

Act (2004:982) concerning agreements between the Swedish Trade Council and the Taipei Mission in Sweden with respect to taxes on income

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1 § The agreement for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income as the Swedish Trade Council and the Taipei Mission in Sweden, signed on 8 June 2001, together with the Annex attached to the Agreement and constituting a part thereof, apply as law in this country in those parts as shown in the Annex to this Act.

2 § Agreement taxation rules apply only to the extent they involve restriction of the charge in Sweden that would otherwise exist.

3 § Repealed by *Act (2011:1411)* .

4 § If a provision of the agreement leads to modification shall be taken in respect of taxation related to state or municipal tax, the Tax adopt such an amendment. *Act (2011:1411)* .

5 § What the agreement is on the National Tax (National Tax Board) shall instead refer to the Swedish Tax Agency (Swedish Tax Agency).

Transitional Provisions

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

2nd The law applies

a) in respect of withholding taxes, on income derived on or after 1 January in the calendar year next following the year in which the Act comes into force or later, and

b) in respect of other taxes, for taxes chargeable for any tax year beginning on 1 January of the year next following the year in which the Act comes into force.

Annex

Agreement between the Swedish Trade Council and the Taipei Mission in Sweden for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income

Article 1

Personal scope

This Agreement shall apply to persons who are residents of one or both of the territories.

Article 2

Taxes covered

1. The existing taxes to which this Agreement shall apply are:

(a) in the territory in which the taxation laws administered by the National Tax Board (Riksskatteverket) are applied:

(I) the national income tax (state income tax);

(ii) the withholding tax on dividends (kupongskatten);

(iii) the income tax on non-residents (den särskilda income tax for non-residents);

(iv) the income tax on non-resident artistes and athletes (den income tax on non-resident artists and others); and

(V) the municipal income tax (the municipal income tax);

(b) in the territory in which the taxation laws administered by the taxation authorities in Taipei are applied:

the profit seeking enterprise income tax and the individual consolidated income tax.

2. The Agreement shall apply also to any identical or substantially similar taxes which 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 territories shall notify each other of any significant changes which have been made in their respective taxation laws.

Article 3

General definitions

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

(a) the term "territory" means the territory referred to in sub-paragraph 1 (a) or 1 (b) of Article 2, as the context requires;

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

(c) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

(d) the terms "enterprise of a territory" and "enterprise of the other territory" mean respectively an enterprise carried on by a resident of a territory and an enterprise carried on by a resident of the other territory;

(e) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a territory, except when the ship or aircraft is operated solely between places in the other territory;

(f) the term "competent authority" means:

(i) in the territory in which the taxation laws administered by the taxation authorities in Taipei are applied, the Director-General of the Department of Taxation or an authorized representative of the Director-General;

(ii) in the territory in which the taxation laws administered by the National Tax Board (Riksskatteverket) are applied, the National Tax Board (Riksskatteverket) or the authority which is designated as a competent authority for the purposes of this Agreement.

2. As regards the application of the Agreement at any time by a territory, 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 territory for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that territory prevailing over a meaning given to the term under other laws of that territory.

Article 4

Resident

1. For the purposes of this Agreement, the term "resident of a territory" means any person who, under the laws of that territory, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature. However, in the case of a partnership or estate the term applies only to the extent that the income derived by such partnership or estate is subject to tax in that territory as the income of a resident, either in its hands or in the hands of its partners or beneficiaries.

2. A person is not a resident of a territory for the purposes of this Agreement if the person is liable to tax in that territory in respect only of income from sources in that territory, provided that this paragraph shall not apply to individuals who are residents of the territory referred to in sub-paragraph 1(b) of Article 2, as long as resident individuals are taxed only in respect of income from sources in that territory.

3. Where by reason of the provisions of paragraph 1 an individual is a resident of both territories, then his status shall be determined as follows:

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

(b) if the territory 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 territory, he shall be deemed to be a resident only of the territory in which he has an habitual abode;

(c) if he has an habitual abode in both territories or in neither of them, the competent authorities of the territories shall endeavour to settle the question by mutual agreement.

4. Where by reason of the provisions of paragraph 1 a person other than an individual

is a resident of both territories, then it shall be deemed to be a resident only of the territory in which its place of incorporation is situated.

Article 5

Permanent establishment

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

2. The term "permanent establishment" includes especially:

(a) a place of management;

(b) a branch;

(c) an office;

(d) a factory;

(e) a workshop;

(f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; and

(g) the furnishing of services, including consultancy services, in a territory by an enterprise of the other territory through employees or other personnel engaged by the enterprise for such purpose, but only where those activities (for the same or a connected project) within the first-mentioned territory continue for a period or periods aggregating more than 120 days within any twelve-month period.

3. A building site or a construction, assembly or installation project or supervisory activities in connection therewith constitutes a permanent establishment only if such site, project or activities continue for a period of more than nine months.

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

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

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

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

(d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;

(e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character, such as advertising or scientific research;

(f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (a) to (e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 6 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a territory an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that territory in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise of a territory shall not be deemed to have a permanent establishment in the other territory merely because it carries on business in that other territory through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

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

Article 6

Income from immovable property

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

2. The term "immovable property" shall have the meaning which it has under the law of the territory in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, buildings, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

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

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

Article 7

Business profits

1. The profits of an enterprise of a territory shall be taxable only in that territory

unless the enterprise carries on business in the other territory through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other territory but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a territory carries on business in the other territory through a permanent establishment situated therein, there shall in each territory be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the business of the permanent establishment, including executive and general administrative expenses so incurred, whether in the territory in which the permanent establishment is situated or elsewhere.

4. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

5. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

6. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

Shipping and air transport

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

2. For the purpose of this Article, profits from the operation of ships or aircraft in international traffic shall include:

- (a) profits from the use, maintenance or rental of containers and related equipment;
- (b) profits from the rental of ships or aircraft on a full time, voyage or bare boat basis; if such use, maintenance or rental is incidental to the operation of ships or aircraft in international traffic.

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

4. Whenever companies have agreed to carry on an air transportation business together in the form of a consortium, the provisions of paragraphs 1, 2 and 3 shall apply only to such part of the profits of the consortium as relates to the participation held in that consortium by a company that is a resident of a territory.

Article 9

Associated enterprises

1. Where:

(a) an enterprise of a territory participates directly or indirectly in the management, control or capital of an enterprise of the other territory, or
(b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a territory and an enterprise of the other territory, and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a territory includes in the profits of an enterprise of that territory - and taxes accordingly - profits on which an enterprise of the other territory has been charged to tax in that other territory and the profits so included are profits which would have accrued to the enterprise of the first- mentioned territory if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other territory shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the territories shall if necessary consult each other.

Article 10

Dividends

1. Dividends paid by a company which is a resident of a territory to a resident of the other territory may be taxed in that other territory.

2. However, such dividends may also be taxed in the territory of which the company paying the dividends is a resident and according to the laws of that territory, but if the beneficial owner of the dividends is a resident of the other territory, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends. The competent authorities of the territories may by mutual agreement settle the mode of application of this limitation.

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

3. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the territory of which the company making the distribution is a resident.

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

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

Article 11

Interest

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

2. However, such interest may also be taxed in the territory in which it arises and according to the laws of that territory, but if the beneficial owner of the interest is a resident of the other territory, the tax so charged shall not exceed 10 per cent of the gross amount of the interest. The competent authorities of the territories may by mutual agreement settle the mode of application of this limitation.

3. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.

4. Notwithstanding the provisions of paragraph 2, any such interest as is mentioned in paragraph 1 shall be taxable only in the territory of which the recipient is a resident if such recipient is the beneficial owner of the interest and if one of the following requirements is fulfilled:

(a) the interest is paid in respect of a loan granted or guaranteed by:

(i) in the case of the territory referred to in sub-paragraph 1

(a) of Article 2, Swedfund International AB or the Swedish Export Credit Corporation (SEK) or an organization which has replaced any of these organizations,

(ii) in the case of the territory referred to in sub-paragraph 1

(b) of Article 2, such agencies and instrumentalities of that territory as may be agreed from time to time between the competent authorities,

(b) the interest is paid in respect of a bond, debenture or other similar obligation of a public entity of a territory, or of a subdivision or a local authority thereof,

(c) the interest is paid to a public entity of the other territory or a subdivision or a local authority thereof, a central bank of that other territory or to any instrumentality (including a financial institution) controlled by that entity or subdivision or local authority thereof, or

(d) the interest is paid between banks.

5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a territory, carries on business in the other territory in which the interest arises, through a permanent establishment situated therein, or performs in that other territory independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

6. Interest shall be deemed to arise in a territory when the payer is a resident of that territory. Where, however, the person paying the interest, whether he is a resident of a territory or not, has in a territory a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the territory in which the permanent establishment or fixed base is situated.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each territory, due regard being had to the other provisions of this Agreement.

Article 12

Royalties

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

2. However, such royalties may also be taxed in the territory in which they arise and according to the laws of that territory, but if the beneficial owner of the royalties is a resident of the other territory, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the territories may by mutual agreement settle the mode of application of this limitation.

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

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a territory, carries on business in the other territory in which the royalties arise, through a permanent establishment situated therein, or performs in that other territory independent personal services from 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 of Article 7 or Article 14, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a territory when the payer is a resident of that territory. Where, however, the person paying the royalties, whether he is a resident of a territory or not, has in a territory a permanent establishment or a fixed base in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the territory in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each territory, due regard being had to the other provisions of this Agreement.

Article 13

Capital gains

1. Gains derived by a resident of a territory from the alienation of immovable property referred to in Article 6 and situated in the other territory, or from the alienation of shares in a company the assets of which consist principally of such property, may be taxed in that other territory.

2. Gains from alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a territory has in the other territory or of movable property pertaining to a fixed base available to a resident of a territory in the other territory for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other territory.

3. Gains derived by a resident of a territory from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that territory. Whenever companies have agreed to carry on an air transportation business together in the form of a consortium, the provisions of this paragraph shall apply only to such part of the gains of the consortium as relates to the participation held in that consortium by a company that is a resident of a territory.

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

5. Notwithstanding the provisions of paragraph 4, gains from the alienation of shares or other corporate rights in a company resident in a territory, and gains from the alienation of any other securities which are subjected in that territory to the same taxation treatment as gains from the alienation of such shares or other corporate rights, derived by an individual who has been a resident of that territory and who has become a resident of the other territory, may be taxed in the first- mentioned territory if the alienation of the shares, other corporate rights or securities occurs at any time during the ten years next following the date on which the individual has ceased to be a resident of the first-mentioned territory.

Article 14

Independent personal services

1. Income derived by an individual who is a resident of a territory in respect of professional services or other activities of an independent character shall be taxable only in that territory unless he has a fixed base regularly available to him in the other territory for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other territory but only so much thereof as is attributable to that fixed base.

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

Article 15

Dependent personal services

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a territory in respect of an employment shall be taxable only in that territory unless the employment is exercised in the other territory. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other territory.

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

of a territory in respect of an employment exercised in the other territory shall be taxable only in the first-mentioned territory if:

(a) the recipient is present in the other territory 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 territory; and

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

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 territory may be taxed in that territory. Where a resident of a territory derives remuneration in respect of an employment exercised aboard an aircraft operated in international traffic by an air transport consortium of which a company which is a resident of that territory is a partner, such remuneration shall be taxable only in that territory.

Article 16

Directors' fees

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

Article 17

Artistes and sportsmen

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a territory as an artiste, 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 territory, may be taxed in that other territory.

2. Where income in respect of personal activities exercised by an artiste or a sportsman in his capacity as such accrues not to the artiste or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the territory in which the activities of the artiste or sportsman are exercised.

Article 18

Pensions, annuities and similar payments

1. Pensions and other similar remuneration, disbursements under the social security legislation and annuities arising in a territory and paid to a resident of the other

territory may be taxed in the first-mentioned territory.

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 19

Public service

1. Salaries, wages and other similar remuneration, other than a pension, paid by an authority administering a territory or a subdivision of that territory or a local authority of that territory, to an individual in respect of services rendered to that authority, subdivision or local authority shall be taxable only in that territory. However, such salaries, wages, and other similar remuneration shall be taxable only in the other territory if the services are rendered in that other territory and the recipient is a resident of that other territory who:

- (i) is a national of that territory; or
- (ii) did not become a resident of that territory solely for the purpose of rendering the services.

2. The provisions of Articles 15, 16 and 17 shall apply to salaries, wages and other similar remuneration in respect of services rendered in connection with any trade or business carried on by an authority administering a territory or a subdivision or a local authority thereof.

Article 20

Students

Payments which a student or business apprentice who is or was immediately before visiting a territory a resident of the other territory and who is present in the first-mentioned territory 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 territory, provided that such payments arise from sources outside that territory.

Article 21

Other income

1. Items of income of a resident of a territory, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that territory.

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a territory, carries on business in the other territory through a permanent establishment situated therein, or performs in that other territory independent personal services from a fixed base situated therein, and the right or

property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

Article 22

Methods of elimination of double

taxation

Subject to the provisions of the law of a territory from time to time in force relating to the allowance of a credit against tax payable in that territory of tax paid outside that territory (which shall not affect the general principle of this Article), tax paid under the law of the other territory and in accordance with this Agreement, whether directly or by deduction, in respect of income derived by a person who is a resident of the first-mentioned territory from sources in the other territory shall be allowed as a credit against tax payable in the first-mentioned territory in respect of that income. The amount of the credit, however, shall not exceed the amount of the tax in the first-mentioned territory on that income computed in accordance with its taxation laws and regulations.

Article 23

Non-discrimination

1. Nationals of a territory shall not be subjected in the other territory to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other territory in the same circumstances, in particular with respect to residence, are or may be subjected.
2. The taxation on a permanent establishment which an enterprise of a territory has in the other territory shall not be less favorably levied in that other territory than the taxation levied on enterprises of that other territory carrying on the same activities. This provision shall not be construed as obliging a territory to grant to residents of the other territory any personal allowances, reliefs or reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Except where the provisions of paragraph 1 of Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a territory to a resident of the other territory shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned territory.
4. Enterprises of a territory, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other territory, shall not be subject in the first-mentioned territory to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and

connected requirements to which other similar enterprises of the first-mentioned territory are or may be subjected.

5. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

Article 24

Mutual agreement procedure

1. Where a person considers that the actions of one or both of the territories 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 territories, present his case to the competent authority of the territory 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 endeavor, 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 territory, 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 territories.

3. The competent authorities of the territories shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the territories may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 25

Exchange of information

1. The competent authorities of the territories shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the territories concerning taxes covered by the Agreement, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1. Any information received by the competent authority of a territory shall be treated as secret in the same manner as information obtained under the domestic laws of that territory and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities

shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a territory the obligation:

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

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

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

Article 26

Limitation on benefits

Notwithstanding any other provisions of this Agreement, where

(a) a company that is a resident of a territory derives its income primarily from outside that territory

(i) from activities such as banking, shipping, financing or insurance or

(ii) from being the headquarters, co-ordination centre or similar entity providing administrative services or other support to a group of companies which carry on business primarily outside the first-mentioned territory; and

(b) except for the application of the method of elimination of double taxation normally applied by that territory, such income would bear a significantly lower tax under the laws of that territory than income from similar activities carried out within that territory or from being the headquarters, co-ordination centre or similar entity providing administrative services or other support to a group of companies which carry on business in that territory, as the case may be,

any provisions of this Agreement conferring an exemption or a reduction of tax shall not apply to the income of such company and to the dividends paid by such company.

Annex

Visa fees, passport fees, legalization fees (of documents) and interests received by the Taipei Mission in Sweden and the Swedish Trade Council in Taipei or their successors carrying on activities promoting trade, investment and cultural exchange between the territories, shall be taxable only in the territory on whose behalf the activities are carried on.

In respect of Article 10

If in the relation between the territory referred to in sub- paragraph 1 (b) of Article 2 and a third territory, being a member of the European Union, the first-mentioned territory would exempt dividends from tax or reduce the rate of tax on dividends below 10 per cent, such exemption or reduced rate shall automatically apply as if it had been specified in the Agreement. This provision shall, however, only apply to dividends where the beneficial owner is a company (other than a partnership) which holds at least 10 per cent of the voting power of the company paying the dividends.

In respect of Article 11

It is understood that an instrumentality (including a financial institution) is controlled by an entity or subdivision or local authority thereof if that entity or subdivision or local authority thereof holds at least 50 per cent of the capital of that instrumentality.

In respect of Article 12

If in the relation between the territory referred to in sub- paragraph 1 (b) of Article 2 and a third territory, being a member of the European Union, the first-mentioned territory would exempt royalties from tax or reduce the rate of tax on royalties below 10 per cent, such exemption or reduced rate shall automatically apply as if it had been specified in the Agreement.

In respect of Article 19

Salaries, wages and other similar remuneration, other than a pension, paid by the Taipei Mission in Sweden and the Swedish Trade Council in Taipei for services rendered to that Mission or Council shall be deemed to be paid by and rendered to an authority administering a territory.

This Annex shall form an integral part of the Agreement.

Agreement between the Swedish Trade Council and the Taipei Mission in Sweden for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income

Article 1

Persons to whom this Agreement applies

This Agreement shall apply to persons who are residents of one of the territories or in both territories.

Article 2

Taxes covered by the Agreement

1. The existing taxes to which this Convention shall apply are:

a) in the territory where the tax laws administered by the National Tax applies:

- 1) the State income
- 2) the withholding tax,
- 3) the income tax on non-residents,
- 4) the income tax on non-resident artists

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- 5) the municipal income tax

b) in the territory where the tax laws administered by the tax authorities in Taipei applied:

income tax for commercial enterprises and individual income tax.

2nd The Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the territories shall notify each other of any significant changes which have been made in their respective taxation laws.

Article 3

General Definitions

1. Unless the context otherwise have the purpose of this agreement the following terms as defined below:

a) "territory" means the territory defined in Article 2, paragraphs 1 a) and 1 b), depending on the context,

b) the term "person" includes an individual, a company or other body of persons,

c) "company" means any body corporate or any which for tax purposes is treated as a legal person,

d) the terms "enterprise of a territory" and "enterprise of the other territory" means an enterprise carried on by a resident of a territory and an enterprise carried on by a resident of the other territory,

e) "international traffic" means any transport by a ship or aircraft operated by an enterprise of a territory, except when the ship or aircraft is operated solely between places in the other territory

f) "competent authority" means:

- 1) in the territory where the tax code that

administered by the tax authorities in Taipei applied, the Director General of the Tax Division or his authorized representative;

- 2) into the territory where the tax code that

administered by the National Tax applies, the National Tax Board or the authority which is designated as a competent authority for the purposes of this Agreement.

2nd When the agreement applies in any territory at any time shall, unless the context otherwise requires, any term not defined therein shall have the meaning which it has at that time under the territory's laws concerning the taxes to which the Convention

applies, any meaning under the applicable tax laws of that territory prevailing over a meaning given to the term under other laws of that territory.

Article 4

Resident

1. For the purposes of this Convention, the term "resident of a territory" under the laws of that territory is liable to tax therein by reason of his domicile, residence, place of management or any other similar circumstance. Respect of income derived by a partnership, the term applies such person only to the extent that its income is taxed in the territory in the same way as the income of a resident, either in hands or of its partners or beneficiaries.

2 . For the purpose of this Agreement is held by a person is not a resident of a territory if the person is liable to tax in the territory only of income from sources in that territory. This paragraph does not apply to natural persons who are residents of the territory referred to in Article 2, paragraph 1 b), as long as individuals resident in this territory are taxed only on income from sources in that territory.

third Where by reason of the provisions of paragraph 1 an individual is a resident of both territories, his status as follows:

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

4th Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both territories, such person shall be deemed to be a resident only of the territory in which its place of incorporation.

Article 5

Permanent establishment

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

2nd The term "permanent establishment" includes especially:

- a) a place of management,
- b) branch,
- c) an office,

- d) a factory,
- e) a workshop,
- f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources, and
- g) the provision of services, including consultancy services, in a territory of an enterprise of the other territory through employees or other personnel engaged by the enterprise for such purpose, but only where those activities (for the same or connected project) within the former territory during a period or periods exceeding in the aggregate 120 days in any twelve month period.

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

4th Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall not include:

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

5th If a person - which is not an independent status to whom paragraph 6 applies - which is effective for a company has, and habitually exercises, in a territory authority to conclude contracts in the name considered this company - notwithstanding the provisions of paragraphs 1 and 2 - have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise. This does not apply if the activities of such person are limited to those mentioned in paragraph 4 which - if exercised through a fixed place of business - would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. Enterprises of a territory are not considered to have a permanent establishment in the other territory merely because it carries on business in that other territory through a broker, general commission agent or any other agent of independent status, provided that such persons are acting in the ordinary course of business.

7. The fact that a company resident in a territory controls or is controlled by a

company resident in the other territory or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6

Income from immovable property

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

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

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

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

Article 7

Profits

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

2nd If firms in a territory carries on business in the other territory through a permanent establishment, provision, unless the provisions of paragraph 3 to the contrary, in each territory to that permanent establishment the profits which it might be assumed that establishment would have acquired if it had been a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

third In determining the permanent establishment shall be allowed as deductions expenses which are incurred for the permanent establishment, including costs for executive and general administrative expenses, whether incurred in the territory 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 For the purposes of the preceding paragraphs, the profits attributable to the permanent establishment by the same method year by year unless there is good and sufficient reason to the contrary.

6. Included in capital operating income which are dealt with separately in other Articles of this Convention, then the provisions of those articles of the regulations of this article.

Article 8

Maritime and aviation

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

2nd For the purposes of this Article, profits from the operation of ships or aircraft in international traffic:

- a) profits from the use, maintenance or rental of containers and related equipment,
- b) income from time charters (full time), voyage (voyage), or rental of unmanned (bareboat) ship or aircraft

if such use, maintenance or rental is of secondary importance in relation to the operation of ships or aircraft in international traffic.

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

4th When two or more companies have agreed to operate an air transportation business together in the form of a consortium, the provisions of paragraphs 1, 2 and 3 in respect only of that part of the consortium's income that relates to the participation held in that consortium by a company is a resident of a territory.

Article 9

Associated enterprises

1. Where

- a) an enterprise of a territory directly or indirectly in the management or control of an enterprise of the other territory or take part in this company's capital, or
- b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a territory and an enterprise of the other territory or take part in both their capital, observed the following.

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

2nd In cases where a territory in the profits of an enterprise of that territory - and taxes accordingly - profits on which an enterprise of the other territory may be taxed in that other State and the profits so included are profits which would have accrued to the enterprise in the first-mentioned territory if the conditions made between the two enterprises had been those which would be made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of taxes levied on the income of that territory. In determining such adjustment, due to the other provisions of this Agreement and the competent authorities of the territories shall if necessary consult each other.

Article 10

Dividends

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

2nd Dividends may also be taxed in the territory in which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other territory, the tax may not exceed 10 percent of the gross amount. The competent authorities of the territories may agree on the mode of application of this limitation.

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

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

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

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

Article 11

Interest

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

2nd Such interest may also be taxed in the territory in which it arises and according to the laws of that State, but if the beneficial owner is a resident of the other territory, the tax so charged shall not exceed 10 per cent of the gross amount. The competent authorities of the territories may by mutual agreement settle the mode of application of this limitation.

third The term "interest" as used in this Article means income from any kind of claim, whether secured by mortgage on immovable property or not, and either carrying a right to participate in the debtor or not. In particular, income from securities issued by public bodies 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.

4th Notwithstanding the provisions of paragraph 2, interest, referred to in paragraph 1 shall be taxable only in the territory where the recipient is a resident if the beneficial owner of the interest rate and if any of the following conditions exist:

a) the interest is paid in respect of loans granted or guaranteed by:

1) in the case of the territory referred to in Article 2, paragraph 1

a), Swedfund or Swedish Export Credit Corporation (SEK) or an organization that has replaced any of these organizations,

2) in the case of the territory referred to in Article 2, paragraph 1

b) such bodies in the territory of the competent authorities agree,

b) the interest is paid in respect of a bond, debenture or other similar obligation of a public body in the territory, or from one of its subdivisions or local authorities,

c) interest is paid to a public body in the other territory or a subdivision or a local authority or central bank of that other territory or to any instrumentality (including a financial institution) controlled by the agency or any of its subdivisions or local authorities , or

d) the interest paid between banks.

5th The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest is a resident of a territory, carries on business in the other territory in which the interest arises, through a permanent establishment situated therein, or performs independent personal services in that other State independent personal services from fixed base, the claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

6. Interest shall be deemed to arise in a territory when the payer is a resident of that territory. If, however, the person paying the interest, whether he is a resident of a territory or not, in a territory a permanent establishment or a fixed base in connection

with which the indebtedness on which the interest is paid, and such interest is borne by such permanent establishment or fixed base, is considered interest arise in the territory in which the permanent establishment or fixed base is situated.

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

Article 12

Royalty

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

2nd Royalties may also be taxed in the territory in which it arises and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other territory, the tax so charged shall not exceed 10 percent of gross royalties. The competent authorities of the territories may agree on the mode of application of this limitation.

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

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

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

6. Where by reason of a special relationship between the payer and the beneficial owner of the royalties, or between both of them and some other person, with respect

to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner of the royalties, if such relationship existed, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under the laws of each territory in compliance with the other provisions of this Agreement.

Article 13

Capital gains

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

2nd Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a territory has in the other territory or of movable property pertaining to a fixed base for the exercise of independent professional activity, as a resident of a territory has in the other territory may be taxed in that other territory. The same applies to profits from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base.

third Gains derived by a resident of a territory from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in that territory. When two or more companies have agreed to operate an air transportation business together in the form of a consortium, the provisions of this paragraph in respect only of that part of the consortium's profits as corresponds to the participation held in that consortium by a company which is resident in a territory.

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 territory of which the alienator is a resident.

5th Gains from the alienation of shares or other rights in companies resident in a territory, and profits from the alienation of any other securities for tax purposes in that territory the same treatment as a gain on the sale of such shares or other rights in company, acquired by an individual who was resident in this State and who has been a resident of the other territory may - notwithstanding the provisions of paragraph 4 - taxed in the first-mentioned territory if the transfer of the shares, rights or securities occurs at any time during the ten years following immediately after the person ceased to be a resident of the first-mentioned territory.

Article 14

Independent personal

1. Income derived by an individual who is a resident of a territory from the

performance of professional services or other independent activities shall be taxable only in that territory if he is not in the other territory has a fixed base regularly available to him in order to pursue the activity. If he has such a fixed base, the income may be taxed in that other State but only so much of them as is attributable to that fixed base.

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

Article 15

Individual business

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

2nd Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a territory in respect of an employment exercised in the other territory, only in the first-mentioned territory if:

- a) the recipient is present in the other territory 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 territory 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 territory.

third Notwithstanding the preceding provisions of this Article, remuneration for work performed aboard a ship or aircraft operated in international traffic by an enterprise of a territory may be taxed in that State. If a resident of a territory in respect of an employment exercised aboard an aircraft operated in international traffic by an aviation consortium, in which a company resident in that territory is a partner, be taxable only in that territory.

Article 16

Directors' fees

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

Article 17

Artistes and sportsmen

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

2nd 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 person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the territory in which the artist or sportsman are exercised.

Article 18

Pensions, annuities and similar payments

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

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 19

Government service

1. Salaries, wages and other similar remuneration, other than a pension, paid by an authority administering a territory or a subdivision of this State or a local authority, to an individual in respect of services rendered to that authority, or subdivision or local authority shall be taxable only in that territory. Such salaries, wages and other similar remuneration shall be taxable only in the other territory if the services are rendered in that State and the recipient is a resident of this State and:

- 1) is a citizen of this State, or
- 2) did not become a resident of that territory solely to perform the work.

2nd The provisions of Articles 15, 16 and 17 shall apply to salaries, wages and other similar remuneration in respect of services rendered in connection with a business carried on by an authority administering a territory or a subdivision or a local authority.

Article 20

Students

Amounts student or business apprentice who is or was immediately before visiting a territory, a resident of the other territory and who reside in the former territory exclusively for education or training receives for the purpose of his maintenance, education or training shall not be taxed in that territory provided that such payments arise from sources outside that territory.

Article 21

Other income

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

2nd The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in Article 6, paragraph 2, if the recipient of such income, being a resident of a territory, carries on business in the other territory through a permanent establishment situated therein, or performs independent personal services in that other territory from which the fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

Article 22

Methods for elimination of double taxation

With regard to the provisions of the law of a territory, even in the version in the future they can get, regarding the deduction from tax payable in the territory of tax paid outside the territory (which does not affect the general principle of this Article), the tax paid under the law of the other territory and in accordance with this Agreement, whether directly or by deduction, in respect of income derived by a resident of the first-mentioned territory from sources in the other territory shall be deducted from the tax payable in the former territory in respect of that income. Such deduction shall not exceed the tax in the first-mentioned territory on that income in question, calculated in accordance with the taxation laws and regulations.

Article 23

Prohibition of discrimination

1. Citizen of a territory is not in the other territory to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected.

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

third Except where the provisions of Article 9, paragraph 1, Article 11, paragraph 7 of Article 12, paragraph 6 apply, interest, royalties and other payments from the company in a territory to a resident of the other territory deductible in determining taxable income for such an undertaking on the same terms as payment to a resident of the first-mentioned territory.

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

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

Article 24

Mutual Agreement Procedure

1. If a person believes that a territory or both territories 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 legal remedies available in these territories internal legal systems, present his case to the competent authority in the territory in which they are domiciled. The case must be presented within three years from the time the person first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.

2nd If the competent authority finds the complaint justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other territory in order to avoid taxation not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic laws of territories.

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

4th The competent authorities of the territories may communicate directly with each other in order to reach an agreement in the sense of the preceding paragraphs.

Article 25

Exchange of Information

1. The competent authorities of the territories shall exchange such information as is necessary to implement the provisions of this Agreement or in the territories domestic laws concerning taxes covered by the Agreement insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Article 1. Disclosures as the authority in a territory received shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) as the assessment, collection or collects the taxes covered by the Agreement or prosecution or appeal in respect of these taxes. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2nd The provisions of paragraph 1 be construed so as to impose on a territory that:

- a) to carry out administrative measures at variance with the laws and administrative practice of that territory or in the other territory,
- b) to supply information which is not obtainable under the laws or in the normal administrative practice of that territory or in the other territory,
- c) to supply information which would disclose business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.

Article 26

Limitation on benefits

Notwithstanding the other provisions of this Agreement, if

a) a company resident in a territory derives its income mainly outside this territory

1) from activities such as banking, shipping, finance or insurance, or

2) by being the headquarters, co-ordination center or

similar entity providing administrative and other support to a group of companies that conduct business primarily outside the former territory, and

b) such income, in cases other than where the application is made by the method of avoiding double taxation normally applicable to this territory are taxed significantly lower according to the territory's laws than the income of similar activities in that territory or income from operations as its headquarters, co-ordination center or similar entity providing administrative and other support to a group of companies that conduct business in that territory,

the provisions of this Agreement which an exemption from taxation or reduction of tax does not apply to the income of such company and not the dividends paid by such company.

Annex

Fees for visa, passport and legalization (of documents) and interest received by the Taipei Mission in Sweden and the Swedish Trade Council in Taipei or their successors engaged in activities promoting trade, investment and cultural exchange between territories, shall be taxable only in that territory on whose behalf the business is conducted.

In respect of Article 10

If the territory referred to in Article 2, paragraph 1 b) in relation to a third territory, which is a member of the European Union, exempts dividends from tax or reduce the tax rate on dividends below 10 percent, should such exemption or reduction is automatically applied as if it had been specified in this Agreement. This provision shall apply only to dividends where the beneficial owner is a company (other than a partnership) holding at least 10 percent of the paying company's total voting power.

In respect of Article 11

It is agreed that an instrumentality (including a financial institution) is controlled by an agency or subdivision or local authority agency or subdivision or local authority holds at least 50 percent of the institution's capital.

In respect of Article 12

If the territory referred to in Article 2, paragraph 1 b) in relation to a third territory, which is a member of the European Union, except royalties from tax or reduce the tax rate on royalties to less than 10 percent, shall such exemption or reduction is automatically applied as if it had been specified in this Agreement.

In respect of Article 19

Wages and other similar remuneration, other than a pension, paid by the Taipei Mission in Sweden and the Swedish Trade Council in Taipei for work performed for the Mission or Council, shall be deemed to be paid by and rendered to an authority administering a territory .

This Annex is an integral part of the Agreement.