

Ordinance (1989:97) on the double taxation treaty between Sweden and Bulgaria ;

issued on 22 March 1989. Government prescribes the following .

1 § Act (1988:1614) on the double taxation treaty between Sweden and Bulgaria shall enter into force on 1 May 1989 and apply to profits derived from 1 January 1989 or later, and the case of capital taxes levied in 1990 or later . The Agreement entered into force on 28 December 1988.

Progressions -2 § The following applies if a person is a resident of Sweden derives income upward adjustment under the provisions of Article 16 paragraph 2 or Article 17 of the Agreement shall be taxable only in Bulgaria or in accordance with provisions

provisions of Article 21, paragraph 2 b of the Agreement shall be exempt from the Swedish tax.

Such income is excluded for purposes of taxation in Sweden .

If the person is to be charged to the state income tax for other income , the following shall be observed. First will be calculated the state income tax that would be payable if the taxpayer's full -ble income taxed only in Sweden. Then determined what percentage the thus calculated tax constitutes the entire taxable income on which taxes are calculated. With the thus obtained percentage tax is levied on the income to be taxed in Sweden. The procedure should be used only if it leads to higher taxes.

This Regulation shall enter into force on 1 May 1989. On behalf of the Government

ODD ENGSTRÖM

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(Ministry of Finance)

Act (1988:1614) on the double taxation treaty between Sweden and Bulgaria ;

issued on 8 December 1988.

According to the Parliamentary decision¹ states .

1 § The agreement to avoid double taxation with respect to taxes on income and wealth as Sweden and Bulgaria signed on 21 June 1988 must apply for Sweden. By century's contents are shown in the attachment to this law.

Applicable only in 2 § Agreement taxation rules apply only to the extent that restricting these causes restriction of the charge in Sweden which direction would otherwise exist .

Corrigendum 3 § If a person believes that it taken any measure for him resulted or will result in taxation contrary to the provisions of the contract , he may apply for redress under Article 23 paragraph 1 of the Agreement.

Task Duty 4 § Even if a taxpayer's income or wealth under the Agreement shall be fully or partially exempt from tax in Sweden , the taxpayer shall submit all information for the guidance of taxation which he would otherwise have been required to lämna² .

1Prop . 1988/89 : 44, SkU6 , rskr 48.

2Jfr 2 Ch. 4 § 2 . and 8 § 2 . LSK ; RSV 's note .

Annex

Översättning1

Agreement between the Kingdom of Sweden and the People's Republic of Bulgaria for the avoidance of double taxation on income and wealth

People's Republic of Bulgaria and the Kingdom of Sweden , the pre -led by desire and mutual benefits extend and deepen the economic relations and cooperation between the two states and to avoid double taxation with respect to taxes on income and wealth , agreed upon the following provisions:

Article 1

Persons to whom the agreement applies, and the resident

Persons on -1. This Agreement shall apply to persons who are residents of one of -
made by agreement Contracting State or of both Contracting States .

Def . of personal second term " resident of a Contracting State" 2
resident ... refers

a) As regards Bulgaria, the natural person who is a national of
nationality

principle Bulgaria and legal entity that has its headquarters in Bulgari
or one that is registered there,

b) As regards Sweden, the person who, under Swedish law is liable to tax therein by reason of residence
, registration , place of management or any other similar circumstance .

Dual residency, the third a) Where by reason of the provisions of paragraph 2, an individual is a natural
person is a resident of both Contracting staterna³ , he is 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, the competent
authorities of the Contracting States the question by mutual agreement.

Dual residency,

4th Where by reason of the provisions of paragraph 2, a person other than

other than an individual is a resident of both Contracting States , is considered
person person to be a resident of the State in which its place of effective management .

1The original English text found in SFS 1988:1614 ; RSV 's note .

2Jfr Govt. 1995/96: 121 and RR's judgment 1996-06-14 , Case No. 1716-1993 ; RSV 's note .

3See RAW 1987 note 309 ; RSV 's note .

See Art . 22 p 4

Article 2

Taxes covered by the Agreement

1st The existing taxes to which this Convention applies , is

Bulgaria a) in Bulgaria:

1) the tax on total income ,

2) the tax on unmarried and divorced persons and widows , änklingars and childless spouses income ,

3) tax on profits , and

4) The tax on buildings

(hereinafter referred to Bulgarian tax),

Sweden b) in Sweden :

1) the state income tax , including such seaman tax is and withholding tax ,

2) tax on public föreställningar¹ ,

3) the municipal income tax

4) vinstdelningsskatten² , and

5) the State capital tax

(hereinafter referred to as " Swedish tax").

New taxes second Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of, the outgoing skatterna.¹ , 3

The competent authorities of the Contracting States shall notify each year each other of substantial changes in their taxation laws .

Article 3

Terms and definitions

First , unless the context otherwise requires , have the application - one of this Agreement the following terms as defined below :

Def . of Bulga -a) " Bulgaria " means the People 's Republic of Bulgaria and, in the series are used in a geographical sense , includes the territory over which Bulgaria exercising state sovereignty and continental shelf

within which Bulgaria in accordance with international law , exercises sovereign rights ,

Def . of Sweden b) the term "Sweden" means the Kingdom of Sweden ⁴ and , when used

in a geographical sense , includes the Swedish territory

¹contain superseded by Act (1991:591) on special income tax for non -resident artists and athletes; RSV 's note .

²Har repealed by SFS 1990:681 ; RSV 's note .

³T.ex. Act (1991:586) on special income tax for non-residents ; RSV 's note .

4Jfr paragraph 2a of the instructions to § 53 KL ; RSV 's note .

and Sweden's territorial waters and other maritime areas over which Sweden in accordance with international law , exercises sovereign rights or jurisdiction;

Def . of contract c) "a Contracting State" and " the other Contracting State "

Contracting State refers to Bulgaria or Sweden as the context requires ,

Def . of personal d) the term "person" includes an individual, legal person and other organization which for tax purposes is treated as a taxable entity ,

Def . of businesses ie) "enterprise of a Contracting State" 1 and " enterprise of the other Contracting Contracting State" mean respectively an enterprise carried on by a state resident of a Contracting State and an enterprise carried on by

resident of the other Contracting State ;

Def . Tax f) the term tax means Bulgarian tax or Swedish tax depending on the context ,

Def . interracial g) the term "international traffic" means any transport by a ship , aircraft national traffic or road vehicles operated by an enterprise of a Contracting State , except when the ship , aircraft or road vehicle use

solely between places in the other Contracting State ;

Def . by authorized h) "competent authority" means:

authority 1) in Bulgaria, the Minister of Finance or his authorized representative;

2) in Sweden , the Minister of Finance or his authorized representative.

Interpretation Rule second Then one Contracting State applies the Agreement shall, unless the context otherwise requires , any term not defined in the contract , have the meaning which it has under the Contracting State in respect of the taxes to which the Convention applies.

Article 4

solid driftställe2

Definition 1. For the purposes of this Convention, the term " permanent establishment " means a fixed place from which a company's business activities wholly or partly carried on.

Exemplified second term "permanent establishment" includes especially :

- a) a place of management , b) branch ,
- c) a factory , workshop or business ,

1See RAW 1991 note 228 ; RSV 's note .

2Jfr paragraph 3 of the instructions to § 53 KL ; RSV 's note .

- d) office for commercial , tourism , transport, planning, service or other office ,
- e) a mine , an oil or gas well, a quarry or any other place of extraction of natural resources.

Buildings 3. A building site or construction or installation project operations mm, hot constitutes a permanent establishment only if it lasts more than six six months months.

joint venture

4th A Swedish company that participates in a joint venture , incorporated under Bulgarian law , deemed to have a permanent establishment in Bulgaria.

Exceptions fifth Notwithstanding the preceding provisions of this Article , the term "permanent establishment " shall not include :

- a) the use of facilities solely for storage, exhibition or delivery of goods or merchandise belonging ,
- b) the maintenance of a company belonging to the inventory exclusively for storage, display or delivery;
- c) the maintenance of one belonging to the enterprise solely for inventories

of processing by another enterprise;

d) the maintenance of a fixed place exclusively for the purchase of merchandise or of collecting information, for the enterprise ;

e) inventories as the company will be exhibiting at a trade show or exhibition and sold after the exhibition or the exhibition's end ,

f) the maintenance of a fixed place solely for the purpose for the enterprise , any other activity of a preparatory or auxiliary character;

g) the maintenance of a fixed place solely for any combination

activities mentioned in subparagraphs a) to f) , provided that all the activities from the fixed place because of this combination is of a preparatory or auxiliary character.

Depending 6. , Where a person who is not an independent status to representative whom paragraph 7 applies , works for a company in a Contracting State has , and habitually exercises an authority to conclude contracts

in its name, this is considered business notwithstanding the provisions of paragraphs 1 and 2 have a permanent establishment in that Contracting State in respect of any activities which that person undertakes for the enterprise. This does not apply , unless the activities of such person are limited to those mentioned in paragraph 5 which - if exercised through a fixed place - would not make this fixed place of permanent establishment under the provisions of that paragraph .

Independent 7. A company is considered to have a permanent establishment in a Contracting State representative merely because it carries on business in that State through a broker, general commission agent or

Another independent status, provided that such persons are acting in the ordinary course of business .

Article 5

Income from real property

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

Def . of the second term "immovable property" shall have the meaning which it has property under the law of the Contracting State in which the property is located.

Article 6

The profits

Def . in nature . 3 p 1 f 1. 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 enterprise 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.

Income Calculation second enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein assigned , unless the provisions of paragraph 3 to the contrary , in each Contracting State to that permanent establishment the profits which it can be assumed that the establishment would have acquired , if it were a stand-alone company, 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 .

Deductions 3rd In determining the permanent establishment shall be allowed as deductions expenses which are incurred for the permanent establishment, including costs for executive and general administrative expenses, whether incurred in the State in which the permanent establishment is situated or elsewhere.

4th profits shall be attributed to a permanent establishment by reason of the goods purchase by that permanent establishment or merchandise for the enterprise.

5th provisions of this Article shall apply regardless of whether a company has in a Contracting State carries on business alone or in combination

Joint venture together with another person or other persons. This also applies when such other person or such other person is a resident of that other Contracting State .

Paper to - 6. Included in capital operating income which are dealt with particularly suitability in other Articles of this Convention, then the provisions of those articles of the rules in this article.

Article 7

International shipments

1st Profits from the operation of ships , aircraft or

Def . in nature . 3 p 1 g road vehicles in international traffic by an enterprise of a Contracting State shall be taxable only in that State.

SAS second case of income derived by the air transport consortium Scandinavian Airlines System (SAS) , the provisions of paragraph 1, 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 of Scandinavian Airlines system (SAS) .

Participation in the pool 3rd provisions of paragraph 1 shall also apply to income

etc. from the participation in a pool, a joint business or an international operating agency.

Article 8

dividend

First dividend from a company resident in a Contracting State to a resident of the other Contracting State may be taxed in that other State.

Withholding second such dividends may also be taxed in the Contracting max. 10% State of which the company paying the dividends is a resident and according to the legislation of that State, but if the recipient of the dividends

the tax so charged shall not exceed 10 per cent of the gross amount .

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

This paragraph shall not affect the company's taxable profits out of which dividends are paid.

Def. of dividend third term "dividends" as used in this Article means income from acc. species . 8 shares or other rights , not being debt-claims, participating in profits , as well as income from other corporate rights in a company , which, according

law of the State in which the distributing company is resident at

taxation is treated the same as income from shares . Exceptions to the 4th provisions of paragraphs 1 and 2 shall not apply if the p 1 and 2 of the dividends is a resident of a Contracting State and

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 out -

dividends are paid is effectively connected with such permanent establishment or fixed base . In such case the provisions of Article 6 and Article 12.

Prohibition of extra - 5th Where a company which is a resident of a Contracting State derives territorial ask -income from the other Contracting State , that other Contracting State estimate not tax 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

paid is effectively connected with a permanent establishment or habitual 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.

Article 9

interest rate

First Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if the individual is a beneficial owner .

Def . of interest acc. Second term "interest " as used in this Article means income of each species. 9 kinds of debt , whether secured by mortgage on immovable property or not , and either carrying a right to participate in the debtor -

s profits or not. In particular, income of securities issued by 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 .

Exceptions to the third Paragraph 1 shall not apply if the beneficial p. 1 interest is a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through permanent establishment situated therein or performs in that other State independent personal services from a fixed base, as well as the claim for which the interest is paid is effectively connected with such permanent establishment or fixed base . In such case the provisions of Article 6 and Article 12.

Article 10

Royalty

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

Withholding 2nd royalties may also be taxed in the Contracting max. 5 % State in which it arises and according to the laws of that Contracting State, but if the recipient of the royalties , the tax does not exceed 5 percent of gross royalties .

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation .

Def . of royalty third term "royalties " as used in this Article means acc. species . 10 payments received as consideration for the use of or the right to use, any copyright of literary, artistic or scientific

alright work including cinematograph films and films or tape ins

gigs for radio or television broadcasting, any patent , trade mark, design or model, plan, secret formula or

Lease payments secret process, or for the use of, or the right and software to use industrial, commercial or scientific equipment , are covered including computer programs, or for information concerning industrial, commercial or scientific experience.

Exceptions to the 4th provisions of paragraphs 1 and 2 shall not apply if the p 1 and 2 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 through a 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

Article 6 and Article 12.

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

Article 11

Capital gain

Realty 1. Gains derived by a resident of a Contracting State acquires the alienation of immovable property referred to in Article 5 which is situated in the other Contracting State, or

Real estate companies from the alienation of shares or other corporate rights

whose assets consist mainly of immovable property may be taxed in that other State.

Movable property in the second , gains from the alienation of movable property forming part establishment etc. 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 exercise of free

profession, as a resident of a Contracting State has in the other Contracting State may be taxed in that other State. The same applies to gains derived from the alienation of such a permanent establishment (alone or together with the entire company) or of such fixed base.

Ships , aircraft

3rd Gains from the alienation of ships , aircraft or

and road - road vehicles used in international traffic by a company vehicle in a Contracting State or movable property pertaining to the use of such ships , aircraft or road vehicles,

taxable only in that State.

Other property 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.

Shares , etc. after 5th provisions of paragraph 4 shall not affect a Contracting State exodus right under their legislation taxing the gain on the transfer of shares and other similar rights acquired by a natural resident of the other Contracting State and who has been a resident of the first-mentioned State at any time during the

10 years ten year period immediately preceding the transfer of egendomen¹ .

Article 12

profession

1st Income derived by a resident of a Contracting State from the free occupation or other independent activities shall be taxable only in that State unless he in the

Habitual other Contracting State has a fixed base, which

device regularly available to him in order to pursue the activity . If he

1Jfr § 53 subsection 1 . a KL and 6 § 1 subsection . a SIL ; RSV 's note .

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 .

Examples of free second term " liberal profession " includes especially independent personal scientific, literary, artistic, educational or teaching activities as well as the independent activities of doctors, lawyers, engineers, architects, dentists and accountants.

Article 13

Income from employment

First to the provisions of Articles 14, 16 , 17 and 18 gives rise to , 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.

Exceptions to the second Notwithstanding the provisions of paragraph 1, remuneration , p 1; as a resident of a Contracting State in respect of an employment exercised in the other Contracting State only to the

first-mentioned State if:

183 -day rule a) the recipient is present in the other State for a period or time - spaces that do not exceed 183 days in any twelve month period , and

b) the remuneration is paid by an employer who is not domiciled in the other state or on behalf of, and

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

Exemptions from third Notwithstanding the preceding provisions of this Article, p 1 and 2; remuneration for employment exercised aboard a ship , aircraft or road vehicles operated in international traffic

Crews of an enterprise of a Contracting State only in that State . on

resident of Sweden derives remuneration in respect of SAS employment exercised aboard an aircraft operated in international traffic by the air transport consortium Scandinavian Airlines System (SAS) , taxed this compensation only in Sweden.

Exceptions to the fourth Notwithstanding the preceding provisions of this Article, p 1, 2 and 3; remuneration derived by a resident of a Contracting journalist or State in respect of employment in the other Contracting State correspondent , only in the first -mentioned State for the first three years of employment in the other state , if

Conditions a) the work is performed at a non-profit tourism , travel or cultural representation or as a journalist or correspondent for the press, radio or television, and

b) the remuneration is paid by the employer , who is a resident of the first-mentioned State, and

c) in the case of compensation paid to a journalist or cor - pondent for the press, radio or television, remuneration is not borne by a permanent establishment which the employer has in the other State.

Article 14

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 or an administrative council or a control row in a company resident in the other Contracting State may be taxed in that other State.

Article 15

Artistes and Athletes

First Notwithstanding the provisions of Articles 12 and 13 receive income, as 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 musician, or be taxed

in that other State.

2nd Where income in respect of personal activities of 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 6, 12 and 13 , be taxed in the Contracting State where the entertainer or athlete are exercised operations.

Cultural or third Where activities referred to in paragraphs 1 and 2 are exercised under general under a cultural exchange between the contracting States funds or receiving aid out of public funds in the Contracting State of which the entertainer or athlete is a resident and taxed capital

such activities only in that State .

Article 16

Pensions, annuities and similar payments

Pension , etc. 1. Unless the provisions of Article 17 paragraph 1 , salaries, pensions and other similar remuneration paid to a resident of a Contracting State , only in that State .

Annuity and s 2. Notwithstanding the provisions of paragraph 1, typesetting according to payments under the social security legislation of a social insurance Contracting State and annuities arising in a Contracting State law only in that State .

Def . of annuity 3rd The term annuity means a stated sum paid out periodically at stated times during life or during a specified or ascertainable period of time granted on account of obligation to make the payments in return for adequate and full consideration in money or money .

Article 17

public service

Salary , pension , etc. 1st Remuneration , including pensions , paid by , or out of funds created by a Contracting State or a political subpart - divisions or local authorities to an individual in respect of public office in this state , its political subdivisions or local authority shall be taxable only in this state.

Exceptions 2nd provisions of Articles 13, 14 and 16 shall apply to remuneration , pensions and other payments payable in respect of services rendered in connection with a business carried on by a Contracting State or a political subdivision or local authority .

Article 18

Students and trainees

Temporary residence An individual who is domiciled in a Contracting State and for temporarily present in the other Contracting State primarily for

- Studies a) study in that other Contracting State at a university or other educational institution ,
- Practice b) receive training which is necessary to qualify him to practice a profession, or

- Studies , research, c) studying or doing research as a recipient of scholarship
tion or reward;

is exempt from tax in that other Contracting State for

- Support 1) amount paid to him from abroad for his

from abroad maintenance, education , training or work experience ,

- Two earned) income from work performed in that other Contracting State under - the income year in which the allowance does not exceed , in respect of Sweden , 60% of the base amount and , in respect of Bulgaria, an amount equal to the tax-free amount under Bulgarian law , and

- Scholarship 3) such scholarship or this reward.

Exemption under 2 above shall extend only for the time reasonably or customarily required to complete the education , training , practice or research, but may in no case

At seven years exceed a period of seven consecutive years .

Article 19

other income

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

Article 20

wealth

Realty 1st Capital represented by immovable property referred to in Article 5 , which is a resident of a Contracting State and situated in the other Contracting State may be taxed in that other State.

Movable property in the second Capital represented by movable property forming part of the nutrition business property of a permanent establishment which an enterprise of a Contracting activity Contracting State has in the other Contracting State or of movable property pertaining to a fixed base for exercise freely

profession, as a resident of a Contracting State has in the other Contracting State may be taxed in that other State.

Ships , aircraft, 3rd Capital represented by ships , aircraft or road- road vehicles operated in international traffic by an enterprise of a vehicle Contracting State and by movable property pertaining to the operation of such ships , aircraft or road vehicles,

taxable only in that State.

Other assets fourth All other elements of capital of a resident of a Contracting State shall be taxable only in that State .

Method Obsolete Article 21

Elimination of double taxation

Bulgaria first in Bulgaria eliminates double taxation as follows:

a) Where a resident of Bulgaria derives income Exemptmetoden or owns capital which, under the provisions of this Agreement may be taxed in Sweden , the income or capital exempted

taken from tax in Bulgaria.

Progressions - b) such income or capital may be considered in

Subject calculating the amount of tax on that remaining income or wealth.

Settlement from c) Where a resident of Bulgaria derives dividends income tax or royalty under Article 8 or Article 10 may be taxed in Sweden , Bulgaria - Notwithstanding the provisions of para -

States a) and b) - the tax on the income of that resident an amount equal to the tax paid in Sweden . Such deduction shall not, however, exceed that part of the tax, as computed before the deduction , which is attributable to such classes of income as is derived from Sweden .

Sweden second case of Sweden, avoids double taxation as follows:

Settlement from a) Where a resident of Sweden derives income as income tax under the laws of Bulgaria and provisions of this Agreement may be taxed in Bulgaria , Sweden shall - in accordance with the provi -

provisions of Swedish legislation on credit for foreign tax 1

(even in the version in the future can get through to change without changing the general principle hereof) - from tax on such income , an amount equal to the tax paid in Bulgaria for income.

Exemptmetoden b) Where a resident of Sweden derives income or fixed establishment , the profits under the provisions of Article 6, Article 11, paragraph 2, or device referred to in Article 12 may be taxed in Bulgaria , Sweden shall , notwithstanding Bulgaria provisions of item a), exempt such income or gain from

conditions

taxation. However, this applies only if the majority of the income or gains from the permanent establishment or fixed base resulting from motion or professional , except for the administration of securities and other similar personal property , and activities are operated in Bulgaria from the permanent establishment or fixed base .

1See Act (1986:468) on the foreign tax credit ; RSV 's note .

Exemption of c) Notwithstanding the provisions of paragraph a) above, dividends paid by companies resident in Bulgaria to companies resident in Sweden are exempt from Swedish tax to the extent dividends under

Swedish legislation would have been exempt from Swedish tax on both companies had been Swedish companies 1 .

Progressions -d) Where a resident of Sweden derives income which,

subject , see the provisions of Article 16 paragraph 2 or Article 17, be taxed

2 § regulation only in Bulgaria or in accordance with paragraph b) above shall be exempt from Swedish tax, Sweden may consider the income or gains in the determination of Swedish progressive tax .

Settlement from e) Where a resident of Sweden owns capital wealth tax under the provisions of this Agreement may be taxed in Bulgaria, for Sweden from that person, property tax deduction

per country-

principle

an amount equal to the capital tax paid in

Bulgaria.

Barring amount of deduction shall not, however, exceed that part of the capital tax as computed before the deduction, which is attributable to the capital tax may be taxed in Bulgaria.

Article 22

Prohibition of discrimination

Citizenship 1. Individual who is a national of a Contracting State, a legal entity organized under the laws 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 coherent demands physical and legal persons belonging to that other State in the same circumstances are or may be underkastad². Notwithstanding the provisions of Article 1 shall apply this provision also apply to persons who are not domiciled in a Contracting State or of both Contracting States.

Permanent establishment second 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 slag³.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting

¹See 7 § 8, subsection . sixth and seventh paragraphs SIL ; RSV 's note .

² Se RAW 1986 note 785 and RAW 1988 ref . 154; RSV 's note .

³Jfr 6 § 1 subsection . first paragraph c SFL ; RSV 's note .

Contracting State any personal allowances , reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to residents of their own state .

Cost Deduction third Interest , royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State are deductible in determining the taxable profits of such companies on the same basis as paid to a resident of the first -mentioned State . Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State deductible for determination of offenders such company taxable property on the same terms as contracted to a resident of the first -mentioned State .

Article applicable fourth Notwithstanding the provisions of Article 2, apply provisions

All taxes provisions of the present article to taxes of every kind and description - acteristics .

Article 23

Mutual Agreement Procedure

Taxation in battle first , if a person believes that a Contracting State or both of the Agreement Contracting States made arrangements for him in result or will result in taxation that is contrary to the provi-

provisions of this Agreement , he may , without prejudice to his right to make use of the remedies available under the domestic

Def . in nature . 3 p 1 hr law , present his case to the competent authority of the Contracting State of which he is a resident or , if his case comes under Article 22, paragraph 1 , of the Contracting State of which he is a national or , if the latter is a legal entity , in the Contracting State under whose laws it is formed . The case must be presented within three years from the time the person first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

Understanding the second case the competent authority finds the objection grounded in individual cases, but 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. Agreement reached shall be implemented notwithstanding any time limits in the domestic laws of the Contracting States .

General agree - third the competent authorities of the Contracting States shall meet 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

double taxation in cases not covered by the agreement.

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

Article 24

Exchange of information

Authorized first by the competent authorities of the Contracting States shall by official exchange such information as is necessary to implement the provisions of this Agreement or of the Contracting States

domestic laws concerning taxes covered by the Agreement in the

insofar as the taxation thereunder is not contrary to the Agreement . 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.

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

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

c) to supply information which would disclose any trade, business, industrial,

commercial or professional secret or trade for - faringsätt or information, the disclosure of which would be contrary to public policy (ordre public) .

Article 25

Members of diplomatic missions and konsulat2

Nothing in this Agreement shall affect the privileges of praying estimate that under international law or under the provisions of special agreements members of diplomatic missions or consular offices.

1Jfr Act (1990:314) on Mutual Administrative Assistance in Tax Matters and Govt.

1989/90 : 14; RSV 's note .

2 Se Law (1976:661) on the privileges and immunities in certain cases ; RSV 's note .

Article 26

Entry into force

First , the Contracting States shall notify each other when the constitutional requirements for the entry into force of this Agreement are met .

The agreement came in the second contract comes into force date of the later of the notifications

force 1988-12-28 , referred to in paragraph 1 and its provisions shall

see § 1 Regulation

a) in respect of income derived on or after 1 January in the year next following that in which the Agreement enters into force;

b) in respect of assets held in the calendar year next following that in which the Agreement enters into force.

Article 27

cessation

This Agreement shall remain in force indefinitely , but either Contracting State may , by 30 June of the calendar year commencing after five years from the entry into force diplomatically writing to terminate the Agreement.

In such event, the Agreement shall cease to have effect in respect of income derived on or after 1 January in the year next following that in which the termination occurred or later and of wealth held in the calendar year next following that in which the termination occurred or later.

In witness whereof the undersigned, being duly authorized thereto , have signed this Convention and have affixed their seals .

Done in Sofia June 21, 1988 in duplicate in the English language.

For the People's Republic of Bulgaria:

Lyuben Gotsev

For the Kingdom of Sweden :

Torsten Örn

This Act comes into force on the day the Government.

On behalf of the Government

INGVAR CARLSSON

KJELL - Olof FELDT (Ministry of Finance)

33

Govt. 1988/89 : 44 p Bill on double taxation treaty between
24 Sweden and Bulgaria

1 Introduction

History Between Sweden and Bulgaria are currently no DTCs . A draft of such an agreement was initialed
on

May 27, 1986 . The documents are drawn up in English has

translated into Swedish and referred to the Appeal in Stockholm and the National Tax . The consultation
bodies have been mostly technical opinions on the design . The comments have prompted some
changes in the initialed text .

The Agreement was signed on 21 June 1988.

2 bill

The bill consists of paragraphs 1 to 4, and by an appendix containing the agreed text of the agreement in English and in Swedish translation. To be declared section the content while the content of the agreement is presented in Section 4.

The law The draft law provides that the contract shall be valid for Sweden (§ 1) . Furthermore regulated where the issue of the applicability of the Agreement in relation to other tax law (§ 2) . In § 3 recalled opportunity to seek redress if any tax in contravention of the agreement provisions. Finally, it provides that a taxpayer must provide the particulars for the guidance of the tax which he is normally required to provide , even in the case of income or wealth under the contract fully or partially exempt from taxation (§ 4) .

Under Article 26 of the Agreement , the Contracting States shall notify each other of the measures taken under respectively . State legislation required for its entry into force. It shall enter into force on the day on which the last of these messages is received. It is thus not possible to now determine at what point the agreement will enter into force. The draft law has stipulated that it will enter into force on the day the Government.

Govt. 1988/89 : 44 p 25

3 Tax legislation in Bulgaria

Tax legislation in Bulgaria contains special tax rules for foreign natural and legal persons. It is closest to those rules which are of interest in the present context why the front

score concentrated thereto.

Individuals Foreign natural persons are taxable in Bulgaria only for the income derived therefrom. In principle, it is for foreigners only be a matter of labor income . Inland natural persons are also liable to tax on income from Bulgaria but they taxed additionally for income received from abroad and entering Bulgaria. Income tax for such a person is paid in the form of tax on total income and also , where applicable , in the form of a tax on unmarried and divorced persons, and widows , widowers and documents may childless spouses income . The tax on total income paid by different rules and rates depending on the type of income . Taxes on labor income levied on a monthly basis according to a progressive scale where the first 120 leva (100 live corresponds young .

755.55 sv.kr.) are exempt from tax. Thereafter , tax is levied under a tax scale in five layers where the top tax rate is 14 % for incomes over 340 live. The tax on unmarried and divorced persons and widows , änklingars and childless spouses income levied by childless women aged 21-45 years of childless men aged

21-50 year. The tax base is the same as the tax on total

total income, but the tax rate varies by age between

5 and 15%. Author abroad that receives compensation from Bulgaria are taxed under a sort reciprocitetsprincip . Consideration is given to how a Bulgarian writer would have been taxed in the mirror case. Natural persons resident abroad who benefit from Bulgaria in the form of profits, dividends, interest , etc. (occurring in practice only to a limited extent) pays tax at 45% of the income derived from Bulgaria.

Foreign companies Foreign companies wishing to conduct economic activities in Bulgaria can get a license to open a representative office. Through a Bulgarian organization, Interpreted , conveyed then contract with Bulgarian companies and institutions. The tax rate for foreign natural and legal persons operating in Bulgaria amounts to 45%. However, this is not the business of a so-called

Joint venture "joint venture" . With the "joint venture" means a Bulgarian

association with both Bulgarian and foreign shareholding . These associations are of two kinds, namely companies that are not legal persons and those who are legal persons. Foreign interests in companies that are not a legal entity pays tax at 30 % of the part of the investor's profit transferred abroad and 20% of the part that is reinvested in the company or be invested in another Bulgarian "joint venture" .

Enterprises of the kind in question which is a legal entity pays tax at 20

% Of their taxable income . For distributed profits as foreign

partner transfers to foreign tax is paid by another 10% .

The Bulgarian Minister of Finance and Foreign Trade may, however, permit the company respectively partner in the firm -imposition or reduction of the above taxes, up to a maximum of three first year of operation .

Govt. 1988/89 : 44 p 26

4 Content of the agreement

The agreement is designed in close conformity with the provisions

OECD model - like the Organization for Economic Cooperation and Development 's speech is modeled (OECD) guideline for bilateral double taxation agreement (the " Model Double Taxation Convention on Income and on Capital "

1977). The agreement , however, obviously had to adapt to the fact

Bulgaria has a different economic system than Sweden and other OECD members . Deviations from the model agreement also occurs in order to adapt the contract to resp. Contracting State's domestic laws and practices. As example of these rules on capital gain (Article 11) and pensions (Article 16) . Furthermore, there specific rules on companies in Bulgaria which is partially owned by foreign companies, called joint ventures (Article 4 paragraph

4 and Art. 6 point 5). In view of the aforementioned

differences in Sweden and Bulgaria's economic system , it has not been considered necessary to include rules on associated enterprises , such as species . 9 of the OECD Model Convention.

4.1 This Agreement applies

Agreement scope Art. 1 specifies the persons covered by the agreement and where these
ing persons shall be deemed to be a resident for the purposes of the agreement.

Normally, determining a person's state of residence in modern Swedish agreements follow the OECD model convention and thus are included in a separate article . However, this has not always happened . The same model as in the present contract proposals have been applied in relation to the Soviet Union (SFS 1982:708) . In both cases , the deviations are contingent on the strong wishes of the other party . The thing is also present anomalies. A person who is a national of Bulgaria regarded the purposes of that agreement to be resident in Bulgaria. This means that the cam administrative court of appeal in Stockholm stated in its consultation response to a Bulgarian national who moves to Sweden gets double residence . As to the question whether a person is resident in Sweden for purposes of that agreement , there is a reference in nature . l paragraph 2 b) to Swedish legislation.

Internal Swedish law , the rules referred to are 53 § kommunalskattelagen (1928 : 370)
and paragraph 1 steps to the same section , 69 and 70 § §

same Act , § 3 paragraph , 6, 17 and 18 § § National Tax Act (1947:576) and l § third paragraph , 6, 17
and 18 § §

Dual residency law on state property tax (1947:577) . If there is a double residence , the question was a person shall be deemed to be a resident for the purposes of the agreement settled under Art. 1 point 3 a) of the Agreement by the taxpayer shall be deemed to be a resident of the state where the center of his vital interests are . If it is not possible to determine where the center of vital interests is , the meaning of paragraph 3 b) of the same Article the issue resolved by mutual agreement between the competent authorities. The method to solve the question of dual residency is taken from the OECD model agreement , but has not been designed as detailed as in the model contract. However, I think that the design rule with well meets the practical needs that exist in relation to Bulgaria.

Govt. 1988/89 : 44 For the legal entity regards as conclusive criterion for such

P. 27 twice residence that the person concerned shall be deemed to be a resident of the State in which its place of effective management (paragraph 4) .

RSV comment This provision shall be applied to " persons who are residents of a Contracting State or of both Contracting States ." To implement this provision must take into account both the in point 2 inmates definition of the term "resident " , and in Article 3 paragraph 1 d inmates definition of the term "person" . It should be noted that residency rules in paragraphs

2 - 4 are not related to where a person is deemed to be resident

according to internal tax provisions but relates only to the question of residence for the purposes of the agreement (see eg Govt.

1995/96: 121 and RR's the Court of 14 June 1996 in Case No. 1716-1993) . Agreement residency rules are irrelevant as for example when it comes to determining whether withholding tax to be levied on dividends from Sweden or if the dividend is taxable under the provisions

in SIL .

Govt. 1988/89 : 44 Art. 2 lists the taxes covered by the Agreement .

P. 27

4.2 Definitions etc.

Part. 3 contains definitions of certain expressions occurring in the agreement. Definitions are, however, in other articles , such as species . 8, 9 and 10 , where the income is treated in resp. Article defines .

RSV 's comment in paragraph 1 e , the expressions enterprise of a Contracting State and enterprise of another Contracting State. The term business includes both natural and legal person who carries on business , see eg RAW 1991 note 228. Accordingly, if an individual resident in Sweden carries on business in Bulgaria so is this physical

person for the purposes of the agreement to be considered as a business in

Sweden .

Govt. 1992/93: 177 As regards the interpretation of double tax treaties and then including P. 51 , the tax treaty on the species . 3 paragraph 2 inmates rule , I refer to what with Estonia as stated in the Bill of double taxation agreements between the Nordic countries (Government Bill 1989/90 : 33 P. 42 ff . , See also the National Tax

Interpretation of contracts Administration Guide for international taxation and Sweden

contribution to the IFA Congress in Florence in October 1993 , see also section

4.5.3) . It should only be noted that the Vienna Convention on the tractor taträtten aims to the dispute between the parties on the substance of the parties' interpretation , ie . States , intent with a provision

in a particular contract and not - in terms of double tax treaties - to regulate the relationship between taxpayers and the state. Double taxation agreements shall in principle be interpreted as another Swedish tax law , ie . the wording and with the support of public preparatory work.

Govt. 1989/90 : 33 Before I go into more detail on the Agreement and the Protocol's provisions P. 42 ; Nordic I want something to touch the question of the interpretation of tax treaty DTCs .

As already indicated by the title of DTCs

these have been added to prevent the same income, property , etc. fully taxed in two or more states . The agreements facilitated in this way the exchange of capital, goods and services.

Govt. 1989/90 : 33 Second and equally important purposes of double taxation agreements and

P. 43 ; Nordic eg assistance agreement is to prevent tax avoidance and that the total tax treaty exemption arises. An overarching objective of the agreement of that kind is to provide an instrument that

ensures that everyone pays the right tax at the right time and in the right

location, ie . an agreement to equitably distribute the tax revenues between states.

Double taxation agreements - and especially income tax agreements - have to some extent come to be used to in a not intended partly or entirely escape taxation in one or both of the Contracting States (which has resulted in or contributed to numerous agreements were renegotiated or are under renegotiation) . The ways to achieve this are many and may involve eg service income artificially divided between one or more states in order to obtain tax benefits in the form of lower marginal tax. Windfall tax benefits can also arise due to

to double their provisions often lack the

accuracy as similar provisions in internal tax legislation . This is due , among other things, that the Contracting States - nas legal system among themselves exhibit a number of differences which places

great demands on the wording of individual clauses . This may mean that these provisions , viewed from one state of view , have not always given an optimal design when it comes to reproduce that intended . Another difficulty relates to the fact that most collective bargaining (but not those with the Nordic countries) must necessarily be to the satisfaction of the Contracting Parties, foreign languages , and that even the agreements as such are often written in that language. This means that the words and phrases in Swedish or foreign language has a precise meaning is allowed to be translated and that accuracy can thereby be lost. This can also occur in rules that come into existence because of a unilateral Swedish

request that a particular provision, taking into account internal Swedish law, shall be included in an agreement. Although all DTCs Sweden included either written both in one or more foreign languages, Swedish, or at least translated into Swedish entails the above reported that the Swedish text in many cases can not be formulated with such precision as other internal legislation. This is also true - although both tax systems as the languages of the Nordic countries in many respects are similar - in the case of the Nordic Agreement.

By the formation of contracts based on those of the organization for Economic Cooperation and Development (OECD) established model contracts (see Model double taxation convention on income and on capital, from 1977, Model convention for mutual administrative assistance in the recovery of tax claims 1981 and Model double taxation convention on estates and inheritances and on gifts of 1982), the difficulties outlined above, to some extent, been eliminated. Nevertheless, there are, however, most of the above-discussed difficulties. These difficulties were foreseen when the model agreements were established and have led to the 1977 Model Agreement made the following provision in Art. 3 paragraph 2.

"When a Contracting State shall apply the latter shall, unless the Govt. 1989/90 : 33 context otherwise requires, any term not defined p.44; Nordic in the agreement have the meaning which it has under the state law, the tax treaty legislation in the areas of the taxes to which the Convention applies."

Furthermore found in nature. 25 paragraph 3 of the 1977 Model Agreement a provision under which 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. Corresponding provisions are also found in the 1981 Model Convention (art. 3 para 2 and Art. 11 item 3) and in the vast majority of the Swedish income tax, respectively, inheritance and gift tax agreements [see eg species. 3

paragraph 2 and Art. 24 paragraph 3 of the agreement with Great Britain and Northern Ireland (SFS 1983:898)].

In the interpretation of double tax treaties must be in the agreement if the terms - unless expressly stated or clearly appears from the context - interpreted with a starting point in its Swedish import. Furthermore, a beacon in the interpretation of double tax treaties be its object is fulfilled, ie. that double taxation is avoided and tax evasion respectively. total exemption prevented. In the interpretation of double tax treaties must be the starting point must be that of Sweden in accordance with internal law owns taxing certain income or property and not expressly waived the right to tax this so it shall be taxed in this country. Would double taxation thereby arise, this eliminated by the competent authorities conclude mutual agreements, either in individual cases or so-called interpreting agreements, in ways specified in the example species. 25 point

3 of the 1977 Model Convention.

RSV comment By Govt. 1995/96: 121 , a law (1996:161) with vis- said provisions on the application of a double taxation agreement shall apply to income derived by the end of 1995 and on capital are taxed at 1996 tax or later. On p

16 ff in this bill states eg following:

Govt. 1995/96: 121 A Double Taxation Agreement, the primary objective is to allocate taxable p.16 ; Some ask -ing the rights of the different incomes (and in some cases wealth to the provisions on assets) between the Contracting States. The scheme of the agreements applying to this distribution is based , as mentioned earlier, that a state double taxation identified as state of residence , and the second most frequently identified as the source state -accession agreements (situ state) . In the establishment of this distribution of the tax law under contract various articles used a number of terms and

expression which in several cases are defined in the contract to expressly

used " for the purposes of this Agreement." If these terms or expressions whatsoever exists in the two states ' domestic law , they may have a completely different and totally different meanings in these states .

The term " resident " is defined regularly in double taxation accession agreements (usually in Article 4). This definition applies in the words " for the purposes of this Agreement." Other terms are defined in double taxation agreements. This happens as regards internal revenue and property tax agreements usually partly in Article 3 , General Definitions , where expressions such as " person " , "company" , " international traffic", " citizen" , etc. is usually defined , and in the articles governing a particular issue or a particular type of income , such as terms " permanent establishment" in Article 5, "dividends" in Article 10 , "interest" in Article 11 and "royalties" in Article 12. Common to all

these definitions is that they only apply in the application of the double taxation agreement or in some cases merely the application of a single article in the agreement. In no case is the intention that the definition of an expression of a DTC will be reflected in the application of domestic law in general.

The definitions of the terms " distribution " and "interest" can serve as an example. Often the source state taxation rights to a certain income differently if the income pursuant to the Agreement shall be construed as dividends instead of eg interest. The agreement follows the OECD Model Convention, may be the source State taxing dividends received by a resident of the other Contracting State with 5 or 15 % of the gross amount , depending on the size of the receiver's possession in the distributing company and the income may be taxed at more than 10% of the gross payment if the application of the Agreement shall be considered as interest.

Govt. 1995/96: 121 In determining the maximum amount by which the taxation p.17 ; Certain provisions may be made in the source state is thus the definitions of the terms " dividend provisions on order" and

"interest" absolutely crucial. How taxation claim the application of established under domestic law lacks contrast, in this context, double taxation quite important.

tion agreement , assuming that the income under double taxation agreement represents interest is thus to impose taxes in Sweden as source state is limited to a maximum of 10 % of the revenue gross. The assessment whether a Swedish tax claim whatsoever exists regarding this income shall be based on other tax provisions other than provisions relating to double taxation agreements. Both of Article 10 and Article 11 indicates that taxation in the State where the Agreement is singled out as the source state must be " under the law of that State." How this state internally under its own legislation chooses to tax a certain income or define various terms and concepts are not affected by a bilateral agreement rules. If the taxpayer is fully taxable under the rules of KL and SIL, eg because he is considered to have a substantial connection here , he must therefore remain so regardless of the existence of a double taxation agreement and no matter where he is under the Agreement shall be deemed to be resident. He then of course maintaining the deductibility of interest payments according to § 3 subsection 2 . SIL . If Sweden's tax claim in respect of this interest income according to internal tax legislation is limited to 10 % of the gross amount - eg dependence on large deductible capital losses - therefore does the presence of DTCs in any change in the Swedish taxation. If, however, the Swedish taxation claims regarding interest rates according to internal legislation amounts to more than 10% of the gross amount must

Swedish tax on the interest rate may be reduced to an amount equal right

10% of the gross amount .

...

Commitments of the double taxation agreement means that the taxation of certain income or wealth should be reduced or completely waived . Agreements rules prohibiting discrimination also imposes requirements on equality. Otherwise there is no reason that the existence of a double taxation agreement shall affect the application of the internal rules . It therefore follows. definitions

Govt. 1995/96: 121 and split into different types of income , respectively . assets in the agreement

P. 18; Certain provisions should only be used for the application of the Agreement's rules rules on whether and the extent to which Sweden is to tax certain application of income or wealth , whether and if so how Sweden under the double taxation agreement to eliminate double taxation and the Agreement's rules accession agreements prohibiting discrimination will affect the Swedish taxation statement.

Agreements concepts in other words, without prejudice to the internal rules . The question whether a person shall be considered tax - sligt resident or domiciled in Sweden shall be determined without

regard to the DTC provisions . Similarly, the contract division of income does not affect the internal rules, division of income in different types of income . The same applies , of course, respect the contract division of assets in different asset classes. Taxation in Sweden shall be according to the order and manner provided for in the Internal Rules . If there is an obligation under the Agreement to mitigate or remit the tax treatment of certain income or property , however this commitment taken when determining the tax to be debited . For the purposes of the exemption method shall then under the rules of certain provisions of the double taxation treaties be done by certain income or certain asset not to be taken in the determination of taxable income , respectively . taxable assets . In other cases, this method is used so that the Swedish tax relating to the exempted income or asset shall be determined by proportioning . The calculated Swedish treasure is in this case reduced by the portion of the Swedish tax determined to be due on the exempted income or asset (known as alternative exempt) . For the purposes of clearing method reduced the estimated Swedish tax with respect to foreign taxes paid . Under the agreements, rules , the estimated Swedish tax in some cases is limited to a certain percentage of a pray - talnings gross amount. The application of the agreement's rules prohibiting discrimination may also result in the Swedish tax shall be paid less than the amount that would otherwise have been the case. The rules may

also meet the criteria for taxation form both as the basis for taxation and manner of taxation.

The relationship between the provisions of the double taxation treaties and other tax laws may conveniently be illustrated with two examples. In these examples it is assumed that the double taxation agreement is designed according to the OECD Model Agreement on income and wealth than with respect to the definitions of the terms " distribution " and "interest" . This means that the withholding tax on interest may not exceed

10% of the gross amount and withholding taxes on dividends may not exceed 15% of the gross amount .

Example 1 Example 1. A natural person who has a substantial connection

Sweden under the provisions of paragraph 1 of the instructions to

53 § KL and thus is fully taxable in this country is domiciled in a Contracting State for the purposes of the convention. He is believed to be a tax resident of the other State in accordance with its internal rules and also have his " center of vital interests " in that other State under Article 4, paragraph 2 a) of the DTC . he receives

Govt. 1995/96 : 121 SEK 100 000 in interest income from Sweden and has had ränteut -

P. 19 ; Some ask particulars amounting to 10 000. Otherwise he just capital provisions on service abroad is exempt from tax in Sweden applying under the so-called six-month rule in § 54 first paragraph f KL . He double taxation taxed under the SIL in the capital income of SEK 90 000 . Taxes , accession agreements prior to application of the double taxation agreement , amounts to 27 000. This whole tax levied on interest income . According to the rules in

Agreement , however, is Sweden's right to tax the interest income

limited to 10% of the gross amount , ie . to 10 000. Swedish tax should therefore be reduced by 17 000.

Example 2 to Example 2. A natural person who is not resident in Sweden according to the rules in KL and SIL but under the law of a state with which Sweden has entered into double taxation agreements resident, receives such a dividend to the share of Swedish mutual fund referred to in § 1 withholding law (1970:624) . He is the in- side set to tax in Sweden and unrestricted taxable in the other Contracting State . For the application of double taxation Partnership has he of course is a resident of that other State. For the purpose of the agreement is assumed , however, dividends from the common fund to be interest and not dividends because of the definition of the term "interest" in the contract. Source State , that is . Sweden , the right to tax the payment is limited to a maximum of 10% of the gross amount . Withholding tax must be levied on the payment but the tax must be reduced to 10% of bruttobelop amount in lieu of the 30% that would otherwise have been the case under

withholding tax Act.

Govt. 1988/89 : 44 Art. 4 indicates the meaning of the term "permanent establishment" in the agreement. P. 27 The rules on permanent establishment in Swedish law are Permanent establishment in paragraph 3 steps to 53 § Municipal Tax Act (1928:370) .

To a Bulgarian company to be taxed on capital

business through a permanent establishment in Sweden under Art. 6 requires that such a place exists both under the provisions of Swedish legislation under the agreement. Objectively speaking, conform article with the OECD model agreement except on two points. place of

Six months of construction , etc. constitutes a permanent establishment already laid in

instead of after twelve months of operation (point 3) . his has

Sweden accepted in previous agreements. The second deviation is the joint venture to a Swedish company that participates in a joint venture incorporated under Bulgarian law as having a permanent establishment in Bulgaria (paragraph

4). Given that business is conducted in Bulgaria , there is in practice a permanent establishment in Bulgaria already because of points 1 and 2. Provision could therefore be seen as a clarification than as a deviation in substance.

RSV comment Paragraph 2 lists by no means exhaustive of examples , each of which may constitute a permanent establishment . These examples , however, must be seen against the background of the general definition in paragraph 1 of the term permanent establishment . What characterizes a permanent establishment is that there is a place for business operations , that this place is permanent and that the company ask - run operations from this location. For example a branch shall be considered as a permanent establishment must thus in paragraph 1 they requisite conditions must be met.

Govt. 1988/89 : 44 p

4.3 Agreement taxation rules

27

Part. 5

20 , the Agreement's rules on taxation, whereby a

division occurred in different incomes. This subdivision applies only for purposes of the Agreement and thus not at the determination of offenders to which types of income an income shall be assigned according to Swedish tax law. Furthermore, as a starting point to an income tax in Sweden if this is possible under Swedish law. If this jurisdiction, the agreement has been curtailed only if that restriction is observed. It should be noted that even if an income under the agreement exempt from taxation in

Sweden , it may affect the size of the Swedish tax on other income [cf art . 21, paragraph 2 d)] .
Furthermore, it should be noted that in cases where a

The term may be taxed

income or asset may be taxed in a Contracting State under the provisions of Art . 5:20 a.m. this does not mean that the other deprived of taxing rights to income or asset. Taxation may be made in the other State if it can be done under its domestic tax rules , but the latter must then eliminate the double taxation arising in this context . How this is implemented is governed by Art. 21.

Realty Income from immovable property may under Art. 5 taxed in the State where

property is located. According including 27 § Municipal Tax Act (now 21 and 22 § § KL ; RSV 's note.) ,
Income derived from property , in some cases as capital movement (now business ; RSV . Note) .
Income covered by Art. 5

Govt. 1988/89 : 44, however, in its application is always considered as

p.28 income from real property , and may thus be taxed in the State where the property is located.
What is real property in the agreement sentence is determined by the laws of the state where the self -
judgment is situated.

RSV 's Comments As stated in paragraph 1 , the provisions of this Article shall apply only when the
immovable property is situated in a Contracting State and the owner is a resident of the other
Contracting State . If the real property is located in the state where the owner is domiciled or in a third
State is not this article but Article 19 (other income) applies. Note that the definition of real property in
this agreement does not include building, chattels , compare § 4 , third paragraph KL .

Govt. 1988/89 : 44 Art. 6 contains rules concerning the taxation of business profits . such

p.28 income will generally be taxed in the State where the business is carried on from the profits of
establishment. Paragraph 5 , which has no counterpart in the OECD Model Convention , have come onto
the Bulgarian initiative. The purpose is to

clarify that nature . 6 also applies to a joint venture formed

Bulgarian law and that this is also true for the Swedish participant in a joint venture also in cases where there is also a domestic or other foreign participants.

Exemptmetoden A natural or legal person resident in Sweden , as de -

the permanent establishment carries on business through a permanent establishment in Bulgaria, shall be exempt from tax in Bulgaria in Sweden on the establishment attributable income of the terms of Art. 21, paragraph 2 b) are satisfied. Are the terms of Art. 21 item

2 b) are not met, the establishment of attributable income is taxed in Sweden but the tax on income paid in Bulgaria shall be deducted from the Swedish tax under Art. 21, paragraph 2 a) .

If a Bulgarian company carries on business in Sweden through a permanent establishment here shall revenue primarily applicable Swedish rules, ie . Assuming the establishment's records, but the calculation must not be contrary to the provisions of Art . 6 paragraphs 2 - 4. Deductions shall then be allowed for so much of the head office overheads that can reasonably be considered to fall on establishment.

Paper to - Included in income by operating revenue which are dealt with separately in suitability of other articles of this agreement governs the treatment of those in the Special Articles (Article 6 paragraph 6).

RSV comment concept of capital movement in this article are not consistent with the concept of business income under domestic law. As mentioned above (point 6) is not this article applies to incomes which are dealt with separately in other articles. If e.g. a Swedish company receives dividends , interest, royalties and sale capital gain from Bulgaria does not apply to this article. At taxation in Sweden, however, that income business income.

Govt. 1988/89 : 44 p The taxation of business income in the form of shipping, aviation

28 or road transport in international traffic takes place not according to the general rules of nature . 6 without specifically regulated species . 7. Taxation

Shipping, air transport takes place only in the state where the company engaged in such activities and road not a resident. The provisions relating to road transport, lack of transport counterpart in the OECD model agreement but the corresponding provisions exist in other Swedish DTC

speech. The special tax rules for SAS in paragraph 2 means that

Agreement only governs the taxation of the part of SAS 's income that is attributable to the Swedish partner .

Dividend species . 8 deals with the taxation of dividends. expression

dividend is defined in paragraph 3. , in some cases, however, dividends are taxed under contract with the taxation of in- presence of motion or of professional services . These cases are presented in section 4. , Provides that species . 6 respectively . species . 12 shall apply if the beneficial owner of the dividends is a resident of a Contracting State has a permanent establishment or a fixed base in the other Contracting State and the dividends are attributable to the proportion that is effectively connected with such permanent establishment or fixed base sheet. The provisions relating to dividend means the rest follows. According to paragraph 1, the dividends from a company resident in a Contracting State to a resident of the other Contracting State may be taxed in the other Contracting State .

Govt. 1988/89 : 44 dividends may also be taxed in the State where the company p.29 paying the dividends is a resident, but if the recipient of the dividends the tax so charged shall not exceed 10 % of the dividend

Withholding tax gross amount (paragraph 2) . The limitation of tax in the source State according to max. 10% of paragraph 2 shall not apply when an intermediary , such as an agent or representative, inserted between the wage earner and

payer , unless the beneficial owner of the dividends is a resident in the other Contracting State .

RSV comment provisions of this article is - as already seen in the above - do not apply to dividends from a company resident in a third State or where the distributing company and recipient of the dividends is a resident of the same State. In these cases applied in identification number of the provisions of Article 19 (other income) . Also note that the article does not contain any provision for taxation in the source state will occur. It is thus the source State free to apply its own laws and to levy taxes such as by deduction at source or by assessment . If Sweden as the source State shall levy withholding tax on dividends or income tax on the SIL is therefore something to be assessed on the basis of internal Swedish legislation. Agreement residency rules will not change anything in that regard.

Govt. 1988/89 : 44 Paragraph 5 prohibits so-called extra - territorial taxation

P. 29 of the dividend (for this kind of taxation see paragraphs 32 -

35 of the Commentary on Art. 10 paragraph 5 of the OECD Model Convention

1977 { paragraphs 33-39 of the 1992 Model Agreement ; RSV 's note . }) .

The commentary to Paragraph 5

species . 10 of the OECD

Model Convention 33. article deals only with dividends from a company resident in a Contracting State to a resident of the other State . Some states tax not only dividends from a company resident there, but also dividends from companies not domiciled there, the profits out of which the dividends are paid have occurred in their area . Each state has of course the right to tax such income arising within its territory and derived by a company not resident there, to the extent provided in the agreement (in particular Article 7). Shareholders of such company shall not in any case be taxed beyond, unless he is a resident of this State and therefore naturally subject to its taxing power.

34th Paragraph 5 excludes extra - territorial taxation of dividends , ie . the practice whereby states taxes paid by companies who are not residents there exclusively because company profits out of which the dividend is made arisen within their area (for example, generated in a where a permanent establishment situated) . There is of course no question of extra - territorial taxation when the State

Annual profit has its source tax dividend due to be paid to unit holders resident in that State or to a permanent establishment or a fixed base there.

35th Moreover, it can be argued that such a provision does not or can not lead to a state prevented subjecting dividend withholding tax when paid by foreign companies , the dividends have been lifted in its area . Crucial to charge situation in such a case , in fact, the actual payment of the dividend and not the origin of the company profits available for distribution . However, the person who raises the dividend of a Contracting State a resident of the other Contracting State (in which the distributing company is resident) , he may , under Article 21 get relief from , or remission of , withholding tax in the first-mentioned State. If the beneficial owner of the dividends is a resident of a Member State which has entered into double taxation agreements with the State in which the dividend is lifted , he can also , under Article 21 of the Agreement, obtain relief from , or remission of , the latter state withholding tax.

36th Paragraph 5 further provides that a company resident abroad must not be subjected to special taxes on undistributed profits.

37th It could be argued that if the taxpayer's state of residence in accordance with its anti- abuse legislation (such as Sub -Part F- law of the United States) is looking for taxing undistributed profits so is it in conflict with the provisions of paragraph 5. , It should However - ever, note that this paragraph refers only to taxation at source and thus not important in terms of domicile taxation under such legislation. Point further concerns only the taxation of the company and not the shareholder.

38. The application of anti- abuse legislation may mean some difficulties. If income is attributed to the taxpayer , any part of the income is treated under the applicable provisions of the Agreement (operating income , interest, royalties) . If the amount is treated as hidden dividends , it is clear that it is derived from basbolaget and thus constitute income from the company's home country. Even if so , it is far from clear whether the taxable amount is to be regarded as a dividend in the meaning of Article 10 or as " other income " under Article 21. Certain anti abuse legislation treats the taxable amount of dividends, which have to due to an exemption provided in tax treaties , such as a parent / subsidiary liberation, also is extended to such amount (eg in Germany). it

is doubtful if the contract requires. If the resident State considers that it does not , it can be accused of impeding the normal application of the parent / subsidiary exemption by taxing dividends (in the form of disguised dividends) in advance.

Govt. 1988/89 : 44

39th In cases where the dividend is actually paid by basbolaget , the provisions on dividends in a bilateral agreement apply in the normal way , as in the case of dividend income in the agreement's meaning. Basbolagets home state may therefore withhold tax on the dividend. Shareholder 's home state using the usual methods for eliminating double taxation , ie . tax credit (credit) or tax exemption (exemption) is granted. This means that the tax withheld on dividends deducted in the Shareholder 's

home state, even if the distributed profits (dividends) has described underestimated according to anti-abuse legislation several years earlier. Obligation to give relief seems doubtful in such a case. The dividend as such is generally tax-free (as it has already been taxed under the anti-abuse legislation) and it can be argued that there is no basis for the tax credit. Purpose of the agreement would on the other hand be countered if the tax deduction could be omitted by simply anticipating dividend taxation by applying anti-abuse legislation. The general principle outlined above, indicates that the tax deduction is allowed, although the details may be dependent on the technical prescriptions of anti-abuse legislation and the system of the foreign tax credit from domestic tax. The specific circumstances of the case (such as the time elapsed since the taxation of "disguised dividends") may also be of importance. Taxpayers who have recourse to artificial arrangement imposes risks that tax authorities can not fully protect them against.

Interest is taxed under Art. 9 only in the State in which the beneficial

P. 29 to the interest. An exception is made in paragraph 3 of the cases that interest rate is attributable to the claim that is effectively connected with a permanent establishment or a fixed base which the person entitled to

rate has in the other Contracting State. In such cases, the interest may be taxed in that other State as income from business or profession pursuant to Art. 6 respectively. species. 12th Annual Interest, payable from Sweden to a person who is resident in Bulgaria and that of Swedish tax rules are not resident in Sweden, can not be taxed in Sweden on the interest rate in Sweden is attributed to capital gains. The exception in paragraph 3 may thus be at - appropriate in Sweden only if the interest rate under paragraph 2 of the instructions to § 28 kommunalskattelagen (now p 2 users. § 22 KL; RSV

note.) shall be attributed to income from business (now business operations; RSV. note). In addition, it is required that a permanent establishment exists under internal Swedish law (§ 53 subsection 1. Text kommunalskattelagen and 6 § 1 subsection. Law on state income tax).

RSV comment Article 9 deals only interest arising in a Contracting State and paid to a resident of the other Contracting State. The article is not applicable in respect of interest which have source of a third State, or to interest from a Contracting State paid to a resident of that State. In such cases, rather than the provisions relating to other income in Article 19.

Govt. 1988/89 : 44, such royalties referred to in Art. 10 paragraph 3 and derived from a P. 29 Contracting State (the source state) and paid to a resident Royalty in the other Contracting State may,

in accordance with paragraph 1 taxed in that other State. The source State may also, according to paragraph 2 levy taxes with

maximum of 5% of gross royalties . An exception is made in paragraph

4 for the cases in which the right or property in respect of which the royalties are paid is effectively connected with a permanent establishment or a fixed commodity - the device as the royalties has in the other State. In that case, the royalties are taxed in that other State as income from business or profession in application of Art. 6 respectively . species . 12. Royalty payable from Sweden to a resident in Bulgaria can be taxed here in the scope of paragraph 2 or in cases where the exemption in paragraph 4 becomes applicable and permanent establishment exists under internal Swedish law (cf. § 28 Municipal Tax Act and paragraph 3 fifth paragraph of instructions to § 53 kommunalskattelagen versus 2 § 1 subsection . 3 and §

National Tax Act) (now p 1 users . § 21 KL , pp. 3 , 5 . users . § 53 KL and 2 § 1 subsection . SIL RSV 's note.) .

RSV comment Article 10 deals only with royalties arising in a Contracting State and paid to a resident of the other Contracting State. The article is not applicable in the case of royalties from sources in the third State or royalties from a Contracting State and paid to a resident of that State. In such cases , rather than the provisions relating to other income in Article 19.

Govt. 1988/89 : 44 Art. 11 deals with the taxation of capital gains. Gains derived

P. 29, a natural or legal person resident in Bulgaria acquires Capital gains from the alienation of immovable property situated in Sweden , may be taxed here (point 1). Furthermore, according to the same point gain due

transfer of shares or similar rights in a company whose assets consist mainly of immovable property situated in Sweden taxed here. The provisions of paragraph 5, which has been established on

Swedish initiative , enabling Sweden to apply the Swedish rules on taxation of gains on share sales

Govt. 1988/89 : 44 occurred after emigration from Sweden (§ 53 subsection 1 . Final paragraph KL) p 30 (now § 53 subsection 1 . Text penultimate stage KL and also § 6 subsection 1 . Text SIL ; RSV note .) . In this context it should be stressed that when the

in this or any other article of the agreement speaks of residence referred naturally resident in the agreement. When a person reported emigration from Sweden , or actually moved out of the country is therefore irrelevant for the calculation of the stated in paragraph 5 decade. However , the assessment whether the gain may be taxed in Sweden or not , of course, be based on the internal Swedish tax legislation and then including those in § 53 subsection 1 . a kommunalskattelagen inmates provisions .

Independent professional According to Art. 12 taxable income through free professional and other independent activities usually only in the state where the actor of the business is domiciled. If the income derived from activities in the other Contracting State, the income may be taxed there if the person exercising the activity has a fixed base for the practice of operations there.

Individual business according to species . 13 taxable income due to employment in the private services usually only in the State where the work is carried on. An exception is made for short-time work under the conditions stated in paragraph

2nd In such cases, the tax only income earner's domicile state. According to paragraph 4 applies under certain conditions specific ,

Journalists - more favorable tax regulations in working state for eg journalists correspondents and correspondents . These provisions have been introduced under the explicit wishes of Bulgaria. Similar provisions are contained in

including species . 12 of the double taxation treaty with the Soviet Union (SFS

1982:708) . Regarding the Taxation of work on board ships, aircraft or road vehicles which are used by companies in international traffic comes to such income shall be taxable only in the State of residence of the enterprise (paragraph 3).

RSV comment Pursuant to paragraph 5 of the Commentary on Article 15 of the OECD model 's 1992 will , in calculating the number of days in the working state only include the days that the employee in question had in fact been in the working state. Part of the day is counted as a full day. The duration of stay included an arrival date , departure date and days spent in labor law, including Saturdays, Sundays and public holidays , vacation and sick days. This calculation should not, however, stopovers or transit during transport between two other countries included. Neither counted on days which the taxpayer spends in working state due . acute illness or accident that occurs when he is about to return to the country of residence .

Govt. 1988/89 : 44 p Directors' fees and similar payments may under Art. 14 ask -

30 underestimated in the State of which the company paying the fees have home - Board fees wisely. To also remuneration as is derived as a member , etc. in certain organs like the company's board , which is present in Bulgaria , is caught by species . 14 has such compensation

tion explicitly mentioned in the text.

RSV comment According to the rules in SINK owns Sweden taxing board fees that Swedish companies pay to non-resident board member whether he attended the meeting or not .

Govt. 1988/89 : 44 p The taxation of income by an entertainer or sports

30 man receives through its activities are regulated in Art. 15. Such income is taxed in the State in which the activity is pursued (paragraph 1) .

Artists and regardless of whether the income is acquired in the exercise of free

athletes profession or because of employment . According to paragraph 2, the income may generally be taxed in the State in which the entertainer or athlete are exercised , even if compensation is paid to another person (for example, an employer with which the entertainer or sportsman is employed) than the entertainer or athlete himself.

Cultural Paragraphs 1 and 2 shall not apply where the operations are conducted within the framework of a cultural exchange between the contracting States or receiving aid out of public funds in the artist's or athlete's state of residence. In such cases, the income is exempt from tax in the state where the operations are conducted (paragraph 3).

RSV comment Abroad resident artists and sportsmen and abroad home

resident artist company and organizers taxed in Sweden under the rules of LSI . Taxation Authority is in these cases tax authority in Kopparberg County , Special Tax , 771 83

Ludvika.

Govt. 1988/89 : 44 According to Art. 16, paragraph 1, pensions and other similar p.30 , p.31 compensation not covered by Art. 17 (public service) and pension , annuity, paid to a resident of a Contracting State only in the payment acc. this state. This does not apply in payments under the social security social security laws or annuity. For such payments, legislation , etc. restrictions apply to the taxable only in the State from which they are derived

(paragraph 2) .

RSV comment This means that Sweden has taxing rights to eg national pension , ATP and payments from the pension payable from Sweden to a resident in Bulgaria.

Govt. 1988/89 : 44 Income from public services , incl. pension shall be taxable under Art. P. 31, 17, paragraph 1 only in the State which pays it . Under paragraph 2 Public services are taxed in some cases replacement of public services according to the rules

for the taxation of income of individual service .

Students and Others Part. 18 contains rules on tax breaks for students and trainees.

Other income Income not addressed specifically in nature . 5:18 a.m. taxed under

species . 19 only income earner's domicile. Part. 20 regulates

Wealth taxation of wealth. The provisions are consistent in principle with similar rules of the OECD Model Convention.

Method Obsolete provisions on the avoidance of double taxation found in nature . 21st Bulgaria applies the so-called exempt method (= exempt -ing from the tax) as the main method of avoiding double taxation

Deduction tion [paragraph 1 a)]. According to paragraph 1 b) , the exempted income

method or assets into the calculation of tax on other income , ie progressivity. In cases where the agreement allows the Sweden levies a limited withholding tax , ie . with respect to dividends and royalties , distributes Bulgaria instead the Swedish tax against Bulgarian tax on the same income [paragraph 1 c)].

Sweden applies the tax credit ("credit of tax") as the main method of the Agreement [paragraph 2 a) on Income and paragraph 2 e) in respect of assets] . Meaning of avräkningsbestämmel prices is to a person resident in Sweden are taxed here even for such income or capital under the Agreement may be taxed

in Bulgaria. The calculated tax is then reduced in principle with

the tax under the agreement have been levied in that other State . At the settlement applicable income tax provisions of 4:18 a.m. § § Law (1986:468) on the foreign tax credit (now 4-13 § § AvrL RSV 's note.) . Thereby calculated Swedish income tax on the income in the normal way . When revenue recognized thus less expenses attributable to such income. This deduction is allowed, however not for the tax paid in Bulgaria and covered by the agreement (fr.om 1991 Tax - Govt. 1989/90 : 47, SFS 1989:1039 - has the right to a cost deduction extended to also apply to foreign taxes covered of tax treaties , see Note 4 users . § 20 KL . Takes place

deduction for such a tax for which a cost deduction has with -

been given , the tax relief obtained by omkostnadsav Treaty reduce the settlement amount , see § 9 AvrL ; RSV 's note.) .

Exemptmetoden On the Swedish side of derogating from the credit of tax method in the cases provided for in paragraph 2 b) . Then apply in lieu of exemption method to eliminate double taxation. The same applies to a resident of Sweden who receives income from Bulgaria under Art. 16 paragraph 2 or species . 17th In these cases, the income is not

taken during taxation in Sweden . If the person has other income chargeable to state income tax , however, progression proviso in paragraph 2 d) become applicable. This provision involves first calculating the state income tax that would be payable if the taxpayer's entire income taxed only in Sweden. Then determined what percentage the thus calculated tax constitutes the entire taxable income on which taxes are calculated. With the thus obtained percentage tax is levied on the income to be taxed in Sweden. The procedure is used only if this leads to higher tax than would have

Govt. 1988/89 : 44 , the case is whether the tax only calculated on the in Sweden p.32 taxable income without regard to the progression proviso (cf. § 20 subsection 2 . Second paragraph of the state income tax) .

Exemption of Nor in the case referred to in paragraph 2 c) apply credit of dividend tax method. According to this paragraph shall be paid by companies in Bulgaria to companies resident in Sweden shall be exempt from

Taxation in Sweden to the extent dividends would have been exempt from taxation under Swedish law if both companies had been Swedish companies (cf. § 7 8 mom . { first through fifth paragraphs; RSV 's note . } for state tax) .

Prohibition in nature . 22 provides for the prohibition in some cases anti-discrimination discrimination in taxation . The procedure Mutual etc. agreement is governed by Art. 23 and Art. 24 contains provisions

provisions on the exchange of information.

RSV comment According to § 4 Act (1990:314) on administrative assistance in tax matters , the assistance with other Contracting State be via the National Tax . According to § 3 Ordinance (1990:320) on Mutual Administrative Assistance in Tax Matters , the further a Swedish authority in the investigation of a Swedish tax case finds task likely to affect any tax matter in a foreign state immediately report to the RSV.

Govt. 1988/89 : 44 p in art . 25 are certain regulations regarding members of 32 diplomatic missions or consulates.

Entry into Art. 26 and 27 provides for the entry into force of the Agreement and leaving the border and leaving .

According to Art. 26 , the two States shall notify each other when the constitutional requirements for entry into force have been met. The Agreement shall enter into force on the date of the later of these notifications and shall apply to income derived from it

1 January in the calendar year next following that in which the contract

comes into force and the capital owned from the calendar year next following that on which the Agreement enters into force. The agreement may be terminated only after it has been in force for at least five years.

5 Council on Legislation denominated

As shown in § 2 of the proposed law , the contract tax rules apply only to the extent that it involves infringement on the charge in Sweden that would otherwise exist . I think because of this and because of the nature of the proposal to the council hearing is not REQUIRED