Act (2008:1303) on agreements between Sweden and the Isle of Man for the avoidance of double taxation on individuals

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1 § The agreement between Kounungariket Sweden and the Isle of Man for the avoidance of double taxation on individuals, signed October 30, 2007 shall apply as law in this country. The contract is written in English. The English text and a Swedish translation in an appendix to this Act.
2 § Agreement taxation rules apply only to the extent that they present a barrier to the charge in Sweden that would otherwise exist.
3 § Repealed by *Act (2011:1425)* .

Transitional provisions

2008:1303
1. This Act comes into force on the day the Government.
2nd This Act shall apply to taxes levied for the fiscal year beginning January 1 of the year next following the year in which the Act enters into force.

Annex

(Translation)

AGREEMENT BETWEEN THE KINGDOM OF SWEDEN AND THE ISLE OF MAN FOR THE AVOIDANCE OF DOUBLE TAXATION ON INDIVIDUALS

The Government of the Kingdom of Sweden and the Government of the Isle of Man, desiring to conclude an Agreement for the avoidance of double taxation on individuals with respect to taxes on income, have agreed as follows:

Article 1

Individuals covered

This Agreement shall apply to individuals who are residents in one or both of the Parties.

Article 2

Taxes covered
1. The existing taxes to which the Agreement shall apply are:
(a) in the case of the Isle of Man:
taxes on income or profit;
(hereinafter referred to as “Manx tax");
(b) in the case of Sweden:
(I) the national income tax (state income tax);
(Ii) the income tax on non-residents (the income tax on non-residents);
(Iii) the income tax on non-resident artistes and athletes (the income tax on non-resident artists and others); and
(Iv) the municipal income tax (the municipal income tax)
(hereinafter referred to as “Swedish tax").
2. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Parties shall notify each other of any significant changes that have been made in their taxation laws concerning individuals.

Article 3

General definitions
1. For the purposes of this Agreement, unless the context otherwise requires:
(a) the term “a Party" means the Isle of Man or Sweden, as the context requires; the term “Parties" means the Isle of Man and Sweden;
(b) the term “Isle of Man" means the island of the Isle of Man;
(c) the term “Sweden" means the Kingdom of Sweden and, when used in a geographical sense, includes the national territory, the territorial sea of Sweden as well as other maritime areas over which Sweden in accordance with international law exercises sovereign rights or jurisdiction;

(d) the term “competent authority" means;
(i) in the case of the Isle of Man, the Assessor of Income Tax or his delegate;
(ii) in the case of Sweden, the Minister of Finance, his authorised representative or the authority which is designated as a competent authority for the purposes of this Agreement;
(e) the term “enterprise" applies to the carrying on of any business;
(f) the term “international traffic" means any transport by a ship or aircraft operated by an enterprise of a Party, except when the ship or aircraft is operated solely between places in the other Party.
2. As regards the application of the Agreement at any time by a Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Party for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

Article 4

Resident
1. For the purposes of this Agreement, the term “resident of a Party" means in respect of an individual any individual who, under the laws of that Party, is liable to tax therein by reason of his domicile, residence or any other criterion of a similar nature. This term, however, does not include an individual who is liable to tax in that Party in respect only of income from sources in that Party.
2. Where by reason of the provisions of paragraph 1 an individual is a resident in both Parties, then his status shall be determined as follows:
(a) he shall be deemed to be a resident only of the Party in which he has a permanent home available to him; if he has a permanent home available to him in both Parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closer (centre of vital interests);
(b) if the Party in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either Party, he shall be deemed to be a resident only of the Party in which he has an habitual abode;
(c) if he has an habitual abode in both Parties or in neither of them, the competent authorities of the Parties shall settle the question by mutual agreement.

Article 5

Income from employment
1. Subject to the provisions of Articles 6, 7, 8 and 9, salaries, wages and other similar remuneration derived by a resident of a Party in respect of an employment shall be taxable only in that Party unless the employment is exercised in the other Party. If the employment is so exercised, such remuneration as is derived therefrom may be taxed

in that other Party.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Party in respect of an employment exercised in the other Party shall be taxable only in the first-mentioned Party if:
(a) the recipient is present in the other Party for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned; and
(b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other Party; and
(c) the remuneration is not borne by a fixed place of business through which the business is wholly or partly carried on which the employer has in the other Party.
3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Party, may be taxed in that Party. Where a resident of Sweden derives remuneration in respect of an employment exercised aboard an aircraft operated in international traffic by the air transport consortium Scandinavian Airlines System (SAS), such remuneration shall be taxable only in Sweden.

Article 6

Directors' fees
Directors' fees and other similar payments derived by a resident of a Party in his capacity as a member of the board of directors of a company which is resident of the other Party may be taxed in that other Party.

Article 7

Artistes and sportsmen
1. Income derived by a resident of a Party as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Party, may be taxed in that other Party.
2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another individual or legal entity, that income may be taxed in the Party in which the activities of the entertainer or sportsman are exercised.

Article 8

Pensions
1. Pensions and other similar remuneration, disbursements under the Social Security legislation and annuities arising in a Party and paid to a resident of the other Party may be taxed in the first-mentioned Party.

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

Article 9

Government service

1. (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Party or a political subdivision or a statutory body or a local authority thereof to an individual in respect of services rendered to that Party or subdivision or body or authority shall be taxable only in that Party.

(b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Party if the services are rendered in that Party and the individual is a resident of that Party who did not become a resident of that Party solely for the purpose of rendering the services.

2. The provisions of Articles 5, 6 and 7 shall apply to salaries, wages, and other similar remuneration in respect of services rendered in connection with a business carried on by a Party or a political subdivision or a statutory body or a local authority thereof.

Article 10

Students

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

Article 11

Elimination of double taxation

1. In the Isle of Man double taxation shall be avoided as follows:

Subject to the provisions of the laws of the Isle of Man regarding the allowance as a credit against Manx tax of tax payable in a territory outside the Isle of Man (which shall not affect the general principle hereof);

(i) subject to the provisions of sub-paragraph iii), where a resident of the Isle of Man derives income which, in accordance with the provisions of this Agreement, may be taxed in Sweden, the Isle of Man shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in Sweden;

(ii) such deduction shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Sweden;
(iii) where a resident of the Isle of Man derives income which, in accordance with the provisions of this Agreement shall be taxable only in Sweden, the Isle of Man may include this income in the tax base, but shall allow as a deduction from the income tax that part of the income tax which is attributable to the income derived from Sweden.
2. In Sweden double taxation shall be avoided as follows:
(a) Where a resident of Sweden derives income which under the laws of the Isle of Man and in accordance with the provisions of this Agreement may be taxed in the Isle of Man, Sweden shall allow - subject to the provisions of the laws of Sweden concerning credit for foreign tax (as it may be amended from time to time without changing the general principle hereof) - as a deduction from the tax on such income, an amount equal to the Manx tax paid in respect of such income.
(b) Where a resident of Sweden derives income which, in accordance with the provisions of this Agreement, shall be taxable only in the Isle of Man, Sweden may, when determining the graduated rate of Swedish tax, take into account the income which shall be taxable only in the Isle of Man.

Article 12

Mutual agreement procedure
1. Where an individual considers that the actions of one or both of the Parties result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those Parties, present his case to the competent authority of the Party of which he is a resident. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Party, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Parties.
3. The competent authorities of the Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement.
4. The competent authorities of the Parties may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 13

Entry into force
1. This Agreement shall enter into force on the thirtieth day after the later of the dates on which each of the Parties has notified the other in writing that the procedures required by its law have been complied with.
2. The Agreement shall have effect:
(a) in the Isle of Man:
in respect of Manx tax, on tax chargeable for any tax year beginning on or after the sixth day of April of the year next following that in which the Agreement enters into force;
(b) in Sweden:
in respect of Swedish tax, on taxes chargeable for any tax year beginning on or after the first day of January of the year next following that in which this Agreement enters into force.
3. Notwithstanding paragraph 2 of this Article, this Agreement shall only have effect when the Agreement signed on 30 October 2007 between the Kingdom of Sweden and the Isle of Man for the exchange of information relating to tax matters shall have effect.

Article 14

Termination
1. This Agreement shall remain in force until terminated by a Party. Either Party may terminate the Agreement by giving written notice of termination at least six months before the end of any calendar year. In such event, the Agreement shall cease to have effect on taxes chargeable for any tax year beginning on or after the first day of January of the year next following the end of the six months period.
2. Notwithstanding paragraph 1 of this Article, this Agreement will be terminated, without giving notice of termination, on the date of termination of the Agreement signed on 30 October 2007 between the Kingdom of Sweden and the Isle of Man for the exchange of information relating to tax matters.
In witness whereof the undersigned being duly authorised thereto have signed this Agreement.
Done at Oslo, this Thirtieth day of October 2007, in duplicate in the English language.

For the Government of the Kingdom of Sweden

Hansson

For the Government of the Isle of Man

Allan Robert Bell

AGREEMENT BETWEEN THE KINGDOM OF SWEDEN AND THE ISLE OF MAN FOR THE AVOIDANCE OF DOUBLE TAXATION OF INDIVIDUALS

Government of Sweden and the Isle of Man Government, desiring to conclude an Agreement for the avoidance of double taxation on individuals with respect to taxes on income, have agreed as follows:

Article 1

Individuals on which the agreement

This Agreement shall apply to individuals who are residents of one or both of the parties.

Article 2

Taxes covered by the Agreement
1. The existing taxes to which this Convention shall apply are:
a) i Isle of Man:
taxes on income or profit
(Hereinafter referred to as "tax in the Isle of Man"),
b) in Sweden:
1. the state income tax,
the second the income tax for expatriates,
third the income tax on non-resident artistes and
fourth the municipal income tax
(Hereinafter referred to as "Swedish tax").
second The Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Parties shall notify each other of any significant changes which have been made in their respective taxation laws concerning individuals.

Article 3

General Definitions
1. Unless the context otherwise requires, the purposes of this Agreement, the following terms as defined below:
a) "a Party" means the Isle of Man or Sweden, as the context requires; "Parties" means the Isle of Man and Sweden, and
b) the "Isle of Man" refers to the Isle of Man,
c) the term "Sweden" means the Kingdom of Sweden and, when used in a geographical sense, means the territory of Sweden, the Swedish territorial sea and

other maritime areas over which Sweden in accordance with international law exercises sovereign rights or jurisdiction,
d) "competent authority" means:
1) Isle of Man, "the Assessor of Income Tax" or its befullmäktigade ombudsman,
2) in Sweden: finance minister, his befullmäktigade ombudsman or the official body åt Vilken uppdras att vara behörig official body large tillämpningen of this agreement,
e) "Making" intends to implement bedrivandet av varje form av rörelse,
f) "international management traffic" intends to implement transport Skepp or luftfartyg as används av Företag in a party building, except doe Skeppet or luftfartyget används uteslutande operation between platser the petitioners Party.
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Article 4

Resident
1. For the purposes of this Convention, the term "resident of a Party" in the case of an individual, a natural person who under the laws of that party is liable to tax therein by reason of his domicile, residence or other similar circumstances. This term does not include any individual who is liable to tax in that Party in respect only of income from sources in that Party.
2nd Where by reason of the provisions of paragraph 1 an individual is a resident of both Parties, then his status as follows:
a) he shall be deemed to be a resident only of the Party in which he has a permanent home available to him. If he has a permanent home in both parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closer (center of vital interests),
b) if it is not settled Party in which he has his center of vital interests or if he was not in either party has a permanent home available to him, he shall be deemed to be a resident only of the Party in which he usually resides,
c) if he has an habitual abode in both Parties or habitual abode in either of them, the competent authorities of the Parties shall settle the question by mutual agreement.

Article 5

Individual business
1. Subject to the provisions of Articles 6, 7, 8 and 9, salaries, wages and other similar remuneration derived by a resident of a Party in respect of an employment only in that Party unless the employment is exercised in the other party. If services are rendered in that other party, such remuneration as is derived therefrom may be taxed there.
2nd Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Party in respect of an employment exercised in the other party, only in the first-mentioned Party if
a) the recipient is present in the other party for a period or periods exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and
b) the remuneration is paid by the employer who is not a resident of the other party or on behalf of, and
c) the remuneration is not borne by a fixed place of business through which the employer has in the other party and from which business is wholly or partly carried on.
third Notwithstanding the preceding provisions of this Article, remuneration for employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Party may be taxed in that Party. Where a resident of Sweden derives remuneration for work carried out on board an aircraft operated in international traffic by the air transport consortium Scandinavian Airlines System (SAS), such remuneration shall be taxable only in Sweden.

Article 6

Directors' fees

Directors' fees and other similar remuneration derived by a resident of a Party in his capacity of member of the board of directors of a company resident in the other party, may be taxed in that other Party.

Article 7

Artistes and sportsmen
1. Income derived by a resident of a Party acquires from his personal activities of the other Party as an entertainer, such as theater, motion picture, radio or television artiste, or a musician, or as a sportsman, may be taxed in that other Party.
2 . Where income in respect of personal activities exercised by an entertainer or sportsman exercised in that capacity as such accrues not to the entertainer or sportsman himself but to another individual or legal person, that income may be taxed in the Party in which the entertainer or sportsman are exercised.

Article 8

Pension
1. Pensions and other similar remuneration, disbursements under the social security legislation and annuities arising from a Party and paid to a resident of the other Party may be taxed in the first-mentioned Party.
2nd The term "annuity" means a stated sum payable periodically at stated times during life or during a specified or ascertainable period of time and paid on the basis of obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 9

Government service
1. a) Salaries, wages and other similar remuneration, other than a pension, paid by a party, or a political subdivision or a statutory body or a local authority thereof to an individual in respect of services rendered to that Party or subdivision or body or authority shall be taxable only in that Party.
b) such salaries, wages and other similar remuneration shall be taxable only in the other Party if the services are rendered in that Party and the individual is a resident of that party and not become a resident of that Party solely to perform the work.
2nd The provisions of Articles 5, 6 and 7 shall apply to salaries, wages and other similar remuneration in respect of services rendered in connection with a business carried on by a Party or a political subdivision or a statutory body or local authority.

Article 10

Students

Student or business apprentice who is or was immediately before visiting a Party a resident of the other Party and present in the first-mentioned Party solely for education or training shall not be taxed in that Party for the amount he receives for his maintenance, education or practice, provided that such payments arise from sources outside that Party.

Article 11

Elimination of double taxation
1. The Isle of Man double taxation shall be avoided as follows:
With regard to the provisions of the Isle of Man legislation that allows tax paid in a territory other than the Isle of Man off against tax in the Isle of Man (without changing the general principle hereof):

1) if a resident of the Isle of Man derives income which, under the provisions of this Agreement may be taxed in Sweden, the Isle of Man - having regard to the provisions of 3) below - from the tax on the income of the person an amount equal to the income tax paid in Sweden,
2) the settlement amount shall not exceed the portion of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Sweden,
3) if a resident of the Isle of Man derives income which, under the provisions in this Agreement shall be taxable only in Sweden, the Isle of Man include this income in the tax base, but shall from income tax an amount equal to the portion of income that is attributable to the income derived from Sweden.
2nd In Sweden, the double taxation be avoided as follows:
a) Where a resident of Sweden derives income which under Isle of Man law and in accordance with the provisions of this Agreement may be taxed in the Isle of Man, Sweden - having regard to the provisions of Swedish legislation concerning credit for foreign tax (as they may be amended from time to time without changing the general principle hereof) - from the Swedish tax on such income, an amount equal to the tax paid on the income in the Isle of Man.
b) Where a resident of Sweden derives income which, in accordance with the provisions of this Agreement shall be taxable only in the Isle of Man, Sweden may, in calculating the Swedish tax into account the income that is taxed only in the Isle of Man.

Article 12

Mutual agreement
1. If an individual believes that one party or both parties made arrangements for him in result or will result in taxation not in accordance with the provisions of this Agreement, he may, without prejudice to his right to make use of the remedies of those Parties internal legal order, present his case to the competent authority of the Party of which he is a resident. The case must be presented within three years from the time the person first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
2nd If the competent authority finds the complaint justified and if it is not itself able to arrive at a satisfactory solution will resolve the case by mutual agreement with the competent authority of the other party in order to avoid taxation not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in its internal legislation.
third The competent authorities of the Parties shall by mutual agreement any difficulties or doubts arising as to the interpretation or application of the agreement.
4th The competent authorities of the Parties may communicate directly with each other to reach an agreement within the meaning of the preceding paragraphs.

Article 13

Entry into force
1. This Agreement shall enter into force on the thirtieth day after the date on which the last of the written communications - as the appropriate Government shall provide that the procedures required by its law - has been provided.
2nd Agreement shall be applied:
a) i Isle of Man:
in terms of tax in the Isle of Man for tax assessed for the tax year beginning 6 April of the year next following the year in which the Agreement enters into force or,
b) in Sweden:
in the case of Swedish tax, to tax chargeable for any taxable year beginning on January 1 of the year next following the year in which the Agreement enters into force.
third Notwithstanding paragraph 2 of this Article, this Agreement shall only apply where the agreement between the Kingdom of Sweden and the Isle of Man for the Exchange of Information in Tax Matters signed on 30 October 2007 will be applicable.

Article 14

Termination
1. This Agreement shall remain in force until terminated by a Party. Either party may terminate this Agreement by giving notice of termination at least six months before the end of any calendar year. In such event, the Agreement shall cease to have effect in respect of taxes imposed for taxable years beginning January 1 of the year immediately following the expiry of the six month period.
2nd Notwithstanding paragraph 1 of this Article, this Agreement shall cease to have effect, without written notice, the date of the Agreement between the Kingdom of Sweden and the Isle of Man for the Exchange of Information in Tax Matters signed on 30 October 2007 will expire.
In witness whereof the undersigned, being duly authorized thereto, have signed this Agreement.
DONE at Oslo on 30 October 2007 in duplicate in the English language.

For the Government of Sweden

Hansson

Isle of Men för government

Allan Robert Bell