States undertake to provide for the notification and collection of the taxes referred to in Article 2 of principal as well as any additions, increases and additional taxes (skattetillägg), interest, costs and fines not criminal in nature. Mutual aid and assistance

§ 2. At the request of the competent authority of a Contracting State, the competent authority of the other Contracting State shall, in accordance with the laws and regulations applicable to the notification and collection of its own taxes applicable to the notification and recovery of tax claims referred to in § 1 which are due in the first-mentioned State. Such claims do not enjoy any priority in the requested State and the means of implementation is not required to use that is not permitted by the laws or regulations of the requesting State.

§ 3. Requests referred to in § 2 shall be supported by an official copy of the enforceable instruments, accompanied by an official copy of the administrative or judicial decisions that have acquired *res judicata*

§ 4 In relation to tax claims which are open to appeal, the competent authority of a Contracting State may, in order to safeguard its rights, request the competent authority of the other Contracting State to take the protective measures provided for in the laws.; The provisions of paragraphs 1 to 3 shall apply *mutatis mutandis* to those measures.

§ 5. Notwithstanding the provisions of § 2, issues concerning the limitation of tax claims governed solely by the law of the requesting State.

§ 6. The provisions of Article 26, § 1, also apply to any information which, pursuant to this Article, shall be charged. Notified to the competent authority of a Contracting State

Article 28 Limitation of the effects of the agreement

§ 1. The provisions of this Agreement shall affect in any way the fiscal privileges of members of diplomatic missions and consular posts under the general rules of international law or derive from provisions of special agreements.

§ 2. For the purposes of the Agreement, the members of a diplomatic mission or consular post of a Contracting State in the other Contracting State or in a third State to which the nationality of the sending State, be deemed to be a resident of the last-mentioned State if it carries as are residents of that State. to the same obligations in respect of taxes on income and on capital

§ 3. The Convention shall not apply to international organizations, to organs or officials thereof and to persons who are members of a diplomatic mission or consular post of a third State, being present in the territory of a Contracting State and not treated. concerning taxes on income or on capital as are residents of one or the other Contracting State

Article 29 Undivided estates

Where a resident of Belgium derives income from sources in Sweden obtains through an undivided estate who is a resident of Sweden, the exemptions or reductions from the Swedish tax applicable to that income if they were immediately obtains. Resident of Belgium

In such case the provisions of Article 23 paragraaf1, a) or b), as the case in Belgium applies with regard to the nature of that income.

CHAPTER VII. Final Provisions

Article 30 Entry into force

§ 1. This Convention shall be ratified and the instruments of ratification shall be exchanged. Brussels as soon as possible

. § 2 The Convention shall enter into force on the fifteenth day following the date of exchange of instruments of ratification and its provisions shall apply will find:

a) in respect of taxes withheld at source on income credited or payable as of January 1, 1991;

b) other taxes charged on income of taxable periods ending as of December 31, 1990;

c) levied on the Swedish wealth tax for the tax years 1992 and following.

§ 3. The Agreement concluded on 31 May 1929 between Belgium and Sweden in order the double taxation of income to avoid the shipping companies shall terminate and cease to have effect as from the entry into force of this Agreement. Effect

Article 31 Termination

This Agreement shall remain in force as long as she was not terminated. By a Contracting State Either Contracting State may terminate the Agreement at any time before the end of each calendar year, through diplomatic channels, after the expiry of a period of five years from the date of its entry into force, at least six months in advance through diplomatic channels of the completion of knowledge to give. In such event the Convention shall cease to have effect:

a) in respect of taxes withheld at source on income credited or payable with effect from 1 January of the calendar year immediately following the calendar year of the end of which the notice of termination is given;

b) other taxes charged on income of taxable periods ending as of December 31 of the calendar year before the end of which the notice of termination is given;

c) levied on the Swedish wealth tax for the tax years following the year of termination.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement and have affixed thereto their seals.

Done at Stockholm, 5 februari 1991, intweevoud, in the Dutch, French and Swedish languages, all three texts being equally authentic.

For the Government of the Kingdom of Belgium,

H. WALSCHAP

For the Government of the Kingdom of Sweden,

E. ASBRINK

The instruments of ratification were exchanged in Brussels on February 9, 1993.

According to Article 30, this Agreement shall enter into force on 24 February 1993.
