

Ordinance (1977:580) on the double taxation treaty between Sweden and Tanzania

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The agreements to avoid double taxation with respect to taxes on income and wealth as Sweden and Tanzania signed May 2, 1976 shall redound to after correcting for Sweden. Content of the agreement set out in Annex 1 to this Regulation. For the purposes of the Agreement shall be taken to the instructions attached thereto as Annex 2.

Appendix 1

Convention between Sweden and Tanzania for the Avoidance of double Taxation with Respect to Taxes on Income and Capital

The Government of the Kingdom of Sweden and the Government of the United Republic of Tanzania, desiring to conclude a Convention for the avoidance of double taxation with respect to taxes on income and capital, have agreed as follows:

Article 1

Personal scope

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

Taxes covered

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

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

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

a) In the case of Sweden:

1. the State income tax, including sailors' tax and coupon tax;
 2. the tax on undistributed profits of companies and the tax on distribution in connection with reduction of share capital or the winding-up of a company;
 3. the tax on public entertainers;
 4. the communal income tax; and
 5. the State capital tax;
- (hereinafter referred to as "Swedish tax").

b) In the case of Tanzania:

the income tax and any other tax deemed to be an income tax under the Income Tax Act;

(hereinafter referred to as "Tanzanian tax").

4. The Convention shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Convention in addition to, or in place of, the above-mentioned taxes.

The competent authorities of the Contracting States shall notify to each other any substantial changes which have been made in their respective taxation laws.

Article 3

General definitions

1. In this Convention, unless the context otherwise requires:

a) the term "Sweden" means the Kingdom of Sweden and includes any area outside the territorial sea of Sweden within which under the laws of Sweden and in accordance with international law the rights of Sweden with respect to the exploration and exploitation of the natural resources on the sea-bed or in its sub-soil may be exercised;

b) the term "Tanzania" means the United Republic of Tanzania, including any area outside the territorial waters of Tanzania which, in accordance with international law, has been or may be designated, under the laws of Tanzania concerning the Continental shelf, as an area over which Tanzania may exercise sovereign rights with respect to the exploration for and exploitation of natural resources;

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

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

e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

g) the term "competent authority" means in the case of Sweden, the Minister of Finance or his authorized representative and in the case of Tanzania, the Minister for Finance or his authorized representative;

h) the term "nationals" means:

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

2) all legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State;

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

2. As regards the application of the Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

Article 4

Fiscal domicile

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature. But this term does not include any person who is liable to tax in that Contracting State in respect only of income from sources therein or capital situated in that State.

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

a) He shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him. If he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closest (centre of vital interests);

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

- c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident of the Contracting State of which he is a national;
 - d) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management is situated.

Article 5

Permanent establishment

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the business of the enterprise is wholly or partly carried on.
2. The term "permanent establishment" shall include especially:
 - a) a place of management;
 - b) a branch;
 - c) an office;
 - d) a factory;
 - e) a workshop;
 - f) a mine, oil well, quarry or other place of extraction of natural resources;
 - g) a building site or construction or assembly project which exists for more than six months.
3. 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 for collecting information, for the enterprise;
 - e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character, for the enterprise.
4. A person acting in a Contracting State on behalf of an enterprise of the other Contracting State—other than an agent of an independent status to whom paragraph 5 applies—shall be deemed to be a permanent establishment in the first-mentioned State if he has, and habitually exercises in that State, an authority to conclude contracts in the name of the enterprise, unless his activities are limited to the purchase of goods or merchandise for the enterprise.
5. An enterprise of a Contracting State shall not be deemed to have a permanent

establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, where such persons are acting in the ordinary course of their business.

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

Article 6

Income from immovable property

1. Income from immovable property including income from agriculture or forestry may be taxed in the Contracting State in which such property is situated.

2. a) Subject to the provisions of subparagraph b) the term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated;

b) the term "immovable property" shall in any case include property accessory to immovable property, live-stock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be 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 income from immovable property used for the performance of professional services.

Article 7

Business profits

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

2. Subject to the provisions of paragraph 4 where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State 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. If an enterprise of a Contracting State, which has a permanent establishment in the other Contracting State, sells goods or merchandise otherwise than through the permanent establishment of the same or similar kind as those sold by the permanent establishment, or renders otherwise than through the permanent establishment services of the same or similar kind as those rendered by the permanent establishment the profits of such activities may be attributed to the permanent establishment unless the enterprise proves that such sales or services are not attributable to the activity of the permanent establishment.

4. 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 permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere, but this does not include any expenses which under the law of that State would not be allowed to be deducted by an independent enterprise of that State.

5. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles embodied in this Article.

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

7. 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.

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

Article 8

Air transport and shipping

1. Profits derived by an enterprise of a Contracting State from the operation of aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.

2. Profits derived by an enterprise of a Contracting State from the operation of ships in international traffic may be taxed in both Contracting States according to the law of each Contracting State.

3. Where an enterprise of a Contracting State derives profits referred to in paragraph 2 from operations in the other Contracting State, then;

a) such profits shall be deemed not to exceed an amount equal to 5 per cent of the gross amount derived by the enterprise from transporting passengers or freight embarked in that other State;

b) the tax chargeable on such profits in that other State shall be reduced by 50 per cent.

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

Article 9

Associated enterprises

Where

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

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

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.

Article 10

Dividends

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

2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but the tax so charged shall not exceed:

a) 15 per cent of the gross amount of the dividends if the recipient is a company which owns at least 25 per cent of the voting shares of the company paying the dividends during the period of six months immediately preceding the date of payment of the dividends;

b) 25 per cent of the gross amount of the dividends in all other cases.

The competent authorities of the Contracting States shall 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 assimilated to income from shares by the taxation law of the State of which the company making the distribution is a resident.

4. Notwithstanding the provisions of paragraph 1, dividends paid by a company being a resident of Tanzania to a company which is a resident of Sweden shall be exempt from tax in Sweden to the extent that the dividends would have been exempt under Swedish law if both companies had been Swedish companies. This exemption shall not apply unless the profits out of which the dividends are paid have been subjected in Tanzania to the normal income tax which applies at the date of signature of this Convention or an income tax comparable thereto, or the principal part of the profits of the company paying the dividends arises, directly or indirectly, from business activities other than the management of securities and other similar property and such activities are carried on within Tanzania by the company paying the dividends or by a company in which it owns at least 25 per cent of the voting power.

5. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein or performs in that other State professional 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 a case the provisions of Article 7 or Article 15, as the case may be, shall apply.

6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company or subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in that other State. The provisions of this paragraph shall not prevent that other State from taxing dividends paid to residents of that State or dividends relating to a holding which is effectively connected with a permanent establishment or fixed base maintained in that other State by a resident of the first-mentioned State.

Article 11

Interest

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

2. However, such interest may be taxed in the Contracting State in which it arises, and according to the law of that State, but the tax so charged shall not exceed 15 per cent of the amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

3. The term "interest" as used in this Article means income from Government securities, bonds or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income assimilated to income from money lent by the taxation law of the State in which the income arises.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State professional 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 a case, the provisions of Article 7 or Article 15, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the interest paid, 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 recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

Article 12

Royalties

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

2. However, such royalties may be taxed in the Contracting State in which they arise, and according to the law of that State, but the tax so charged shall not exceed 20 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall 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, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial, or scientific equipment, or for information concerning industrial, commercial or scientific experience.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State professional 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 a case, the provisions of Article 7 or Article 15, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, 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 recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

Article 13

Capital gains

1. Gains from the alienation of immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing professional services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains from the alienation of movable property of the kind referred to in paragraph 3 of Article 23 shall be taxable only in the Contracting State in which such movable property is taxable

according to the said Article.

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

4. The provisions of paragraph 3 shall not affect the right of a Contracting State to levy according to its own law a tax on capital gains from the alienation of any property derived by an individual who is a resident of the other Contracting State and has been a resident of the first-mentioned Contracting State at any time during the seven years immediately preceding the alienation of the property.

Article 14

Management or professional fees

1. Management or professional fees arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1 of Article 15 such management or professional fees may, however, be taxed in the Contracting State in which they arise, and according to the law of that State, but the tax so charged shall not exceed 20 per cent of the gross amount of the fees.

3. The term "management or professional fees" as used in this Article means payments of any kind to any person, other than to an employee of the person making the payments, in consideration for any services of a managerial, technical, professional or consultancy nature.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the management or professional fees, being a resident of a Contracting State, carries on business in the other Contracting State in which the fees arise, through a permanent establishment situated therein, or performs in that other State professional services from a fixed base situated therein, and the services giving rise to the fees are effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 or Article 15, as the case may be, shall apply.

5. Management or professional fees shall be deemed to arise in a Contracting State when the payer is that Contracting State itself, a political subdivision, a local authority or a resident of that State. Where, however, the person paying the fees, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment in connection with which the liability to pay the fees was incurred, and such fees are borne by such permanent establishment, then such fees shall be deemed to arise in the Contracting State in which the permanent establishment is situated.

Article 15

Independent personal services

1. Subject to the provisions of Article 14, income derived by a resident of a

Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other Contracting State but only so much of it 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 16

Dependent personal services

1. Subject to the provisions of Articles 17, 19, 20 and 21, salaries, wages, and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the calendar year concerned, and

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

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

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment exercised aboard a ship or aircraft in international traffic, may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

Article 17

Directors' fees

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

Article 18

Artistes and athletes

1. Notwithstanding the provisions of Articles 15 and 16, income derived by

entertainers, such as theatre, motion picture, radio or television artistes, and musicians, and by athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised.

2. Where income in respect of personal activities as such of an entertainer or athlete accrues not to that entertainer or athlete himself but to another person that income may, notwithstanding the provisions of Articles 7, 15 and 16 be taxed in the Contracting State in which the activities of the entertainer or athlete are exercised.

3. The provisions of paragraphs 1 and 2 shall not apply to services of entertainers and athletes, if their visit to a Contracting State is supported wholly or substantially from public funds of the other Contracting State.

Article 19

Pensions and payments under public social security schemes

1. Subject to the provisions of paragraph 2 of Article 20, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

2. Notwithstanding the provisions of paragraph 1 payments made under the Public Social Security Scheme of a Contracting State may be taxed in that State.

Article 20

Government service

1. a) Remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or local authority thereof shall be taxable only in that State.

b) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident of that other Contracting State who:

(i) is a national of that State; or

(ii) did not become a resident of that State solely for the purpose of performing the services; or

(iii) is not subject to tax in respect of such remuneration in the Contracting State from which the remuneration is paid.

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

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

3. The provisions of Articles 16, 17 and 19 shall apply to remuneration and pensions

in respect of services rendered in connection with any business carried on by a Contracting State or a political subdivision or a local authority thereof.

Article 21

Students

1. A student or business apprentice who is present in a Contracting State for the purposes of this education or training and who is, or was immediately before his stay in that State, a resident of the other Contracting State, shall be exempt from tax in the first-mentioned Contracting State on:

- (i) payments made to him by persons residing outside that first-mentioned State for the purposes of this maintenance, education or training; and
- (ii) remuneration for personal services performed in that first-mentioned State provided the remuneration does not exceed 9500 Swedish Crowns or its equivalent in Tanzanias currency for any taxable year.

2. The benefits under sub-paragraph (ii) of paragraph 1 shall extend only for such period of time as may be reasonably or customarily required to complete the education or training undertaken but shall in no event exceed a period of three consecutive years.

Article 22

Other income

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

Article 23

Capital

1. Capital represented by immovable property, as defined in paragraph 2 of Article 6, may be taxed in the Contracting State in which such property is situated.
2. Capital represented by movable property forming part of the business property of a permanent establishment of an enterprise, or by movable property pertaining to a fixed base used for the performance of professional services, may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.
3. Ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. All other elements of capital of a resident of a Contracting State shall be taxable only in that State.

Article 24

Elimination of double taxation

1. Where a resident of Sweden derives income or owns capital which, in accordance with the provisions of this Convention, may be taxed in Tanzania, Sweden shall allow:

a) as a deduction from the tax on the income of that person, an amount equal to the income tax paid in Tanzania;

b) as a deduction from the tax on the capital of that person, an amount equal to the capital tax paid in Tanzania.

2. The deduction in either case shall not, however, exceed that part of the income tax or capital tax, respectively, as computed before the deduction is given, which is appropriate, as the case may be, to the income or the capital which may be taxed in Tanzania.

3. Subject to the provisions of the law of Tanzania regarding the allowance as a credit to a Tanzanian resident against Tanzanian tax of tax payable in a territory outside Tanzania, Swedish tax payable under the laws of Sweden and in accordance with this Convention, whether directly or by deduction, in respect of income from sources within Sweden shall be allowed as a credit against any Tanzanian tax payable in respect of that income. The credit shall not, however, exceed the Tanzanian tax, computed before allowing any such credit, which is appropriate to the income derived from Sweden.

4. Where a resident of a Contracting State derives income or owns capital which, in accordance with the provisions of this Convention, shall be taxable only in the other Contracting State, the first- mentioned State may include this income or capital in the tax base but shall allow as a deduction from the income tax or capital tax that part of the income tax or capital tax, respectively, which is appropriate, as the case may be, to the income derived from or capital owned in the other Contracting State.

5. For the purpose of paragraphs 1 (a) and 2 the term "tax paid in Tanzania" shall be deemed to include any amount which would have been payable as Tanzanian tax for any year but for:

(i) any investment deduction granted under paragraph 24, 25 or 26 of the Second Schedule to the Income Tax Act; or

(ii) any other provisions which may subsequently be enacted granting an exemption or reduction of tax which the competent authorities of the Contracting States agree to be for the purpose of economic development.

6. The provisions of paragraph 5 (i) shall apply for the first 10 years for which this Convention is effective but the competent authorities of the Contracting States may consult each other to determine whether this period shall be extended.

Article 25

Non-discrimination

1. The nationals of a Contracting State whether or not they are residents of one of the

Contracting States, shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents, nor as conferring any exemption from tax in a Contracting State in respect of dividends or other payments paid to a company which is a resident of the other Contracting State.

The provisions of the first sub-paragraph shall not prevent a Contracting State from imposing tax, according to the domestic legislation of this State, on income received by a permanent establishment, if the permanent establishment belongs to a joint stock company or similar company resident in the other Contracting State. The taxation shall, however, correspond to the taxation applied with respect to joint stock companies or similar companies resident in the first-mentioned Contracting State on their undistributed profits.

3. Except where the provisions of Article 9, paragraph 6 of Article 11, or paragraph 6 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same condition as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible as if they had been contracted to a resident of the first-mentioned State.

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

5. In this Article the term "taxation" means taxes of every kind and description.

Article 26

Mutual agreement procedure

1. Where a resident of a Contracting State considers that the actions of one or both of

the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident. This case must be presented within three years of the first notification of the action which gives rise to taxation not in accordance with the Convention.

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 an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention. Any agreement reached shall be implemented notwithstanding any time limits in the national laws of the Contracting States.

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

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable in order to reach agreement to have an oral exchange of opinions, such exchange may take place through a Commission consisting of representatives of the competent authorities of the Contracting States.

Article 27

Exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention and of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is in accordance with this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those concerned with the assessment or collection of the taxes which are the subject of the Convention.

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

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

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

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy. Article 28

Diplomatic and consular officials

Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

Article 29

Entry into force

1. This Convention shall come into force on the date on which the last of all such things shall have been done in Tanzania and Sweden as are necessary to give the Convention the force of law in Tanzania and Sweden respectively. In the case of Sweden the Convention shall be ratified.
2. The Contracting States shall notify each other of the completion of the requirements mentioned in paragraph 1 of this Article. Such notifications shall be exchanged at Dar es Salaam as soon as possible.
3. This Convention shall enter into force upon the exchange of such notifications and shall have effect, in the case of income derived on or after 1st January next following the year in which the exchange of notifications takes place, and in the case of capital which is assessed in or after the second calendar year next following that in which the exchange of notifications takes place.
4. The arrangements for relief from double taxation in relation to income tax and taxes of similar character made between the Government of Sweden and the Government of the United Kingdom by a Convention dated the 30th day of March, 1949, and applied with certain modifications to Tanganyika and Zanzibar by an Exchange of Notes dated the 28th day of May, 1958, shall cease to have effect from the date on which the present Convention becomes effective.

Article 30

Termination

This Convention shall remain in force until denounced by one of the Contracting States. Either Contracting State may denounce the Convention, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year following after a period of 5 years from the date on which the Convention enters into force. In such event the Convention shall cease to have effect in the case of income derived on or after 1st January next following the year in which such notice is given and in the case of capital which is assessed in or after the second calendar year next following that in which such notice is given.

In witness whereof the undersigned, duly authorized thereto, have signed this Convention.

Done in duplicate at Stockholm this 2nd day of May, 1976, in the English language.

For the Government of

the Kingdom of Sweden:

Sven Andersson

For the Government of the

United Republic of Tanzania:

Amil Jamal

Appendix 1

(Translation)

Agreement between Sweden and Tanzania for the avoidance of double taxation with respect to taxes on income and wealth

Government of Sweden and the United Republic of Tanzania Government, prompted by the desire to enter into an agreement for the avoidance of double taxation with respect to taxes on income and capital, have agreed upon the following provisions:

Article 1

Persons covered by the Agreement

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

Article 2

Taxes covered by the Agreement

1. This Agreement shall apply to taxes on income and wealth, which is extracted from each of the Contracting States or a political subdivision or local authorities, irrespective of the manner in which they are levied.

2nd With taxes on income and on capital all taxes imposed on total income or total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property and taxes on capital appreciation.

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

a) With respect to Sweden:

- 1) State income tax, sailor tax and coupon tax;
- 2) compensation tax and the distribution tax;
- 3) the tax on public entertainers;
- 4) the municipal income tax; and
- 5) the State capital tax;

(Hereinafter referred to as "Swedish tax").

b) for Tanzania:

Income tax and any other tax under the Income Tax Act ("Income Tax Act") is considered as an income tax

(Hereinafter called "Tanzanian tax").

4th This Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of this Convention in addition to, or in place of, the existing taxes.

The competent authorities of the Contracting States shall notify each other of any significant changes that have occurred in their respective taxation laws.

Article 3

General Definitions

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

a) the term "Sweden" means the Kingdom of Sweden, including any area outside the territorial sea of Sweden, in which Sweden under Swedish law and in conformity with international law, the rights with respect to the exploration and exploitation of natural resources in the seabed or the subsoil thereof.

b) The term "Tanzania" means the United Republic of Tanzania, including any area outside the territorial waters of Tanzania which, in conformity with international law, according to the laws of Tanzania on the continental shelf has been or may be designated as an area in which Tanzania may exercise its sovereign rights with respect to the exploration and exploitation of natural resources.

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

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

e) the term "company" means any body corporate or any entity which for tax purposes is treated as a body corporate.

f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State.

g) the term "competent authority" means, in Sweden, the Minister of Finance or his authorized representative, and

in Tanzania, the Minister of Finance or his authorized representative.

h) the term "national" means:

- 1) natural persons who are nationals of a Contracting State;
- 2) any legal person or association, incorporated under the laws of a Contracting State.

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

2nd Where a Contracting State shall apply this Agreement shall, unless the context otherwise requires, any term, whose meaning is not stated specifically, have the meaning which it has under the law of that State concerning the taxes covered by the Agreement.

Article 4

Fiscal domicile

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other similar circumstance. Term does not include a person who is liable to tax in that Contracting State in respect only of income from sources in that State or capital situated therein.

2nd Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined under the following rules:

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

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

Article 5

Permanent establishment

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the company 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, oil well, quarry or other place of extraction of natural resources;
- g) a building site or construction or assembly project which exists for more than six months.

third The term "permanent establishment" shall not be deemed to 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 solely for storage, display or delivery,
- c) the maintenance of a company belonging inventories solely for processing or processing by another enterprise,
- d) the maintenance of a fixed place of business solely for the purpose of purchase of merchandise or of collecting information, for the enterprise,
- e) the maintenance of a fixed place of business solely for the purpose that was for business purposes of advertising, for the supply of information, for scientific research or for similar activities which have a preparatory or auxiliary character.

4th A person acting in a Contracting State for the enterprise of the other Contracting State - other than contemplated not such an independent status within the meaning of paragraph 5 - treated as a permanent establishment in the first-mentioned State if he has, and in this first-mentioned State, an authority to conclude contracts in the name as well as his activities are limited to the purchase of goods on behalf of the company.

5th Enterprises of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of independent status, provided that such persons are acting in the ordinary business operations.

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

Article 6

Property

1. Income from immovable property including income from agriculture or forestry may be taxed in the Contracting State in which such property is situated.

2.a) Subject to the provisions of paragraph b) otherwise requires, the term "immovable property" shall have the meaning which it has under the laws of the State in which the property in question is situated.

b) the term 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, 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.

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

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

Article 7

Movement

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

2nd An enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, shall, where non provisions of paragraph 4 to the contrary, in each Contracting State to the permanent establishment attributed the profits, as it is believed that the establishment would have acquired 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.

third Where an enterprise of a Contracting State a permanent establishment in the other Contracting State, sells goods which are of the same or similar kind as those sold by the permanent establishment or provide services that are of the same or similar kind as those provided by the permanent establishment, the income from such activities is considered attributable to the permanent establishment unless the company shows that the sale or provision of services is not attributable to the permanent establishment venture activity.

4th Upon determination of the profits attributable to the permanent establishment, a deduction for expenses incurred for the permanent establishment - including costs for executive and general management - whether incurred in the Contracting State in which the permanent establishment is situated, or elsewhere. These provisions do not include any costs that under the law of that State would not have been deductible by an independent enterprise in the state.

5th To the extent that income attributable to a permanent establishment is determined in a Contracting State on the basis of a distribution of the company's total profits of the different parts of the company, the provisions of paragraph 2 do not preclude that Contracting State from the taxable income is determined by such a process. The procedure shall be such that the result is consistent with those of this article stated principles.

6. No profits shall be attributed to a permanent establishment by reason that the goods purchased by that permanent establishment of merchandise for the enterprise.

7. For the purposes of the preceding paragraphs, the profits attributable to the permanent establishment by the same method year by year unless special circumstances dictate otherwise.

8. Included in operating income is income which is dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be of the rules in this article.

Article 8

Aviation and shipping

1. Profits derived by an enterprise of a Contracting State from the operation of aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management is situated.

2nd Profits derived by an enterprise of a Contracting State from the operation of ships in international traffic may be taxed in both Contracting States according to each State.

third Where an enterprise of a Contracting State derives income referred to in paragraph 2 by activities in the other Contracting State, the following applies:

a) The income shall be deemed not to exceed an amount equal to 5 percent of its gross revenues from the carriage of passengers or goods embarked in that other State;

b) the tax chargeable on the income of that other State shall be reduced by 50 percent.

4th The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

Article 9

Associated Enterprises

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

b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State, or takes part in both their capital, observed the following.

Between the two enterprises in their commercial or financial relations made or prescribed 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 concerned not so accrued, may be included in that enterprise and taxed accordingly.

Article 10

Dividends

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

2nd Dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but the tax so charged shall not exceed:

a) 15 percent of the gross amount if the recipient is a company for at least six months immediately preceding the date of payment of the dividend owns at least 25 percent of the voting shares of the company paying the dividend,

b) 25 percent of the gross dividends in all other cases .

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

The provisions of 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, claims not included, with the right to participate in profits as well as income from other corporate rights in a company or other income, the taxation law of the State in which the distributing company is resident equated with dividends.

4th Notwithstanding the provisions of paragraph 1, the dividends from a company resident in Tanzania to companies resident in Sweden shall be exempt from taxation in Sweden insofar as such dividends under Swedish law would have been exempt if both companies had been Swedish companies. This exemption commences though not with less profits, of which the dividend is paid, in Tanzania was subjected to the usual income tax payable at the time of signature of this Agreement or comparable income tax or the main part of the distributing company's income directly or indirectly from other activities than the management of securities and therefore similar property and the activities are conducted in Tanzania by the distributing company or any company

in which it owns shares representing at least 25 percent of the voting power of all shares.

5th The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends is a resident of a Contracting State, carries on business through a permanent establishment in the other Contracting State of which the company paying the dividends is a resident, or performs in that other State from the one in which situated fixed base and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15.

6. Where a company which is a resident of a Contracting State derives income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, nor any tax on the company's undistributed profits, even if the dividends paid or the undistributed profits entirely or partly consists of income arising in such other State. This paragraph does not prevent that other State taxing dividends paid to residents of this State, or dividends attributable to the proportion that is effectively connected with a permanent establishment or a fixed base available to a resident of the first-mentioned State in the second State.

Article 11

Interest

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

2nd Such interest may also be taxed in the Contracting State in which it arises and according to the law of that State but the tax so charged shall not exceed 15 percent of the interest amount. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

third The term "interest" as used in this Article means income from securities issued by the state, from bonds or debentures, whether issued secured by property or not and whether they carry the right to participate in profits or not. The term refers also capital of any other claims and all other income under the tax laws of the State in which the income is derived assimilated to income from pre-stretch.

4th The provisions of paragraphs 1 and 2 shall not apply if the recipient of the interest is a resident of a Contracting State, carries on business through a permanent establishment in the other Contracting State in which the interest arises, or performs in that other State from which the fixed base situated therein 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 15.

5th Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If the person paying the interest, whether he is a resident of a Contracting State or not, has a permanent establishment in a Contracting State of which the indebtedness on which

the interest accrues and the interest rate borne by such permanent establishment, be deemed to be interest arise in the Contracting State; which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, that it paid the interest amount with regard to the debt, for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient of such relationship existed, The provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under the laws of each Contracting State, due to the other provisions of this Agreement.

Article 12

Royalty

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

2nd Royalties may also be taxed in the Contracting State in which it arises in accordance with the law of that State but the tax so charged shall not exceed 20 percent of gross royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

third The term "royalties" as used in this Article, any kind received as a consideration for the use of or right to use any copyright of literary, artistic or scientific work including cinematograph films, any patent, trade mark, design or model, plan, secret formula or fabrication method or for the use of or right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience.

4th The provisions of paragraphs 1 and 2 shall not apply if the recipient of the royalties is a resident of a Contracting State, carries on business through a permanent establishment in the other Contracting State in which the royalties arise, or performs in that other State from which the fixed base situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15.

5th Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If the person paying the royalties, whether he is a resident of a Contracting State or not, has a permanent establishment in a Contracting State of which the right or property giving rise to the royalties, and such royalties are borne by such permanent establishment, be deemed to arise from the Contracting State in which the permanent establishment is situated.

6. Where, owing to a special relationship between the payer and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right, property or information for which they are paid, exceeds the

amount which would have been agreed upon between payer and the recipient of such relationship existed, the provisions of this Article only for that amount. In such case, the excess amount under the laws of each Contracting State, due to the other provisions of this Agreement.

Article 13

Capital gains

1. Gains from the alienation of immovable property referred to in Article 6, paragraph 2, may be taxed in the Contracting State in which such property is situated.

2nd Gains from the alienation of movable property pertaining to the assets accrued in a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base for the performance of professional services, which a resident of a Contracting State has in the other Contracting State may be taxed in that other State. The corresponding gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base. Gains from the alienation of movable property referred to in Article 23, paragraph 3, shall be taxable only in the Contracting State in which such movable property is taxable under that article.

third Gains from the alienation of other than in paragraphs 1 and 2 shall be taxable only in the Contracting State of which the alienator is a resident.

4th The provisions of paragraph 3 shall not affect a Contracting State may, under its own law a tax on such gains from the alienation of any kind of property that is acquired by an individual who is a resident of the other Contracting State and who has been a resident of the first-mentioned Contracting State for any part of the last seven years prior to the transfer.

Article 14

Management or professional fees

1. Management or professional fees, arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2nd Notwithstanding the provisions of paragraph 1 of Article 15, however, such compensation for management or professional fees taxed in the Contracting State in which it arises under the laws of that State, but the tax so charged shall not exceed 20 percent of the gross amount of.

third The term "management or professional fees" as used in this Article, any kind of payment to a person who is not an employee of payments, in consideration for services of a managerial, technician, consultant or other professionals.

4th The provisions of paragraphs 1 and 2 shall not apply if the recipient of the remuneration is a resident of a Contracting State, carries on business through a permanent establishment in the other Contracting State in which the compensation is

derived or performs in that other State from which the fixed base situated therein, and remuneration is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 15.

5th Management or professional fees deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If the person paying the royalties - whether he is a resident of a Contracting State or not - has a permanent establishment in a Contracting State to which the obligation to pay compensation is tied and fees are borne by the permanent establishment, be deemed to be compensation to arise in the Contracting State , in which the permanent establishment is situated.

Article 15

Profession

1. Subject to the provisions of Article 14, salaries, taxable income derived by a resident of a Contracting State in respect of professional services or other independent activities only in that State unless he is not in the other Contracting State has a permanent device regularly available to him for the conduct of business. If he has such a fixed base, the income may be taxed in that other Contracting 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 as that of doctors, lawyers, engineers, architects, dentists and accountants

This missing Articles 16-30

Appendix 2

Instructions

A. General Instructions

Whether and to what extent a person is liable to tax in Sweden is decided primarily on the basis of the Swedish tax statutes. If, under these provisions chargeability not exist, can such nor enter because of the agreement. To the extent that the agreement involves restriction of the charge in Sweden, as prescribed in the Swedish tax statutes, the contract shall however redound to the following correction.

Although the Agreement taxpayer income or capital wholly or in part shall be exempt from tax in Sweden, the taxpayer shall submit all information for the guidance of taxation which he would otherwise have been obliged to leave.

If the taxpayer can show that the measure taxing authority or court has taken has resulted or will result in taxation not inconsistent with the rules, he gets under Art. 26, paragraph 1, request for rectification. Such request is made by the government and should be filed as soon as possible after the taxpayer received the knowledge of the illegal industrial taxation.

Such examination of the application of the Agreement referred to in the preceding paragraph may be exercised by an individual, who is resident or ordinarily resident in Sweden, or the Swedish legal person or, if his case comes under the species. 25, paragraph 1, of Swedish citizens.

Most types of income are specifically addressed in the contract. Some special species of income - eg certain types of periodic maintenance - are not mentioned in the agreement. In such cases the species. 22.

Some elements of capital are especially treated in nature. 23 paragraphs 1-3. Otherwise there will be taxation under Art. 23, paragraph 4. Cf also Art. 24.

B. Special instructions

to species. 1 and 4

Agreement's provisions are generally applicable only to natural and legal persons who are domiciled in Sweden and Tanzania.

Whether natural or legal person shall be deemed to be a resident of either Contracting State is determined primarily on the basis of the laws of this state. In nature. 4, paragraphs 2 and 3 for the situation of so-called dual residence, ie. cases where the taxpayer according to Swedish taxation rules are considered resident in Sweden, according to Tanzanian taxation rules are considered resident in Tanzania. For the purposes of this Agreement shall in such cases, the taxpayer is deemed to be a resident only of the Contracting State of which he is a resident under that avtalsbe rules.

Person referred to in 69 § Municipal Tax Act (1928:370), 17 § Law (1947:576) on state income tax and 17 § Law (1947:577) on state property tax, for the purposes of art. 4 is resident in Sweden, to the best question is whether Swedish embassy or paid off Swedish consulates in Tanzania.

Person referred to in § 70 subsection 1. Municipal Tax Act (1928:370), § 18 subsection 1. Act (1947:576) on state income tax and 18 § Law (1947:577) on state property tax, for the purposes of art. 4 is resident in Tanzania, to the best question is about Tanzanian mission or paid off Tanzanian Consulate in Sweden.

to species. 2

The agreement applies to the taxes referred to in Art. 2nd Regarding other taxes but see Art. 25 point 5.

to species. 6

Under Swedish tax law, income derived from property, in some cases as capital movement (cf. eg § 27 Municipal Tax Act (1928:370)). Income covered by Art. 6 taxable always in the state where the property is located. This rule also applies to

royalties from real property or for the use of or the right to work, mineral deposits, sources, and other natural resources.

Other royalties are taxed under Art. 12.

to species. 7

The profits carried on through a permanent establishment may be taxed as a rule under

Art. 7th What is meant by the term "permanent establishment" referred to in Art. 5th

If natural or legal person resident in Sweden carries on business through a permanent

establishment in Tanzania, it may to establishment attributable income is taxed in

Sweden but Tanzanian tax on income is deducted from the Swedish tax under Art. 24

paragraphs 1 and 2. Regarding the deduction in certain cases where the Tanzanian tax

has been remitted (art. 24, paragraph 5) and the procedure for settlement, please refer

to the instructions point 2 to species. 24.

The profits of the natural or legal person resident in Tanzania operates from a

permanent establishment in Sweden, calculated according to art. 7 points 2 and 4. The

basis for income tax should be primarily the separate accounts that may have been

introduced by the permanent establishment. Where necessary, these records shall be

adjusted so that revenue is in accordance with the provisions specified in the said

law. Deductions are allowed for as much of the head office overheads that can

reasonably be considered to be due on the permanent establishment. When revenue is

observed further that income from the sale or provision of services referred to in

Art. 7 paragraph 3 allowed the calculation of the permanent establishment's business

income, unless the taxpayer shows that sales or services will not be attributed to the

activities of the establishment.

If the income of shipping and aircraft in international traffic are special provisions in

art. 8.

to species. 8

1st Income of aircraft in international traffic shall be taxable under Art. 8 paragraph 1

only in the State in which the place of effective management is situated.

2nd If natural or legal resident of Sweden derives income from Tanzania of ships in

international traffic shall be taxable income in Sweden but Tanzanian tax on income is

deducted from the Swedish tax. In that regard observed that the Tanzanian tax has

been calculated on an income that does not exceed 5% of the gross revenues acquired

by the transport of passengers or goods are taken on board in Tanzania, and to the thus

estimated taxes have been reduced to half the amount (Art. 8 paragraph 3). In the case

of deduction in certain cases where the Tanzanian tax has been remitted (Article 24,

paragraph 5) and the procedure for settlement, please refer to the instructions point 2

to species. 24th

third If natural or legal person resident in Tanzania derives income from Sweden of

ships in international traffic shall be taxable income here, if it can be done under

current tax rules. In the calculation of the Swedish tax shall under Art. 8 paragraphs 2

and 3, the following shall apply.

The net proceeds of maritime movement in the usual manner. If the net taxable income thereby exceed an amount equivalent to 5% of the gross revenues earned from the carriage of passengers or goods that have been taken on board in Sweden, estimated net income, however, to the latter amount. Both the state and municipal income tax on that income in maritime operations to be reduced to half the amount. The rateable Board shall record the declaration of the data needed for billing. Length Operator authority responsible for such a note is transferred to the income and debit lengths.

to species. 9

Part. 9 contains a general rule of translation of profit distribution between group companies. For Sweden, recalculation on assessment made in accordance with § 43 subsection 1. Municipal Tax Act (1928:370).

Do such conversion between companies in Sweden and Tanzania, the tax manager notify the Government and briefly describe what occurred.

to species. 10

1st What is meant by the term "dividends" as stated in art. 10 paragraph 3.

2nd When natural or legal resident of Sweden derives dividends from a company resident in Tanzania and the dividend is not attributable to a share, which is effectively connected with a permanent establishment or a fixed base which the dividend-have in Tanzania, observed the provisions of the second and third paragraphs.

If the dividend is supported by the corporation or business association, the payout is exempt from tax in Sweden as far as art. 10 paragraph 4 requires it. The Swedish rules on the exemption from tax for dividends referred to in Art. 10 paragraph 4, see § 54 of the Municipal Tax Act (1928:370) and 7 § Law (1947:576) on state income tax. The issue of deduction for interest on debt, which is attributable to shares in the Tanzanian company, is deemed for the purposes of § 39 subsection 1. municipal law as a dividend, for which the exemption is granted under the agreement was exempt from tax under § 54 of the same Act.

In other cases calculated Swedish tax on the gross dividends without deduction of Tanzanian tax. Deductions are allowed, however, as usual, for administrative expenses and interest on debt that is attributable to the dividend. Swedish tax on dividends was reduced under Art. 24 paragraphs 1 and 2 by offsetting Tanzanian tax collected under Art. 10 paragraph 2. Tanzanian tax shall then not exceed 25% or, in the cases referred to in Art. 10 paragraph 2 a, 15% of the gross amount. In the case of deduction in certain cases where the Tanzanian tax has been remitted (Article 24, paragraph 5) and the procedure for settlement, please refer to the instructions point 2 to species. 24th

third When natural or legal resident of Sweden derives dividends from a company resident in Tanzania and the dividends are attributable to a share, which is effectively connected with a permanent establishment or a fixed base which the dividend-have in

Tanzania, applied art. 7 respectively. species. 15th dividend shall, unless otherwise apply because the species. 10 paragraph 4, to be taxed in Sweden but Tanzanian tax on the dividend is deducted from the Swedish tax under Art. 24 paragraphs 1 and 2. Regarding the deduction in certain cases where the Tanzanian tax has been remitted (art. 24, paragraph 5) and the procedure for settlement, please refer to the instructions point 2 to species. 24th

4th When incorporated in Sweden effects distribution to natural or legal person resident in Tanzania and the dividend is not attributable to a share, which is effectively connected with a permanent establishment or a fixed base which the dividend-have in Sweden, withdrawn withholding tax of 25% or, in cases referred to in Art. 10 paragraph 2 a, with 15% of the gross amount. Dividends from Swedish economic association taxed in that case under Article 6 § 1 subsection. a or c Act (1947:576) on state income tax, but the state income tax may not exceed 25% or, in the cases referred to in Art. 10 paragraph 2 a, 15% of the gross amount. At tax to state income tax for dividends from Swedish economic association shall tax audit in the declaration record the data necessary for billing. Length Operator authority responsible for such a note is transferred to the income and debit lengths. Regarding the procedure for reduction of the Swedish tax on dividends applied in other specific provisions.

If the dividend-have a permanent establishment or a fixed base in Sweden and the dividends are attributable to a share, which is effectively connected with such permanent establishment or fixed base, applied art. 7 respectively. species. 15th In that case not above rules limiting the Swedish tax on dividends. to species. 11

first Interest payable from Tanzania to natural or legal person resident in Sweden for tax purposes here.

Is the interest rate not attributable to the claim, which is effectively connected with a permanent establishment or a fixed base which the earner is in Tanzania, is expected to Swedish tax on the gross amount without deduction of Tanzanian tax. Deductions are allowed, however as usual for management costs, etc. Swedish tax on the interest rate was reduced under Art. 24 paragraphs 1 and 2 by offsetting Tanzanian tax that has been collected under Art. 11 paragraph 2., This shall not exceed 15% of the gross amount.

Is the interest rate related to the claim, which is effectively connected with a permanent establishment or a fixed base which the earner is in Tanzania, applied art. 7 respectively. species. 15th Tanzanian tax on interest deducted in such cases from the Swedish tax under Art. 24 paragraphs 1 and 2.

In the case of deduction in certain cases where the Tanzanian tax has been remitted (Article 24, paragraph 5) and the procedure for settlement, please refer to the instructions point 2 to species. 24th

second Interest payable from Sweden to the natural or legal person resident in

Tanzania, can under current tax regulations not be taxed in Sweden. However, this applies only in respect of interest that is income from a professional source of capital. Is the interest attributable to capital movement (see paragraph 2 of the instructions to § 28 kommunalskattelagen (* 1928:370 *)) taxable interest rate in Sweden, provided that the interest is attributable to the claim, which is effectively connected with a permanent establishment or a fixed device earner in Sweden (Article 11 paragraph 4).

to species. 12

1. regard to the taxation of such royalty provided for in Art. 12, paragraph 3, the following applies.

Royalties paid from Tanzania to natural or legal person resident in Sweden, taxed here.

If royalties are not attributable to the right or property, which is effectively connected with a permanent establishment or a fixed base which the earner is in Tanzania, it is estimated Swedish tax on gross royalties without deduction of Tanzanian tax. Deductions are allowed, however, in regular order for costs. Swedish tax on royalties was reduced under Art. 24 paragraphs 1 and 2 by offsetting Tanzanian tax collected under Art. 12 paragraph 2., This tax may not exceed 20% of gross royalties.

Are the royalties attributable to the right or property, which is effectively connected with a permanent establishment or a fixed base which the earner is in Tanzania, applied art. 7 respectively. species. 15th Tanzanian tax on royalties was settled in such a case from the Swedish tax under Art. 24 paragraphs 1 and 2.

In the case of deduction in certain cases where the Tanzanian tax has been remitted (Article 24, paragraph 5) and the procedure for settlement, please refer to the instructions point 2 to species. 24.

Royalties paid from Sweden to the natural or legal person resident in Tanzania, be taxed in Sweden according to § 28 subsection 1. third paragraph and paragraph 3 of the instructions to 53 § Municipal Tax Act (1928:370) compared to 2 and 3 § § Law (1947:576) on state income tax. Unless cases referred to in Art. 12 paragraph 4 are available, however, the sum of the state and municipal income tax that is attributable to royalties under Art. 12 paragraph 2 should not exceed 20% of gross royalties. For the purposes of this maximization rule is observed the provisions of the following paragraph.

If earner also carries other income from Sweden than royalties, considered the royalties accruing large proportion of the entire state income tax as royalties - after deducting expenses attributable to royalties - form of income earner's total income of different acquisition sources. The rateable Board shall return record gross royalties and, where appropriate, the just-quoted portion of the state income tax and state and that the sum of the ordinary law calculated and the royalties accruing to state and local income tax shall, if it exceeds 20% of the gross royalties, reduced with the excess amount, and that the municipal income tax may be reduced only to the extent that the

excess amount exceeds the state income tax. Length Operator authority responsible for such a note is transferred to the added STOCH debit lengths.

Example: A resident in Tanzania receives royalties from Sweden with a gross sum of 10,000 crowns. Royalties related deductible expenses amounted to SEK 500. The taxpayer further assumed collect in Sweden taxable net income from other sources of income in the amount of five thousand dollars and the tax assessment for state income tax benefit general deduction with 1,000. The state income tax to taxable income thus becomes (9500-5000-1000) 13 500 SEK. The Declaration noted: "Under the agreement with Tanzania, the government respectively. Municipal income tax reduced by the amount by which the sum of / n2 / off throughout the state income tax and municipal income taxes, which is attributable to 9500 billion, 20% of the 10,000 crowns. The municipal income tax may be reduced only to the extent that the excess amount exceeds / n3 / the whole state income tax. "

second Royalty or other sum payable as compensation for the use of mineral deposits, sources and other natural resources are taxed under Art. 6.

/ N2 / presentation are not included here. //

/ N3 / presentation are not included here. //

to species. 13

Profit as a natural or legal person resident in Tanzania from the alienation of property in Sweden, taxed here. Furthermore taxed in Sweden from the alienation of movable property forming part of fixed or working capital of a permanent establishment, which has earner here. The same applies in the case of movable property forming part of an in Sweden fixed base situated therein for the performance of professional services. Taxation in Sweden may also occur in cases referred to in Art. 13, paragraph 4.

Capital gains derived by a natural or legal person resident in Sweden, taxed here. According to Art. 13, paragraph 1, the Tanzanian tax would be subject to the capital gain, if the disposed property consists of property located in Tanzania. The same applies under Art. 13 paragraph 2 in respect of movable property forming part of fixed or working capital of a permanent establishment, which has earner in Tanzania or movable property pertaining to a fixed base for the performance of professional services, which earner have there. Tanzanian tax may also be levied in cases referred to in Art. 13, paragraph 4. Swedish tax on the capital gain was reduced under Art. 24 paragraphs 1 and 2 by offsetting the Tanzanian tax levied same profit. In the case of deduction in certain cases where the Tanzanian tax has been remitted (Article 24, paragraph 5) and the procedures for settling refer to the instruction point 2 to species. 24.

to species. 14

1st What is meant by the phrase "management or professional fees" seen in nature. 14 paragraph 3.

2nd On the taxation of compensation of management or professional fees paid by

Tanzania to the natural or legal person resident in Sweden, owns paragraph 1, second, third, fourth and fifth paragraphs of instructions for nature. 12 apply correspondingly. Management or professional fees, payable from Sweden to the natural or legal person resident in Tanzania, be taxed in Sweden if it can be done under current tax rules. Unless cases referred to in Art. 14 paragraph 4 are available, however, the sum of the state and municipal income tax that is attributable to compensation under Art. 14 paragraph 2 should not exceed 20% of the gross amount of. Paragraph 1 seventh paragraph of instructions for nature. 12 owns hereby apply.

to species. 15

1st What is meant by the term "professional services" mentioned in Art. 15 paragraph 2.

2nd Unless otherwise follows from the nature. 14 taxable income of professional services usually only in the state where the taxpayer is a resident. Are incomes ten attributable to activities exercised at such fixed base, referred to in art. 15, paragraph 1, the income may be taxed in the state where the device is located.

Where a resident of Sweden derives income of the profession through activities at a fixed base in Tanzania, the income may be taxed in Sweden but Tanzanian tax on income is deducted from the Swedish tax under Art. 24 paragraphs 1 and 2. Regarding the deduction in certain cases where the Tanzanian tax has been remitted (art. 24, paragraph 5) and the procedure for settlement, please refer to the instructions point 2 to species. 24th

third With regard to the taxation of income derived by actors, musicians, etc. see instructions species. 18.

to species. 16 and 17

Income of individual service gets under Art. 16 paragraph 1 of rule taxed in the State where the work is performed. Exceptions to this rule prescribed in Art. 16 paragraphs 2 and 3, and Art. 17 and 21.

On taxation of directors' fees and similar payments valid under Art. 17 follows.

When the Swedish company pays directors' fees to a resident in Tanzania, taxable benefit in Sweden, if it can be done under current tax rules. Have such compensation received by a resident of Sweden by a company resident in Tanzania, the income may be taxed in Sweden but Tanzanian tax on income is deducted from the Swedish tax under Art. 24 paragraphs 1 and 2. Regarding the deduction in certain cases where the Tanzanian tax has been remitted (art. 24, paragraph 5) and the procedure for settlement, please refer to the instructions point 2 to species. 24.

to species. 18

Income, as theater, motion picture, radio or television artists, musicians and other professionals as well as professional athletes, through their capacity shall be taxable under Art. 18 paragraph 1 of the state where the activity is carried on non cases referred to in Art. 18 paragraph 3 occur. This applies whether the income derived during the performance of professional or by reason of employment. This is according

to nature. 18, paragraph 2, even if the remuneration paid to another person (eg, an employer with which the artist employed) than the entertainer or athlete himself. Case of Sweden, is observed in the application of art. 18 paragraphs 1 and 2, the provisions of § 54 first paragraph c Municipal Tax Act (1928:370) and § 7 first paragraph b Act (1947:576) on state income tax.

to species. 19

Pension due to individual taxable in rule only income earner's state of residence (Article 19 paragraph 1).

Pensions and other remuneration paid to a resident in Tanzania, according to the Swedish social security law, under Art. 19 paragraph 2 taxed here.

A resident of Sweden, who receive payment under Tanzanian social security legislation, taxation in Sweden for such payment but Tanzanian tax on income is deducted from the Swedish tax under Art. 24 paragraphs 1 and 2. Regarding the procedure for the settlement refers to instruction point 2 to species. 24.

to species. 20

Remuneration, other than a pension, utbetaas of one of the States or a political subdivision or local authority for work done in public services taxed under Art. 20 paragraph 1 ai rule only in the State from which compensation is paid. Have the work done in the other State by a resident, taxable compensation under Art. 20 paragraph 1 b only in the State if the recipient is a national of that State or not become a resident there only to perform the work in question or is not taxable in the state from which compensation is paid.

Pensions paid out of - or out of funds created by - one of the States or a political subdivision or a local authority because of the general taxable under Art. 20 paragraph 2 ai rule only in that State. If the recipient of a pension is a national of the other State and settled there, taxable pension under Art. 20, paragraph 2 b only in that State.

The remuneration (including pension), which is paid for services performed in connection with a business, as the paying State, its political subdivisions or local authorities have engaged in, are taxed as income because of individual services under Art. 16, 17 and 19.

to species. 24

1. revenue from sources in Sweden taxed here as far as Swedish tax regulations warrant it and the reduction of tax liability not provided for in other articles. The same applies in respect of capital asset situated in Sweden. If the income or capital taxed in Tanzania, granted relief by the Tanzanian tax under Art. 24, paragraph 3.

2nd Income from sources in Tanzania, which is carried on by a resident in Sweden, allowed for taxation in Sweden, except for dividends in some cases from companies in Tanzania. In respect of such dividend see paragraph 2, second subparagraph, and paragraph 3 of the instructions to species. 10th Likewise allowed fortune asset, located in Tanzania, on assessment for Swedish wealth tax. Swedish tax on income or

capital was reduced by offsetting under Art. 24 paragraphs 1, 2 and 5 of non cases specified in instruction point 3 below exist.

Swedish taxes are based on the revenue gross without deduction of Tanzanian taxes covered by the Agreement. Deductions are allowed in regular order for costs related to income. From the thus calculated Swedish tax deducted an amount equal to the Tanzanian tax in accordance with the provision of the contract imposed income. Regarding the size of the Tanzanian tax on dividends, interest, royalties and fees for management or professional fees, please refer to the instructions point 2 to species. 10, direction point 1 to species. 11, direction point 1 to species. 12 and notch point 2 to species. 14. Regarding Tanzanian tax on income of ships in international traffic is observed, that the income has been calculated taking into account the species. 8 paragraph 3a and that the tax under Art. 8 paragraph 3 b has been reduced to half the amount (instruction point 2 to species. 8). In the case of Tanzanian tax on profits of another business carried on in Tanzania observed that the income computed under Art. 7.

Have imposition or reduction of Tanzanian tax on income from sources in Tanzania communicated in accordance with such laws of Tanzania indicated in art. 24, paragraph 5, because of the provisions of art. 24 paragraphs 1 and 2 in conjunction with Art. 24 paragraph 5 of the Swedish tax on such income is deducted an amount equal to the Tanzanian tax that would have been due if such exemption or reduction had not been announced.

The taxpayer should, in conjunction with their tax return for the tax year for which the income is received in taxation, provide evidence or other documentation indicating the Tanzanian tax that has been imposed or would have been imposed on the income exemptions or reductions referred to in the preceding paragraph had not been announced.

Settlement of Tanzanian income tax under Art. 24 paragraphs 1, 2 and 5 may be made in amounts of up sum of the Swedish taxes on that income. For the purposes of this rule, the income of Tanzania accruing large proportion of the entire state income tax income - after deductions for expenses - represent the taxpayer's total income of different acquisition sources. Municipal income tax is considered to be due on income from Tanzania to as many as income - after deductions for costs represent the taxpayer's total income of different sources of income to be taxed in the same municipality as the revenue from Tanzania.

Settlement is made primarily from state income tax. Not enough this is offset against the balance of the municipal income tax on that income.

The rateable Board shall return note equivalent in Swedish kronor by the Tanzanian tax on such income, and specify that the settlement shall be effected by this tax amount, not exceeding the amount of the Swedish taxes on income. Length Operator authority responsible for such a note is transferred to the income and debit lengths.

Example: A resident of Sweden derives income from real property in Tanzania with a sum of 10,000 crowns. On the income is assumed to be due Tanzanian tax in the amount of SEK 1,500. Deductible expenses amounted to SEK 500. The taxpayer further assumed receive net proceeds from other sources of income in the amount of 90,000 dollars and the tax assessment for state income tax benefit general deduction of 10,000 kronor. The state income tax to taxable income thus becomes (9500 - 90000-100006) 89 500 SEK. The Declaration noted: "Deduction from income tax under the contract with Tanzania to take place with 1500 crowns, but not exceeding the sum of the municipal income tax, which is attributable to 9500 crowns, and / n3 / off throughout the state income tax. Settlement is made primarily from the State income tax. "

/ N3 / presentation are not included here. //

The instructions in this section of recognition from Swedish income tax applies, mutatis mutandis, in respect of the settlement of Tanzanian tax on wealth from Swedish wealth tax.

third Where a resident of Sweden derives income or owns capital which, under Art. 8 § 1, Art. 13, paragraph 2, last sentence, Art. 20 paragraph 1a or 2a, or species. 23 paragraph 3 shall be taxable only in Tanzania, Please bring income or capital for taxation in Sweden. State and local income taxes and state property tax will be calculated in the usual way. From the thus calculated income tax and wealth tax deducted an amount equal to the portion of income tax and wealth tax at the proportional distribution attributable to the income or capital under the Agreement shall be taxable only in Tanzania.

* / Course / Example: * / final price / A Tanzanian nationals resident in Sweden receiving a pension from the Tanzanian government with an amount which, after deduction of costs corresponding to 10,050 crowns. The taxpayer is assumed collect in Sweden taxable net income from other sources of income of 50000 dollars and enjoy general deductions and allowance of 9,000 crowns. The taxable income becomes whether governmental or municipal (10050-50000-90006) 51000 crowns, then rounding occurred. Had the pension is not added, the taxable income have been (50000-90006) 41000 crowns. The state and local income tax, calculated at 51,000 crowns, reduced by each
51000-41000

51000

* / G1 / In the cases now mentioned, the tax audit of the declaration record the basis for the computation of income tax and wealth tax. Length Operator authority responsible for such a note is transferred to the income and wealth length and debit length. Ordinance (1979:837).
to species. 25

Of species. 25, paragraph 2, it follows that in Tanzania not be levied on capital in Sweden. The rules require that an exception to the rule in § 6 subsection 1. first paragraph c Act (1947:577) on state property tax.

Appendix (Translation)

1987-03-23

----- 1. I have the honour to refer to paragraphs 5 and 6 of Article 24 of the Convention between Sweden and Tanzania for the avoidance of double taxation with respect to taxes on income and capital.

1. Jag har äran hänvisa till artikel 24 punkterna 5 och 6 i avtalet mellan Sverige och Tanzania för undvikande av dubbelbeskattning beträffande skatter på inkomst och förmögenhet.

2. As a consequence of consultations held in Dar es Salaam on 3rd and 4th of March 1987 and with reference to paragraph 6 of Article 24 of the Convention referred to, I have the honour to propose that the provisions of paragraph 5 (i) of Article 24 of the said Convention be extended for a period of ten years from the expiry of the period of ten years mentioned in paragraph 6 of the said Article 24, as long as the Convention is effective.

2. Som en följd av de överläggningar som hölls i Dar es Salaam den 3 och 4 mars 1987 och med hänvisning till artikel 24 punkt 6 i ovannämnda avtal har jag äran att föreslå, att bestämmelserna i artikel 24 punkt 5 1) i ifrågavarande avtal utsträcks att gälla under en tidsperiod av tio år från utgången av den första period om tio år som nämns i artikel 24 punkt 6, dock inte längre än ifrågavarande avtal är tillämpligt.

3. I have further the honour to propose that on the expiry of the extended period referred to in paragraph 2 of this letter, the competent authorities of the Contracting States may, after consultations with each other, determine whether this period shall be further extended.

3. Jag har vidare äran att föreslå, att de behöriga myndigheterna i de avtalsslutande staterna vid utgången av den enligt punkt 2 i detta brev utsträckta tidrymden skall överlägga med varandra i syfte att bestämma om denna tidrymd skall utsträckas ytterligare.

4. I have further the honour to request Your Excellency to confirm acceptance of the proposals contained in paragraphs 2 and 3 of this letter which shall be regarded as constituting an integral part of the said Convention.

4. Jag har vidare äran att be Eders Excellens att bekräfta godkännandet av förslagen i punkterna 2 och 3 i detta brev, vilka skall anses utgöra en integrerande del av ifrågavarande avtal.

5. I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.

5. Jag har etc.

1987 2 juli 1987

----- I have the honour to acknowledge the receipt of Your Excellency's letter dated 23rd March, 1987, which reads:

I have the honor to acknowledge receipt of Your Excellency 's letter of 23 March 1987 that reads:

"1. I have the honour to -- -- -- integral part of the said Convention."

"I have the honor to refer ----- integral part of the agreement in question."

I have the honour to confirm the foregoing understanding which shall be regarded as constituting an integral part of the Convention referred to in Your Excellency's letter.

I have the honor to confirm the above understanding, which shall constitute an integral part of the agreement referred to in Your Excellency's letter.

I avail myself of this opportunity to extend to Your Excellency the assurances of my highest consideration.

I have, etc. Ordinance (1987:983).